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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in GOME Retail Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or to the transferee.

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GOME RETAIL HOLDINGS LIMITED

國美零售控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 493)

PROPOSED ADOPTION OF SHARE OPTION SCHEME AND NOTICE OF SPECIAL GENERAL MEETING

A letter from the Board is set out on pages 3 to 7 of this circular.

A notice convening the SGM to be held at Gloucester Room I, 3/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 12 September 2018 at 2:30 p.m. is set out on pages 16 to 17 of this circular. Whether or not you are able to attend the SGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM (or any adjourned meeting thereof). Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the SGM (or any adjournment thereof) should you so wish.

* *For identification purpose only*

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	GOME Retail Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the securities of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Eligible Participants”	any employees (whether full-time or part-time (with no minimum hours of work per week required)), executives or officers of the Company and any of its subsidiaries (including executive and non-executive Directors) and any business consultants, business partners, suppliers, customers, agents, financial or legal advisers, debtors and creditors who the Board considers, in its sole discretion, will contribute or have contributed to the Company or any of its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 August 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at 2:30 p.m. on Wednesday, 12 September 2018 at Gloucester Room I, 3/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong, the notice of which is set out on pages 16 to 17 of this circular
“Share Option Scheme”	the share option scheme which is proposed to be adopted by the Company, the principal terms of which are summarised in Appendix I to this circular
“Share(s)”	ordinary share(s) of HK\$0.025 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

LETTER FROM THE BOARD



GOME RETAIL HOLDINGS LIMITED

國美零售控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 493)

Executive Director:

ZOU Xiao Chun

Non-executive Directors:

ZHANG Da Zhong (Chairman)

HUANG Xiu Hong

YU Sing Wong

Independent Non-executive Directors:

LEE Kong Wai, Conway

LIU Hong Yu

WANG Gao

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Principal place of business

in Hong Kong:

Suite 2915, 29th Floor

Two International Finance Centre

8 Finance Street, Central

Hong Kong

24 August 2018

To the Shareholders

Dear Sir or Madam,

PROPOSED ADOPTION OF SHARE OPTION SCHEME

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolution to be proposed at the SGM relating to the adoption of the Share Option Scheme. A notice of the SGM in relation to the proposal is set out on pages 16 to 17 of this circular.

* For identification purpose only

LETTER FROM THE BOARD

ADOPTION OF THE SHARE OPTION SCHEME

The share option scheme of the Company adopted on 15 April 2005 has expired and the Company currently does not have any share option scheme. In order to provide the Company with the flexibility of granting share options to the Directors, employees and other persons as incentives or rewards for their contribution or potential contribution to the Group, the Directors propose to adopt the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in Appendix I to this circular.

The adoption of the Share Option Scheme is conditional upon:

- (a) the Shareholders' approving at the SGM the adoption of the Share Option Scheme; and
- (b) the Stock Exchange granting the approval for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options that may be granted under the Share Option Scheme.

The purpose of the Share Option Scheme is to enable the Company to grant options to selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group. Such selected Eligible Participants may, subject to the approval by the Board, include parties who are not directors or employees of the Company who the Board considers have contributed or will contribute to the development of the Group. The purpose of including such parties as Eligible Participants in the Share Option Scheme is to provide the Board with the flexibility in suitably reward or offer incentive to such parties in working towards the further development of the Group for the benefit of the Company and the Shareholders.

The Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its sole discretion, such terms and conditions on the grant of an option. This determination may vary on a case by case basis but no such terms will be imposed the result of which will be to the advantage of the Eligible Participant. The basis for the determination of the subscription price is specified in the rules of the Share Option Scheme.

The Directors believe that the Share Option Scheme will accord the Board flexibility in determining specific targets, parameters and conditions to which the specific grant of options may be subject on a case-by-case basis, which can be designed to provide the Eligible Participants, which may include parties who are not directors or employees of the Company,

LETTER FROM THE BOARD

with the opportunity to acquire proprietary interests in the Company and will encourage such Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

The Company has no outstanding options under any share option schemes as at the Latest Practicable Date. Based on the 21,557,627,422 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the SGM, the maximum number of Shares that may be issued upon the exercise of the options that may be granted under the Share Option Scheme is 2,155,762,742 Shares, being 10% of the issued share capital of the Company as at the date of the adoption of the Share Option Scheme.

As at the Latest Practicable Date, no options under the Share Option Scheme have been granted and thus the Board considers that it is not appropriate or helpful to the Shareholders to state the value of all options that can be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date. The Board believes that any statement regarding the value of the options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the options to be granted shall not be assignable, and no holder of the option shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any option.

In addition, the calculation of the value of the options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The Board believes that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders. However, the Company will disclose the value of any options granted during a financial year or a particular period in its annual report and interim report based on the Binomial Options Pricing Model or a generally accepted comparable methodology.

SGM AND PROXY ARRANGEMENT

The notice of the SGM is set out on pages 16 to 17 of this circular. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. An announcement on the poll vote results will be published by the Company after the SGM in the manner prescribed under Rule 13.39(5) and Rule 17.02(1)(a) of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) as at the Latest Practicable Date, the Company has no present intention to grant any options under the Share Option Scheme upon its adoption at the SGM; and (ii) no Shareholder is interested in the proposed adoption of the Share Option Scheme and is required to abstain from voting for the resolution to be proposed at the SGM to approve the adoption of the Share Option Scheme.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gome.com.hk). Whether or not you are able to attend the SGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

CLOSURE OF SHAREHOLDERS' REGISTER

For the purpose of determining the list of shareholders who are entitled to attend and vote at the SGM, the shareholders' register of the Company will be closed from Tuesday, 11 September 2018 to Wednesday, 12 September 2018 (both dates inclusive). No transfer of shares of the Company will be registered during these days. In order to qualify to attend and vote at the SGM, all instruments of transfer together with the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 10 September 2018.

RECOMMENDATION

The Board considers that the proposed adoption of the Share Option Scheme is in the interests of the Company and Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the rules of the Share Option Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at Suite 2915, 29th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours for a period of 14 days before the date of the SGM (i.e. from 29 August 2018 to 11 September 2018 (both dates inclusive)) and at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board
GOME Retail Holdings Limited
Zhang Da Zhong
Chairman

SHARE OPTION SCHEME**Summary of terms**

The following is a summary of the principal terms of the Share Option Scheme to be adopted at the SGM:

1. Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to the Eligible Participants as incentives and rewards for their contribution to the Company or its subsidiaries. The Board believes that the terms of the Share Option Scheme, including but not limited to, the time of exercise of option, performance target and the basis of determination of the exercise price, can, on one hand, provide flexibility to the Board to grant options to the Eligible Participants when the Board thinks appropriate, whilst on the other hand, provide flexible opportunities to the Eligible Participant who meets the performance target set up by the Board from time to time to acquire Shares which enable the Eligible Participant to have a personal stake in the performance and result of the Company.

2. Who may join

The Board may, at its discretion and based on the contribution and expected contribution of each of the Eligible Participants to the Group, offer the Eligible Participant options to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph 5 below. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

3. Maximum number of Shares

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% of the Shares in issue on the date of approval and adoption of the Share Option Scheme by the Shareholders (which is expected to be the date of the SGM). Based on 21,557,627,422 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares from the Latest Practicable Date to the date of the adoption of the Share Option Scheme, the maximum number of Shares that may be issued upon the exercise of all options that may be granted under the Share Option Scheme is 2,155,762,742 Shares or such number of Shares as may be resulted from a sub-division or a consolidation of such number of Shares from time to time so that the maximum number of Shares that may be issued upon exercise of all

options to be granted under the Share Option Scheme and any other share option scheme of the Company as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same.

Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (a) refresh this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (b) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board whereupon the Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted and the purpose of granting options to the specified participants with an explanation as to how the options serve such purpose.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

4. Maximum number of options to each participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period shall not exceed 1% of the Shares in issue as at the date of grant.

Any further grant of options in the 12 month period up to and including the date of further grant in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time.

5. Price of Shares

The subscription price for a Share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (a) the closing price of the Shares as stated in the Stock

Exchange's daily quotations sheet on the date of grant, which must be a business day (and for this purpose shall be taken to be the date of the Board meeting at which the Board proposes to grant the options); (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

6. *Granting options to connected persons*

Any grant of options to a Director, chief executive or substantial shareholder of the Company or any of its associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the options).

If the Company proposes to grant options to a substantial shareholder (as defined in the Listing Rules) of the Company or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the grant:

- (a) representing in aggregate over 0.1% of the Shares in issue on the date of the grant; and
- (b) having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour at such general meeting.

7. *Restrictions on the time of grant of options*

For as long as the Shares are listed on the Stock Exchange, no offer for grant of Options shall be made after inside information has come to the knowledge of the Company until such inside information has been published or announced pursuant to the requirements of the SFO and/or the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting for the approval of the Company's results for year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement.

8. *Rights are personal to grantee*

An option is personal to the grantee and the grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or attempt to do so.

9. *Time of exercise of option*

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration is received by the Company. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years after the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

The Board or its remuneration committee shall have absolute discretionary power to make final and conclusive decision over the number of options that may be vested. Prior to the options being vested, the Board or its remuneration committee may determine all or any options granted and not yet vested not to be vested. Any such options not vested will lapse, cease to have any further effect and not be exercisable.

10. *Performance Target*

The Board has the discretion to require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the Share Option Scheme can be exercised.

11. *Rights on ceasing to be an Eligible Participant and death*

- (a) If the grantee is under employment with the Company and/or any of the subsidiaries, in the event of the grantee ceasing to be an Eligible Participant or terminating his relationship with the Company and/or any of the subsidiaries for any reason other than those specified in paragraphs (b) and 13 below, the grantee may exercise the options vested (to the extent not already exercised) as at the date of cessation of being an Eligible Participant within the period of one month following the date of such cessation (which date shall be, in relation to a grantee who is an Eligible Participant by reason of his employment with the

Company or any of its subsidiaries, the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not or such longer period as the Board or its remuneration committee may determine);

- (b) In the event of the grantee ceasing to be an Eligible Participant or terminating his relationship with the Company and/or any of the subsidiaries due to (1) his ill-health, injury or disability resulting from his performance of duties for the Company or any of the subsidiaries (all evidenced to the satisfaction of the Board or its remuneration committee); or (2) death, other than one or more of the grounds specified in paragraph 13 below, the grantee or grantee's legal representative may exercise the options vested (to the extent not already exercised) as at the date of cessation of being an Eligible Participant within the period of two months following the date of such cessation (which date shall be, in relation to a grantee who is an Eligible Participant by reason of his employment with the Company or any of the subsidiaries, the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not) or such longer period as the Board or its remuneration committee may determine. The Board or its remuneration committee is entitled to (but is not obliged to) grant to the grantee or grantee's legal representative reasonable compensation and the amount of such compensation shall be determined by reference to the values of the options lapsed.

12. Rights on winding-up

In the event a notice is given by the Company to its shareholders to convene a meeting for the purpose of considering and, if thought fit, approving a resolution to wind up the Company voluntarily, the Company shall on the same date as or promptly after it dispatches such notice to each shareholder of the Company give notice thereof to the grantee, and thereupon the grantee (or his or her personal representative(s)) shall be entitled to exercise all or any of the option at any time no later than four business days prior to the proposed meeting of the shareholders of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as practicable as the circumstance allow but in any event no later than the business day immediately before the proposed meeting of the shareholders, allot the relevant Shares to the grantees credited as fully paid.

13. Lapse of options

An option will lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry date relevant to that option;
- (b) the expiry of any of the periods referred to in paragraph 11 above;
- (c) the date of commencement of the winding-up of the Company (as determined in accordance with the applicable law) as referred to in paragraph 12 above;
- (d) the date on which the Board or its remuneration determines that the grantee has (1) committed any serious misconduct; (2) any criminal offence; or (3) in relation to an employee of the Company and/or any of the subsidiaries, there exists any ground which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant subsidiary (including but not limited to committing dereliction of duty, committing malpractices, causing material detriment to the benefits or reputation of the Company, making unauthorised disclosure of confidential information of the Company or any of the subsidiaries save as required by law, regulations, regulatory or judicial authorities, material breach of the internal policies, staff rules and codes of the Company or any of the subsidiaries);
- (e) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of the prohibitions specified in paragraph 8 above or the options are cancelled in accordance with paragraph 17 below; or
- (f) the date on which the holding of options by the grantee shall become unlawful.

14. Ranking of Shares

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully-paid Shares in issue on the date of issue.

15. *Effect of alterations to capital*

In the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital whilst any option may become or remains exercisable, such corresponding alterations (if any) shall be made in the number of Shares subject to any outstanding options and/or the exercise price of each outstanding option and/or the number of Shares in respect of which any further options may be granted as the auditors of the Company or the independent financial adviser shall certify in writing to the Board to be in their opinion fair and reasonable and in compliance with Rule 17.03(13) of the Listing Rules and the note thereto. Any such alterations as a result of an issue of securities with a price-dilutive element, such as rights issue, open offer or capitalization issue, should be based on a scrip factor set out in the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time. Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on the full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

16. *Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (b) any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the Share Option Scheme; or
- (c) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the Share Option Scheme),

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect an option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with the Chapter 17 of the Listing Rules.

Notwithstanding any terms and provisions of the Share Option Scheme, the Board or its remuneration committee shall have absolute discretionary power to adjust the option period of any option at any time (whether before or after the options are granted or vested), provided always that (1) at least 30 days' prior written notice of any such adjustments shall be given to the grantees; and (2) any option period in any event shall not extend beyond the last date specified for the option period set out in the Share Option Scheme.

17. Cancellation of options

Any cancellation of options granted but not exercised must be approved by the grantee of the relevant options in writing. Where the Company cancels options and issues new ones to the same grantee, the issue of such new options may only be made under the Share Option Scheme with available unissued options within the limit approved by Shareholders.

18. Termination of the Share Option Scheme

The Company may by resolution in general meeting or the Board may at any time resolve to terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

19. Conditions of the adoption of the Share Option Scheme

The Share Option Scheme is conditional on (a) the Shareholders' having approved the adoption of the Share Option Scheme at a general meeting; and (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of options which may be granted pursuant thereto.

20. Disclosure in annual and interim reports

The Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period, vesting period and (if appropriate) a valuation of options granted during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

NOTICE OF THE SPECIAL GENERAL MEETING



GOME RETAIL HOLDINGS LIMITED

國美零售控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 493)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of GOME Retail Holdings Limited (the “**Company**”) will be held at Gloucester Room I, 3/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 12 September 2018 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares of HK\$0.025 each in the capital of the Company (“**Shares**”) to be issued pursuant to the exercise of the options which may be granted under the share option scheme (copy of its term is produced to this meeting and signed by the chairman of this meeting for the purpose of identification) (the “**Share Option Scheme**”), the rules of the Share Option Scheme be and are hereby approved and adopted and that any director of the Company be and is hereby authorised to grant options thereunder and to allot and issue shares pursuant thereto and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme.”

CLOSURE OF SHAREHOLDERS' REGISTER

For the purpose of determining the list of shareholders who are entitled to attend and vote at the SGM, the shareholders' register of the Company will be closed from Tuesday, 11 September 2018 to Wednesday, 12 September 2018 (both dates inclusive). No transfer of shares of the Company will be registered during these days. In order to qualify to attend and vote at the SGM, all instruments of transfer together with the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 10 September 2018.

By Order of the Board
GOME Retail Holdings Limited
Zhang Da Zhong
Chairman

Hong Kong, 24 August 2018

* *For identification purpose only*

NOTICE OF THE SPECIAL GENERAL MEETING

Principal place of business in Hong Kong:

Suite 2915, 29th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

Notes:

- (1) Any member of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is holder of two or more shares of the Company may appoint more than one proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the SGM is enclosed herewith.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer or attorney duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the SGM or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting in person or by proxy, the vote of one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
- (6) As at the date of this notice, the Board comprises Mr. Zou Xiao Chun as executive director, Mr. Zhang Da Zhong, Ms. Huang Xiu Hong and Mr. Yu Sing Wong as non-executive directors, and Mr. Lee Kong Wai, Conway, Ms. Liu Hong Yu and Mr. Wang Gao as independent non-executive directors.