

**GOME ELECTRICAL APPLIANCES HOLDING LTD:  
IS THIS A LITTLE EMBARRASSING ?**

**China-Based Subsidiary Sued 44 Times**

A subsidiary of GOME Electrical Appliances Holding Ltd () (Code: 493, Main Board, The Stock Exchange of Hongkong Ltd) has just been sued in the People's Republic of China (PRC) – again!

The subsidiary is Yongle (China) Electronic Retail Company Ltd ( []).

For Management of this subsidiary, it is old hat – because the company has learned how to field claims over the past half a year, having had plenty of practice at this game.

Up to December 31, 2005, China Paradise Electronics Retail Ltd (), formerly known as Stock Code, Number 503, Main Board, The Stock Exchange of Hongkong Ltd, owned 90 percent of the Issued and Fully Paid-Up Share Capital of Yongle (China) Electronic Retail Company Ltd.

China Paradise was acquired, in full, by GOME Electrical, its listing on the Main Board of The Stock Exchange of Hongkong Ltd, being withdrawn on the following day.

Things have been quiet since GOME Electrical acquired China Paradise ... up to now, that is.

Recently, in The Shanghai First Intermediate Court of (Min Wen – **TARGET**'s transliteration), a person by the name of (Zhang Ying – **TARGET**'s transliteration) sued Yongle (China) Electronic Retail Company Ltd and its branch shop in respect of a dispute about the purported sales of some goods, allegedly ordered by the Plaintiff, to wit, Zhang Ying.

According to the records of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), its Shanghai Court List indicates that, in the past 6 months or so, Yongle (China) Electronic Retail Company Ltd has been sued not less than 44 times in the PRC, proper, as distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

The background of the takeover of China Paradise by GOME Electrical was that, in July 2006, GOME Electrical and China Paradise put out a joint announcement to the effect that GOME Electrical '*would acquire all of the issued shares in the capital of China Paradise Electronics Limited not already owned by GOME Electrical Appliances Holdings Limited ...*'.

On January 30, 2007, GOME Electrical and China Paradise made another announcement in respect of the completion of the compulsory acquisition of all of the shares of China Paradise by GOME Electrical and the withdrawal of the listing of China Paradise on The Stock Exchange of Hongkong Ltd.

The recent lawsuit, filed in Shanghai, is the latest episode in this saga.

The following lawsuits ... [CLICK TO ORDER FULL ARTICLE](#)

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