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Zhong Ao Home Group Limited

中奧到家集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1538)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by Zhong Ao Home Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 7 September 2016, the Company entered into a facility letter (the “**Facility Letter**”) with Bank of China (Hong Kong) Limited (the “**Bank**”), pursuant to which the Bank has agreed to grant to the Company (i) a term loan of up to HK\$120 million or its equivalent in Renminbi, and (ii) a treasury credit facility of up to HK\$12 million, for a period of up to five years.

The loan carries interests at 1.5% per annum over HIBOR for amount drawn in Hong Kong dollar and at interest rate as the Bank may determine for amount drawn in Renminbi. The loan will be used to finance the acquisition of Zhejiang Yongcheng Property Management Company Limited (the details of the acquisition was disclosed in the circular of the Company dated 26 August 2016).

Pursuant to the Facility Letter, Mr. Liu Jian, Ms. Chen Zhuo, Mr. Long Weimin and Mr. Liang Bing, all executive directors and collectively control Qichang International Limited, a substantial shareholder which is interested in approximately 54.48% of the issued share capital of the Company as at the date of this announcement, have agreed and undertaken with the Bank that they will remain as the largest ultimate shareholders of the Company.

Failure to comply with the above undertaking may constitute an event of default under the Facility Letter. If an event of default is continuing, the Bank may cancel all or part of its commitments to the Company, and/or declare that all or part of the term loan, together with accrued interest, and all other amounts accrued or outstanding under the Facility Letter be immediately due and payable.

The Company will in compliance with Rule 13.21 of the Listing Rules, include appropriate disclosure in its interim and annual reports for so long as circumstances giving rise to the disclosure under Rule 13.18 of the Listing rules continue to exist.

By order of the Board of
Zhong Ao Home Group Limited
Yu Ho Ming
Company Secretary

Hong Kong, 7 September 2016

As at the date of this announcement, our executive directors are Mr. Liu Jian, Ms. Chen Zhuo, Mr. Liang Bing, Mr. Long Weimin, our non-executive directors are Mr. Wei Zhe, Ms. Wu Qimin, Mr. Lam Yiu Por, and our independent non-executive directors are Mr. Zhang Weilun, Mr. Lee Kwok Tung Louis, Mr. Yuan Boyin, and Mr. Wu Haibing.