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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)**

### **VOLUNTARY ANNOUNCEMENT**

This announcement is made by the Company on a voluntary basis.

#### **TERMINATION OF HANGZHOU YIDAO COOPERATION AGREEMENT**

Reference is made to the prospectus of the Company dated 13 November 2015 where it was disclosed that on 17 July 2015, Hangzhou Yidao and Zhong Ao Property and Mr. Luo Tao entered into the Hangzhou Yidao Cooperation Agreement pursuant to which it was agreed, among others, that (i) Zhong Ao Property has undertaken to make investments in Hangzhou Yidao in the amount of up to RMB50 million by 31 July 2017; and (ii) subject to the satisfaction of the agreed performance targets of Hangzhou Yidao, Zhong Ao Property will transfer up to 33% of the equity interest in Hangzhou Yidao as incentives to the Hangzhou O2O Team by 30 April 2018.

Up to the day of this announcement, Zhong Ao Property had invested in aggregate RMB58.2 million in Hangzhou Yidao. As the performance targets stipulated in the Hangzhou Yidao Cooperation Agreement have not been met and that Mr. Luo Tao has tendered his resignation as the chief executive of Hangzhou Yidao, the parties have mutually agreed to terminate the Hangzhou Yidao Cooperation Agreement with effect from 5 April 2017. Up to the date of this announcement, no equity interest in Hangzhou Yidao has been transferred to the Hangzhou O2O Team and no equity interest in Hangzhou Yidao will be transferred to the Hangzhou O2O Team upon the termination of the Hangzhou Yidao Cooperation Agreement.

Mr. Luo Tao has confirmed that he has no disagreement with the Board and the Company confirms that save as disclosed in this announcement, there are no matters relating to the resignation of Mr. Luo Tao that need to be brought to the attention of the shareholders of the Company.

## **TECHNICAL SERVICES AGREEMENT**

In order to save on maintenance and operational costs, the Company, Mr. Luo Tao and Chuangnian Network Technology have on 6 April 2017 entered into the Technical Services Agreement under which Chuangnian Network Technology will provide maintenance and operation services to the Group's Aidaojia O2O platform at a monthly fee of RMB100,000.

Chuangnian Network Technology is a limited liability company established in the PRC and is wholly-owned by Mr. Yang Qin (楊慶), an ex-member of the management team of Hangzhou Yidao. It is principally engaged in the business of computer and internet services.

The Technical Services Agreement has a term of two years commencing on 6 April 2017.

As a result of the outsourcing of the maintenance and operation services of the Group's O2O platform to Chuangnian Network Technology, the Group expects to layoff the majority of the Hangzhou O2O Team soon after the Technical Services Agreement becoming effective.

## **REASONS FOR ENTERING INTO THE TECHNICAL SERVICES AGREEMENT**

The Group had incurred significant costs and expenses in the development of its community O2O platform. As disclosed in the announcement of the Company dated 28 March 2017 in relation to the results of the Group for the year ended 31 December 2016, the Group will introduce measures to mitigate the loss attributable to the development of the O2O business. To this end, the entering into of the Technical Services Agreement and the outsourcing of the maintenance and operation services of the Group's O2O platform to Chuangnian Network Technology is an appropriate measure for the Group in achieving this objective. The Directors are of the view that the Technical Services Agreement was entered into under normal commercial terms and that the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Aidaojia”	“愛到家”, the O2O community platform of the Group;
“Board”	the board of directors of the Company;
“Chuangnian Network Technology”	杭州創年網路科技有限公司 (Hangzhou Chuangnian Network Technology Co., Ltd.*), a limited liability company established in the PRC and is wholly-owned by Mr. Yang Qin;
“Company”	Zhong Ao Home Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hangzhou O2O Team”	Mr. Luo Tao and the employees of Hangzhou Yidao who are responsible for the development and operation of the O2O platform of Hangzhou Yidao;
“Hangzhou Yidao”	杭州壹到信息科技有限公司 (Hangzhou Yidao Information Technology Co., Ltd.*) a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company;
“Hangzhou Yidao Cooperation Agreement”	the agreement dated 17 July 2015 between Zhong Ao Property, Hangzhou Yidao and Luo Tao in relation to various matters, including but not limited to the provision of certain incentives to Luo Tao and the Hangzhou O2O Team when certain performance targets are met. Principal terms of this agreement were set out in the prospectus of the Company dated 13 November 2015;
“Luo Tao”	羅濤 (Mr. Luo Tao), the chief executive of Hangzhou Yidao;
“O2O”	the online-to-offline operation developed by the group to enhance property management services offered to residents and to establish an e-commerce portal for offering products and services to residents;

“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Technical Services Agreement”	the technical services agreement dated 6 April 2017 entered into between Hangzhou Yidao, Chuangnian Network Technology and Mr. Luo Tao; and
“Zhong Ao Property”	廣東中奧物業管理有限公司(Guangdong Zhong Ao Property Management Company Limited*), a limited liability company established in the PRC and is an indirect wholly-owned subsidiary of the Company.

\* *For identification purpose only*

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

Hong Kong, 6 April 2017

*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, Mr. Zheng Dong and our independent non-executive directors are Mr. Zhang Weilun, Mr. Lee Kwok Tung Louis, Mr. Yuan Boyin, and Mr. Wu Haibing.*