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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)

GRANT OF AWARDED SHARES PURSUANT TO SHARE AWARD SCHEME

Reference is made to the announcements (the “**Announcements**”) of Zhong Ao Home Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 20 June 2017, 22 June 2017 and 6 July 2017 respectively in relation to the Share Award Scheme. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

On 16 January 2018, the Board resolved to award 8,500,000 Awarded Shares to 21 employees of the Group by way of allotment and issue of 8,500,000 new Shares to them subject to the approval of the Stock Exchange (the “**Approval**”) for the granting of the listing of, and permission to deal in the Awarded Shares. There is no other vesting condition imposed by the Board on the Selected Persons in relation to the award of 8,500,000 Awarded Shares. The Awarded Shares will be allotted and issued to the Selected Persons within five business days after the Approval having been obtained by the Company.

The new Awarded Shares shall be allotted and issued pursuant to the general mandate granted by the Shareholders of the Company at the annual general meeting of the Company held on 26 May 2017 with a maximum number of 158,834,400 Shares which can be allotted and issued under such general mandate. As at the date of this announcement, 8,434,000 Shares have been allotted and issued under the general mandate and 150,400,400 Shares remained unissued under the general mandate. The general mandate is sufficient for the allotment and issue of 8,500,000 Awarded Shares, which will utilise approximately 5.35% of the general mandate.

The Selected Persons are third parties independent of the Company and its connected persons (as defined under the Listing Rules). 8,500,000 new Awarded Shares to be allotted and issued by the Company to the Selected Persons represent (i) approximately 1.06% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 1.07% as at the date of adoption of the Share Award Scheme; and (iii) approximately 1.05% the issued share capital of the Company as enlarged by the allotment and issue of the Awarded Shares. Upon the allotment and issue of the Awarded Shares, none of the Selected Persons will hold more than 1% of the issued share capital of the Company as at the date of adoption of the Share Award Scheme.

8,500,000 new Awarded Shares, together with 8,434,000 Awarded Shares granted on 6 July 2017 (in aggregate 16,934,000 Awarded Shares), represent approximately 2.13% of the issued share capital of the Company as at the date of adoption of the Share Award Scheme.

The new Awarded Shares, when issued and fully paid, will rank *pari passu* among themselves and with the other Shares in issue, with rights to receive all dividends and other distributions declared, made or paid on or after the date of allotment and issuance.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, 8,500,000 new Awarded Shares.

Further information relating to the issue of the new Awarded Shares under the Share Award Scheme is set out below:

Number of Awarded Shares to be issued: 8,500,000 Shares

Condition: Subject to the approval of the Stock Exchange for the granting of the listing of, and permission to deal in the Awarded Shares and the Awarded Shares will be allotted and issued to the Selected Persons within five business days after the Approval having been obtained by the Company.

Issue price: Awarded Shares shall be allotted and issued to the Selected Persons at nominal value.

Funds to be raised: Nil. HK\$85,000, being the aggregate nominal value of the Awarded Shares to be allotted and issued shall be paid out of the internal resources of the Group and shall be utilised as subscription monies for the Awarded Shares.

Identity of the Selected Persons: 21 employees of the Group and are third parties independent of the Company and its connected persons (as defined under the Listing Rules)

Lock-up undertaking: Each of the Selected Persons undertake to the Company that he/she shall:

- (a) not dispose of any of the Awarded Shares until the publication of the annual results announcement for the financial year ending 31 December 2017 by the Company;
- (b) not dispose of more than 30% of the Awarded Shares until the publication of the interim results announcement for the six months ending 30 June 2018 by the Company; and
- (c) not dispose of more than 60% of the Awarded Shares until the publication of the annual results announcement for the financial year ending 31 December 2018 by the Company.

Escrow arrangement: To facilitate the lock-up undertaking, the Selected Persons will escrow the share certificates for all the Awarded Shares to one of the Selected Person. The share certificates for the relevant Awarded Shares will be released to the Selected Persons the next business day after the expiry of the relevant lock-up period.

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

Hong Kong, 16 January 2018

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. Zheng Dong, and our independent non-executive directors are Mr. Zhang Weilun, Mr. Chan Wai Cheung, Admiral, Mr. Chan Ka Leung, Kevin and Mr. Huang Anxin.