
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Zhong Ao Home Group Limited 中奧到家集團有限公司 (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSED PAYMENT OF FINAL DIVIDEND
OUT OF THE SHARE PREMIUM ACCOUNT,
GRANTING OF GENERAL MANDATES TO ISSUE AND
TO BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Imperial Room III, Mezzanine Floor – Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 25 May 2018 at 2:00 p.m. is set out on pages 16 to 20 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and of the Company (<http://www.gdzawwy.com>).

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting or at any adjourned meeting. If the member attend and vote at the Annual General Meeting, the authority of his/her proxy shall be deemed to be revoked.

24 April 2018

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Imperial Room III, Mezzanine Floor – Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kwoloon, Hong Kong on Friday, 25 May 2018 at 2:00 p.m.;
“Articles of Association”	the articles of association of the Company currently in force;
“Board”	the board of Directors;
“Buyback Mandate”	a general unconditional mandate to be granted to the Directors to exercise all power of the Company to buy back Shares on the Stock Exchange, which shall not exceed 10% of the total number of Shares in issue as at the date of passing of the relevant resolution;
“Companies Law”	The Companies Law of the Cayman Islands;
“Company”	Zhong Ao Home Group Limited 中奧到家集團有限公司, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“General Mandates”	the Buyback Mandate and the Issuance Mandate;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issuance Mandate”	a general unconditional mandate to be granted to the Directors to exercise the powers of the Company to allot, issue or deal with unissued Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution;

DEFINITIONS

“Latest Practicable Date”	17 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange;
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“Pre-IPO Option Scheme”	the pre-IPO share option scheme adopted by the Company on 20 April 2015;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Premium Account”	the share premium account of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-Backs; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Jian (*Chairman and Chief Executive Officer*)
Ms. Chen Zhuo
Mr. Liang Bing
Mr. Long Weimin

Non-executive Directors:

Mr. Wei Zhe
Ms. Wu Qimin
Mr. Zheng Dong

Independent Non-executive Directors:

Mr. Zhang Weilun
Mr. Chan Wai Cheung, Admiral
Mr. Chan Ka Leung, Kevin
Mr. Huang Anxin

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

*Headquarters and Principal Place of
Business in the PRC:*

1-2/F, Block 5,
Southern Olympic Garden,
Han Xi Avenue, Zhong Cun
Panyu, Guangzhou, Guangdong,
the PRC

*Principal Place of Business in
Hong Kong:*

Suite Nos. 5 and 6, 9th Floor
Tower 2, China Hong Kong City
33 Canton Road, Tsimshatsui
Hong Kong

24 April 2018

To the Shareholders

Dear Sirs or Madams,

**PROPOSED PAYMENT OF FINAL DIVIDEND
OUT OF THE SHARE PREMIUM ACCOUNT,
GRANTING OF GENERAL MANDATES TO ISSUE AND
TO BUY BACK SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the payment of final dividend out of the Share Premium Account; (ii) the granting of the General Mandates to the Directors; (iii) re-electing of the retiring Directors; and (iv) giving Shareholders the notice of the Annual General Meeting.

LETTER FROM THE BOARD

2. PROPOSED PAYMENT OF FINAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

According to the annual results announcement of the Company dated 27 March 2018, the Board recommended the payment of a final dividend of HK5.0 cents per share for the year ended 31 December 2017 to the Shareholders whose names appear on the register of members of the Company on 4 June 2018, making the total dividend payment of approximately HK\$40.6 million. Subject to the approval by the Shareholders of the Company at the Annual General Meeting, the final dividend is expected to be payable on or about 15 June 2018. The aggregate amount shall be paid out of the Company's Share Premium Account if the payment of the dividend is approved by the shareholders at the Annual General Meeting.

Under section 34(2) of the Companies Law, the Share Premium Account may be applied by a company to pay dividends to members provided that no dividend may be paid to members out of the Share Premium Account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in its ordinary course of business. The Board confirms that with respect to payment of the final dividend out of the Share Premium Account, the Company shall be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the final dividend is proposed to be paid.

The aggregate amount of final dividend is intended to be paid out of the Share Premium Account pursuant to article 134 of the Articles of Association and in accordance with the Companies Law.

To ascertain the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 31 May 2018 to Monday, 4 June 2018, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend for the year ended 31 December 2017, all transfer of Shares accompanied by the relevant Shares certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on Wednesday, 30 May 2018.

3. GENERAL MANDATES TO ISSUE AND TO BUY BACK SHARES

At the annual general meeting of the Company held on 26 May 2017, approval was given by Shareholders for the granting of, inter alia, general mandates to the Directors to (i) buy back Shares on the Stock Exchange up to 10% of the number of issued Shares of the Company as at the date of passing of the relevant resolution; and (ii) allot and issue Shares not exceeding 20% of the number of issued Shares of the Company as at the date of passing of the relevant resolution. In accordance with the terms of the approval, these general mandates will lapse at the conclusion of the Annual General Meeting.

The Board takes the view that it would be in the interests of the Company and the Shareholders as a whole if the general mandates were renewed.

LETTER FROM THE BOARD

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of Issuance Mandate to the Directors to allot, issue or deal with unissued Shares not exceeding 20% of the total number of Shares of the Company in issue as at the date of passing of relevant resolution. As at the Latest Practicable Date, the Company had 811,106,000 Shares in issue. Assuming that there is no issuance of Shares or any buy-back of Shares from the Latest Practicable Date up to the date of the Annual General Meeting, up to a maximum of 162,221,200 Shares may be issued under the Issuance Mandate.

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Buyback Mandate to the Directors to buy back Shares on the Stock Exchange with the total number of Shares which represent up to 10% of the total number of the Shares of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, the Company had 811,106,000 Shares in issue. Assuming that there is no issuance of Shares or any buy-back of Shares from the Latest Practicable Date up to the date of the Annual General Meeting, up to a maximum of 81,110,600 Shares may be bought back under the Buyback Mandate.

With reference to the Issuance Mandate and the Buyback Mandate, the Directors wish to state that they have no immediate plan to issue any Shares or to buy back any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

4. RE-ELECTION OF DIRECTORS

Pursuant to Article 84 of the Company's Articles of Association, Mr. Liu Jian, Ms. Chen Zhuo and Mr. Liang Bing shall retire by rotation at the Annual General Meeting.

In addition, pursuant to Article 83 (3) of the Company's Articles of Association, Mr. Chan Wai Cheung, Admiral, Mr. Chan Ka Leung, Kevin and Mr. Huang Anxin who have been appointed by the Board shall hold office until the Annual General Meeting.

All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

The re-election of Directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the Annual General Meeting. The Nomination Committee has also assessed the independence of all Independent Non-executive Directors ("INEDs") of the Company including the INEDs to be re-elected at the Annual General Meeting. All the INEDs of the Company satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules.

Brief biographical details of the above Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 16 to 20 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.gdzawy.com>). To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the Annual General Meeting or at any adjourned meeting. If the member attend and vote at the Annual General Meeting, the authority of his/her proxy shall be deemed to be revoked.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules and the Company's Articles of Association, all votes of the Shareholders at the Annual General Meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted upon by a show of hands.

The results of the poll will be published after the conclusion of the Annual General Meeting on the respective websites of the Hong Kong Exchanges and Clearing Limited and the Company.

7. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Buyback Mandate) and Appendix II (Details of the Directors proposed to be re-elected at the Annual General Meeting) to this circular.

8. RECOMMENDATION

The Directors consider that the resolutions to be proposed at the Annual General Meeting for (i) the payment of final dividend out of the Share Premium Account; (ii) the granting of the General Mandates to the Directors; and (iii) re-electing of the retiring Directors as set out in the notice of the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

9. 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 the 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.

Yours faithfully,
On behalf of the Board
Zhong Ao Home Group Limited
Liu Jian
Chairman and Chief Executive Officer

This appendix serves as the explanatory statement required to be sent to the Shareholders by the Listing Rules to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed Buyback Mandate to be granted to the Directors, which relates to the Shares.

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company had 811,106,000 Shares in issue.

Subject to the passing of the proposed resolution in respect of the granting of the Buyback Mandate at the Annual General Meeting and on the basis that no Shares are issued or bought back prior to the Annual General Meeting, the Company will be allowed under the Buyback Mandate to buy back a maximum of 81,110,600 Shares (representing 10% of the total number of Shares in issue as at the date of the granting of the Buyback Mandate).

2. REASON FOR SHARE BUY-BACK

Buy-back of Shares will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share or both.

3. FUNDING OF SHARE BUY-BACK

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and Articles of Association of the Company, the Listing Rules and the applicable laws and regulations from time to time in force of the Cayman Islands and/or any other applicable laws as the case may be. A listed company is prohibited from buying back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the Cayman Islands law, any buy-back by the Company may be made out of profits of the Company or from sums standing to the credit of the Share Premium Account of the Company or out of the proceeds of a fresh issue of Share made for the purpose of the buy-back or, if authorized by the Articles of Association and subject to the Companies Law, out of capital and, in case of any premium payable on the buy-back, out of profits of the Company or from sums standing to the credit of the Share Premium Account of the Company, or if authorized by our Articles of Association and subject to the Companies Law, out of capital.

4. IMPACT OF SHARE BUY-BACK

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2017 in the event that the buy-back of Shares were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the buy-back of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange in each of the previous twelve months up to and including the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
April	1.16	0.83
May	0.85	0.63
June	0.94	0.51
July	0.94	0.73
August	1.04	0.75
September	0.91	0.83
October	0.85	0.73
November	0.80	0.61
December	0.73	0.65
2018		
January	1.01	0.66
February	1.19	0.81
March	1.02	0.85
April (up to and including the Latest Practicable Date)	0.96	0.86

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise all powers of the Company to make buy-back pursuant to the Buyback Mandate and in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in Rule 1.01 of the Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries under the Buyback Mandate if such resolution is approved by the Shareholders.

No other core connected persons (as defined in Rule 1.01 of the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Buyback Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If on the exercise of the powers to buy back Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Liu Jian, Dawngate Limited and Qichang International Limited, the controlling shareholders of the Company (as defined in the Listing Rules), were interested in 435,820,000 Shares representing approximately 53.73% of the total issued Shares of the Company. On the basis that no Shares are issued or bought back prior to the date of the Annual General Meeting, in the event that the Directors should exercise in full the Buyback Mandate, the shareholding of the controlling shareholders will increase to approximately 59.70% of the total issued Share of the Company. Such increase in shareholding would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will ensure that the Buyback Mandate will not be exercised to such extent that would result in the public shareholding of the Company will be less than the minimum public float requirement of 25% of the total issued Share of the Company.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

As required by the Listing Rules, the following are the particulars of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting:

MR. LIU JIAN

Mr. Liu Jian, aged 50, is the chairman and the chief executive officer of the Company and was appointed as an executive Director of the Company on 5 January 2015. Being one of the first members of the Group, Mr. Liu founded Guangdong Zhong Ao Property Management Company Limited (“Zhong Ao Property”) with Ms. Chen Zhuo in September 2005. Mr. Liu was appointed as the sole director of Zhong Ao Property in September 2005 and has been primarily responsible for overall operation and management, strategic planning and business development. Mr. Liu plays a key role in the Group’s business development and has led its business expansion from Guangdong province to other parts of China. Prior to joining the Group, Mr. Liu worked at Guilin Park Hotel Co., Ltd. (桂林桂湖飯店有限公司) from May 1990 to August 1994 and his last position held was manager. From September 1994 to March 1999, he worked at Guilin Royal Gardens Hotel Co., Ltd. (桂林帝苑酒店有限公司) and his last position held was manager. From 1999 to December 2003, Mr. Liu served as general manager of Guangzhou Olympic Garden Property Co. Ltd. (廣州奧林匹克花園物業公司) and from February 2004 to June 2005, as general manager of Nanguo Aoyuan Property Company (南國奧園物業公司), both companies being subsidiaries of Guangdong Yabo Property Service Company Limited (廣東雅博物業服務有限公司) (“Guangdong Yabo”). Mr. Liu graduated from Huazhong University of Science and Technology (華中理工大學) with a bachelor’s degree in economics in 1988. In 2008, Mr. Liu attained a master’s degree in business administration from Asia International Open University (Macau).

Mr. Liu has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date renewable automatically until terminated by not less than three months’ notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter. He is subject to retirement by rotation and re-election at least once for every three years at the Annual General Meeting of the Company in accordance with the Articles of Association. He is entitled to a director’s fee of HK\$4,200,000 per annum and a management bonus of such amount by reference to the audited consolidated net profits attributable to owners of the Company (which is covered by the service contract) as determined by the Board with the recommendation of the remuneration committee by reference to comparable companies, his experience, time commitment and responsibilities and the performance of the Group. He is also entitled to bonus or other compensation or rewards according to the criteria laid down by the remuneration committee.

As at the Latest Practicable Date, Mr. Liu was deemed to be interested in 435,820,000 Shares of the Company (approximately 53.73%) and is the controlling Shareholder of the Company within the meaning of Part XV of the SFO. He was interested in 1,809,000 underlying shares of the Company in respect of share options granted to him under the Pre-IPO Share Option Scheme of the Company. Save as disclosed above, Mr. Liu had no relationship with any Directors, senior management, substantial Shareholders of the Company.

MS. CHEN ZHUO

Ms. Chen Zhuo, aged 40, is a vice president of the Company and was appointed as an executive director of the Company on 5 January 2015. Ms. Chen joined the Group as vice president when Zhong Ao Property was established in September 2005. As a founder and a member of the core management team of the Group, she has been primarily responsible for financial management, strategic planning and business development. Ms. Chen served as deputy general manager of Guangdong Yabo from August 2002 to March 2005. Ms. Chen received a college degree from Sun Yat-sen University (中山大學) in 1999, majoring in business management. Ms. Chen obtained the qualification of a property management manager in 2000 from the Ministry of Construction of the PRC.

Ms. Chen has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date renewable automatically until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter. She is subject to retirement by rotation and re-election at least once for every three years at the Annual General Meeting of the Company in accordance with the Articles of Association. She is entitled to a director's fee of HK\$2,100,000 per annum and a management bonus of such amount by reference to the audited consolidated net profits attributable to owners of the Company (which is covered by the service contract) as determined by the Board with the recommendation of the remuneration committee by reference to comparable companies, her experience, time commitment and responsibilities and the performance of the Group. She is also entitled to bonus or other compensation or rewards according to the criteria laid down by the remuneration committee.

As at the Latest Practicable Date, Ms. Chen was interested in 1,809,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of share options granted to her under the Pre-IPO Share Option Scheme of the Company. Save as disclosed above, Ms. Chen had no relationship with any Directors, senior management, substantial Shareholders and controlling Shareholder of the Company.

MR. LIANG BING

Mr. Liang Bing, aged 46, is a vice president of the Company and was appointed as an executive director of the Company on 5 January 2015. Mr. Liang joined the Group as vice president in September 2005. As a member of the Group's core management team, he has been primarily responsible for overall operation and management, strategic planning and business development. Mr. Liang served as deputy general manager of Guangdong Yabo from May 2002 to June 2005. Mr. Liang graduated and attained a bachelor's degree in environmental engineering from Hunan University (湖南大學) located in Hunan, the PRC in July 1996. He later obtained a master's degree in business administration for senior management from Sun Yat-sen University (中山大學) in 2013.

Mr. Liang has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date renewable automatically until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter. He is subject to retirement by rotation and reelection at least once for every three years at the Annual General Meeting of the Company in accordance with the Articles of Association. He is entitled to a director's fee of HK\$2,100,000 per annum and a management bonus of such amount by reference to the audited consolidated net profits attributable to owners of the Company (which is covered by the service contract) as determined by the Board with the recommendation of the remuneration committee by reference to comparable companies, his experience, time commitment and responsibilities and the performance of the Group. He is also entitled to bonus or other compensation or rewards according to the criteria laid down by the remuneration committee.

As at the Latest Practicable Date, Mr. Liang was interested in 1,809,000 underlying shares of the Company within the meaning of Part XV of the SFO in respect of share options granted to him under the Pre-IPO Share Option Scheme of the Company. Save as disclosed above, Mr. Liang had no relationship with any Directors, senior management, substantial Shareholders and controlling Shareholder of the Company.

MR. CHAN WAI CHEUNG, ADMIRAL

Mr. Chan Wai Cheung, Admiral ("Mr. Admiral Chan"), aged 44, joined the Company and was appointed as an independent non-executive director of the Company on 31 May 2017. Mr. Admiral Chan holds a Bachelor of Arts (Honours) in Accountancy from the City University of Hong Kong. Mr. Admiral Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has extensive experience in accounting and auditing fields. Mr. Admiral Chan is an executive director of Energy International Investments Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 353), an independent non-executive director of Carnival Group International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 996), an independent non-executive director of SFund International Holdings Limited (formerly known as Hanbo Enterprises Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1367) and a non-executive director of China Nonferrous Metals Company Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8306). He was an independent non-executive director of Jia Meng Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8101), from 26 September 2013 to 22 May 2016.

Mr. Admiral Chan has entered into a service agreement with the Company with no specific term until terminated by not less than one month's notice in writing served by either the Company or Mr. Admiral Chan but he is subject to retirement by rotation and re-election by the shareholders of the Company (the "Shareholders") as well as other related provisions as stipulated in the Articles of Association of the Company and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

He is entitled to a director's fee of HK\$180,000 per annum (which is covered by the service agreement) as determined by the Board with the recommendation of the remuneration committee by reference to comparable companies, his experience, time commitment and responsibilities and the performance of the Group.

As at the Latest Practicable Date, Mr. Admiral Chan did not have any interest in Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Admiral Chan had no relationship with any Directors, senior management, substantial Shareholders of the Company.

MR. CHAN KA LEUNG, KEVIN

Mr. Chan Ka Leung, Kevin ("Mr. Kevin Chan"), aged 49, joined the Company and was appointed as an independent non-executive director of the Company on 31 May 2017. Mr. Kevin Chan holds a Bachelor of Accounting and a Master of Finance from the University of Illinois of the United States of America. Mr. Kevin Chan has extensive experience in corporate finance. He is currently a responsible officer of a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") to conduct type 6 (advising on corporate finance) regulated activity. He was an independent non-executive director of Greens Holdings Ltd, a company listed on the Main Board of the Stock Exchange (stock code: 1318) from 9 January 2015 to 19 November 2015. Greens Holdings Ltd is a company incorporated in the Cayman Islands with limited liability and is principally engaged in production and sale of heat transfer products, wind turbine towers and the services of waste heat power generation through its subsidiaries. On 29 September 2015, a winding up petition was filed against Greens Holdings Ltd and the petition is pending for further hearing.

Mr. Kevin Chan has entered into a service agreement with the Company with no specific term until terminated by not less than one month's notice in writing served by either the Company or Mr. Kevin Chan but he is subject to retirement by rotation and re-election by the Shareholders as well as other related provisions as stipulated in the Articles of Association of the Company and the Listing Rules.

He is entitled to a director's fee of HK\$180,000 per annum (which is covered by the service agreement) as determined by the Board with the recommendation of the remuneration committee by reference to comparable companies, his experience, time commitment and responsibilities and the performance of the Group.

As at the Latest Practicable Date, Mr. Kevin Chan did not have any interest in Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Kevin Chan had no relationship with any Directors, senior management, substantial Shareholders of the Company.

MR. HUANG ANXIN

Mr. Huang Anxin, aged 55, joined the Company and was appointed as an independent non-executive director of the Company on 3 October 2017. Mr. Huang obtained a master degree in management from Central China Normal University in 2000. He is currently the head of school of management of Guangzhou Open University. He has over 29 years of experience of teaching in the People's Republic of China and in particular, the subject of corporate management and administration. He also has intensive knowledge in other areas such as property management, economic management and administration and community governance.

Mr. Huang has entered into a service agreement with the Company with no specific term until terminated by not less than one month's notice in writing served by either the Company or Mr. Huang but he is subject to retirement by rotation and re-election by the Shareholders as well as other related provisions as stipulated in the Articles of Association of the Company and the Listing Rule.

He is entitled to a director's fee of HK\$180,000 per annum (which is covered by the service agreement) as determined by the Board with the recommendation of the remuneration committee by reference to comparable companies, his experience, time commitment and responsibilities and the performance of the Group.

As at the Latest Practicable Date, Mr. Huang did not have any interest in Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Huang had no relationship with any Directors, senior management, substantial Shareholders of the Company.

GENERAL

Save as disclosed, none of the retiring Directors has been a director of any publicly listed companies in the past three years, and save as disclosed, there are no matters that need to be brought to the attention of the Shareholders in respect of the re-election of each of the retiring Director and there is no other information in relation to each of the retiring Director that need to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Zhong Ao Home Group Limited (the “Company”) will be held at Imperial Room III, Mezzanine Floor – Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 25 May 2018 at 2:00 p.m. for the purpose of transacting the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and the auditor of the Company for the year ended 31 December 2017.
2. To consider and declare a final dividend of HK5.0 cents per share for the year ended 31 December 2017 entirely out of the Share Premium Account of the Company.
3. To re-elect Mr. Liu Jian as an executive director.
4. To re-elect Ms. Chen Zhuo as an executive director.
5. To re-elect Mr. Liang Bing as an executive director.
6. To re-elect Mr. Chan Wai Chueng, Admiral as an independent non-executive director.
7. To re-elect Mr. Chan Ka Leung, Kevin as an independent non-executive director.
8. To re-elect Mr. Huang Anxin as an independent non-executive director.
9. To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.
10. To re-appoint Ernst & Young as the independent external auditor to hold office until conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

11. To consider and if thought fit, pass with or without amendments the following resolutions as an ordinary resolutions:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued Shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate total number of Shares allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by the Stock Exchange; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the total number of Shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution of the Shareholders of the Company in a general meeting revoking or varying the authority set out in this resolution.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in Hong Kong, or in any territory applicable to the Company).”

12. To consider and if thought fit, pass with or without amendments the following resolutions as an ordinary resolutions:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, rules and regulations of the SFC and the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares authorised to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of total number of Shares of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution of the Shareholders of the Company in a general meeting revoking or varying the authority set out in this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

13. To consider and if thought fit, pass with or without amendments the following resolutions as an ordinary resolutions:

“**THAT** conditional upon the passing of the resolutions 11 and 12 as set out in the notice convening the Annual General Meeting, the General Mandates granted to the Directors pursuant to resolution 11 to exercise the powers of the Company to allot, issue and deal with unissued Shares be and is hereby extended by the addition to the aggregate number of Shares of the Company bought back by the Company under the authority granted pursuant to the resolution 12 of the notice convening the Annual General Meeting, provided that such extended amount shall not exceed 10% of total number of Shares of the Company in issue as at the date of passing this resolution.”

By Order of the Board
Zhong Ao Home Group Limited
Liu Jian
Chairman and Chief Executive Officer

Hong Kong, 24 April 2018

Notes:

1. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more Shares of the Company is entitled to appoint more than one proxy to represent him/her and vote on his/her behalf. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. A proxy need not be a member of the Company. A form of proxy for use at the Annual General Meeting is enclosed herewith.
2. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the Annual General Meeting or at any adjourned meeting. If the member attend and vote at the Annual General Meeting, the authority of his/her proxy shall be deemed to be revoked.
3. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of member of the Company in respect of the joint holding.
4. To ascertain Shareholders' entitlement to attend and vote at the Annual General Meeting, register of members of the Company will be closed from Monday, 21 May 2018 to Friday, 25 May 2018, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to qualify for entitlement to attend and vote at the Annual General Meeting, all transfer of Shares accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 18 May 2018.

NOTICE OF ANNUAL GENERAL MEETING

5. In the event that a black rainstorm warning signal or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 12:00 noon or any time after 12:00 noon on Friday, 25 May 2018, the Annual General Meeting will be adjourned until further notice.

Further announcement notifying Shareholders of details (including the date, time and venue) of the adjourned meeting will be posted on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://gdzawy.com>).

If a black rainstorm warning signal or a tropical cyclone warning signal number 8 or above is cancelled at or before 12:00 noon on the date of the Annual General Meeting, and where conditions permit, the Annual General Meeting will be held as scheduled.