

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **DISCLOSEABLE TRANSACTION INVOLVING THE ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANIES**

#### **THE AGREEMENT**

On 25 June 2018 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the Sale Capital subject to the terms and conditions of the Agreement for an aggregate consideration of (i) RMB30,000,000 (equivalent to approximately HK\$36,000,000) (subject to adjustment), which shall be payable by the Purchaser in cash to the Vendors (in proportion to the percentage of Sale Capital to be sold by each of the Vendors to the Purchaser upon Completion) within five Business Days from the date of completion of all relevant commercial approval(s) and/or filing(s) for the transfer of the Sale Capital to the Purchaser and registration for the change in equity interest with the relevant industry and commerce bureau in the PRC; and (ii) not more than RMB70,000,000 payable by the Purchaser in cash to the First Vendor upon satisfaction of the Profit Guarantee.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Board announces that on 25 June 2018 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the Sale Capital subject to the terms and conditions of the Agreement for an aggregate consideration of (i) RMB30,000,000 (equivalent to approximately HK\$36,000,000) (subject to adjustment), which shall be payable by the Purchaser in cash to the Vendors (in

proportion to the percentage of Sale Capital to be sold by each of the Vendors to the Purchaser upon Completion) within five Business Days from the date of completion of all relevant commercial approval(s) and/or filing(s) for the transfer of the Sale Capital to the Purchaser and registration for the change in equity interest with the relevant industry and commercial bureau in the PRC; and (ii) not more than RMB70,000,000 payable by the Purchaser in cash to the First Vendor upon satisfaction of the Profit Guarantee. The principal terms of the Agreement are set out below.

## **THE AGREEMENT**

Date: 25 June 2018 (after trading hours of the Stock Exchange)

Parties: (1) Zhong Wu Hang Property Company Limited (as Purchaser);

(2) Mr. Liang Xiwei (as the First Vendor);

(3) Mr. Huang Junhua (as the Second Vendor); and

(4) Huihuang Property (as the Third Vendor)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement (i) the Third Vendor is principally engaged in real estate investment consulting services, real estate information consulting services, intermediary, trust, agency and marketing services for real estates, property leasing and agency services for obtaining property ownership certificates; and (ii) the Vendors and their ultimate beneficial owners (if applicable) are Independent Third Parties.

The Purchaser is a company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser has agreed to acquire and the Vendors have agreed to sell the Sale Capital, representing 51% equity interest in each of the Target Companies (of which (i) the First Vendor shall sell 46% equity interest in Huihuang Property and 41% equity interest in Huihuang Real Estate; (ii) the Second Vendor shall sell 5% equity interest in Huihuang Property; and (iii) the Third Vendor shall sell 10% equity interest in Huihuang Real Estate).

### **Consideration and adjustment**

The Consideration for the sale and purchase of the Sale Capital shall be (i) RMB30,000,000 (equivalent to approximately HK\$36,000,000) (subject to adjustment), which shall be payable by the Purchaser in cash to the Vendors (in proportion to the percentage of Sale Capital to be sold by each of the Vendors to the Purchaser upon Completion) within five Business Days from the date of completion of all relevant commercial approval(s) and/or filing(s) for the transfer of the Sale Capital to the Purchaser and registration for the change in equity interest with the relevant industry and commerce bureau in the PRC; and (ii) not more than RMB70,000,000 payable by the Purchaser in cash to the First Vendor upon satisfaction of the Profit Guarantee.

The Consideration was determined after arms' length negotiations between the parties with reference to (i) the unaudited net asset value of Huihuang Real Estate for the year ended 31 December 2017 in the amount of RMB47.3 million and the unaudited net asset value of Huihuang Property for the year ended 31 December 2017 in the amount of RMB6.5 million; and (ii) the Profit Guarantee.

The Purchaser shall appoint a PRC asset valuer to prepare two valuation reports for the Target Companies. In the event that 51% of the valuation of the Target Companies is different from RMB30,000,000, the Purchaser and the Vendors have agreed to adjust part of the Consideration payable by the Purchaser to the Vendors within five Business Days from the date of completion of all relevant commercial approval(s) and/or filing(s) for the transfer of the Sale Capital to the Purchaser and registration for the change in equity interest with the relevant industry and commercial bureau in the PRC, which will be equivalent to 51% the final valuation of the Target Companies assessed by the PRC asset valuer in the two valuation reports.

The Directors consider that the terms and conditions of the Acquisition are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion of the Agreement is conditional upon fulfilment of the following conditions:

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted in relation to the assets, liabilities, operations and affairs of the Target Group;
- (b) all necessary governmental and other consents and approvals required to be obtained on the part of the Vendor and the Target Companies in respect of the Agreement and the transactions contemplated thereunder having been obtained;
- (c) all necessary governmental and other consents and approvals required to be obtained on the part of the Purchaser in respect of the Agreement and the transactions contemplated thereunder having been obtained;
- (d) the obtaining of a PRC legal opinion (in form and substance satisfactory to the Purchaser) from a PRC legal adviser appointed by the Purchaser in relation to the Agreement and the transaction contemplated thereunder;
- (e) two valuation reports having been issued by the PRC asset valuer appointed by the Purchaser in the form and substance to the satisfaction of the Vendors and Purchaser being not less than RMB60,000,000;
- (f) the Warranties remaining true and accurate and not misleading in all respects;
- (g) the Purchaser being satisfied that there being no material adverse change to the Target Group; and
- (h) the Reorganisation having been completed.

The Purchaser may at its absolute discretion at any time waive in writing any of the conditions set out in (a), (f) and (g) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. Other than conditions (a), (f) and (g), all other conditions set out above are not waivable. If the conditions set out in the Agreement have not been satisfied (or as the case may be, waived) on or before 30 September 2018 (or such later date as may be agreed between the Vendors and the Purchaser in writing), the Agreement shall cease and determine, and thereafter none of the parties to the Agreement shall have any obligations and liabilities towards the others save for any antecedent breaches of the terms of the Agreement.

## **Completion**

Completion shall take place within the third (3) Business Day after fulfilment (or waiver as the case may be) of all the conditions precedent under the Agreement.

Upon Completion, each of the Target Companies will become an indirect 51%-owned subsidiary of the Company and, accordingly, the financial results of the Target Group will be consolidated into the accounts of the Company.

## **Shareholders' Agreement**

At Completion, all shareholders of the Target Companies shall enter into the Shareholders' Agreement in order to regulate certain rights and obligations of the shareholders of the Target Companies, the major terms of which are summarised below:

### *Transfer of equity interest*

None of the shareholders of Target Companies shall dispose of or pledge the whole or any part of the equity interest of the Target Companies held by it unless the terms of the Shareholders' Agreement state otherwise.

### *Board of directors*

The board of directors of each of the Target Companies shall comprise seven directors, four of which shall be appointed by the Purchaser and three shall be appointed by the First Vendor.

### *Matters requiring unanimous consent*

During the continuance of the Shareholders' Agreement, the Target Companies are not authorised to take, among others, any of the following actions, unless unanimous approval is obtained by all of its shareholders:

- (a) the creation or issue of any equity interest or the grant of any options over any equity interest or the uncalled capital or the issue of any warrant, debentures, securities or other obligations convertible into equity interest or enter into any agreement to do any of the same;

- (b) the capitalisation, repayment or other form of distribution (other than by way of dividends out of profits available for distribution) of any amount standing to the credit of any reserve on the redemption or purchase of any equity interest of the members of the Target Group or any other reorganisation of share capital;
- (c) consolidation, subdivision or conversion of any of its registered capital;
- (d) the alteration of the memorandum of association or articles of association and the passing of any resolutions inconsistent with the provision of the Shareholders' Agreement;
- (e) the lending of any moneys (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposit), the granting of any credit or the giving of any guarantee or indemnity for obligations any third party (other than the Target Group);
- (f) the acquisition or formation of any subsidiary or the acquisition of any equity interest of any other company or the participation in any partnership or joint venture (save for the existing subsidiaries, partnerships or joint ventures or wholly-owned subsidiaries);
- (g) the entering into of any material contract unrelated to the business of the Target Group;
- (h) save for the ordinary course of business of the Target Group, the sale of the assets of the Target Group;
- (i) the amalgamation or merger with any other company;
- (j) the winding-up or liquidation of the Target Companies or its subsidiaries;
- (k) the alteration of the rights attaching to any of the equity interest of the Target Group;
- (l) any material alteration to the nature and scope of business, termination of any business or engagement in a new business by the Target Group;
- (m) consolidate or merge with or acquire other business other than those business agreed under the Shareholders' Agreement;
- (n) the structural change of the Target Group;
- (o) the alteration of the Shareholders' Agreement;
- (p) except for the resignation of the relevant director and/or senior management of the Target Group, any change to the existing directors and/or senior management of the Target Group;
- (q) the alteration of the Target Group's existing policy on bonus or dividend or declaring or distributing any dividend;
- (r) appointment, removal or replacement of Target Companies' independent auditor and valuer;

- (s) any changes to the Target Group's accounting reference date or accounting policies, other than those that are required under any law or any relevant accounting standards from time to time;
- (t) the sale of the trademarks, invention patents, design patents, utility model patents and other intellectual properties of the Target Group which are of material importance to the operation of the Target Group; and
- (u) participating in or agreeing to propose in any action of closure, termination or dissolution of any members of the Target Group or taking part in any bankruptcy or insolvency proceedings, or due to its insolvency or inability to repay debts, entering into settlement and arrangements with its creditors.

#### *Profit Guarantee*

The First Vendor irrevocably represents and warrants to and undertakes with the Purchaser that (i) the consolidated audited net profit after tax of the Target Group for the two financial years ending 31 December 2018 and 2019 shall not be less than RMB40,000,000; (ii) the consolidated audited net profit after tax of the Target Group for the year ending 31 December 2020 shall not be less than RMB40,000,000; and (iii) the consolidated audited net profit after tax of the Target Group for the year ending 31 December 2021 shall not be less than RMB50,000,000.

The First Vendor and the Purchaser shall jointly appoint and procure an auditor to complete the audit of the financial statements of the Target Companies for the relevant period within three months after the end of the relevant period and issue a certificate on the actual net profit of the Target Group, and such certificate shall then be final, conclusive and binding on the parties to the Shareholders' Agreement.

If the Profit Guarantee is satisfied, the Purchaser shall pay the First Vendor the remaining portion of the Consideration within five (5) Business Days after the date of issue of the certificate on the actual net profit of the Target Group for the relevant period by the auditor in the following manner:

- (i) if the Profit Guarantee is satisfied for the two financial years ending 31 December 2018 and 2019, the Purchaser shall pay the First Vendor the actual consolidated audited net profit after tax of the Target Group of that two years, with a maximum amount of not more than RMB40,000,000; and
- (ii) if the Profit Guarantee is satisfied for the financial year ending 31 December 2020, the Purchaser shall pay the First Vendor RMB30,000,000, but less the difference between 51% of the final valuation of the Target Companies assessed by the PRC asset valuer in the two valuation reports and RMB30,000,000 (if any).

### *Put Option*

The First Vendor agreed to grant a put option to the Purchaser pursuant to which the Purchaser shall have the right to require the First Vendor to purchase all the Sale Capital held by the Purchaser. The exercise of the put option is at the sole discretion of the Purchaser subject to the fulfilment of the following conditions:

- (i) the consolidated audited net profit after tax of the Target Group for the two financial years ending 31 December 2018 and 2019 is less than RMB40,000,000; or
- (ii) the consolidated audited net profit after tax of the Target Group for the year ending 31 December 2020 is less than RMB40,000,000; or
- (iii) the consolidated audited net profit after tax of the Target Group for the year ending 31 December 2021 is less than RMB50,000,000.

To exercise the put option, the Purchaser shall deliver a written notice to the First Vendor on or before 10 April of the next relevant year. The First Vendor shall within five (5) Business Days from the date of the written notice complete the acquisition of the Sale Capital held by the Purchaser. The First Vendor and the Purchaser shall bear its own costs and taxes arising from the transfer of the Sale Capital.

The exercise price of the put option will be equivalent to the total Consideration paid by the Purchaser (including the Consideration paid by the Purchaser to the First Vendor upon satisfaction of the Profit Guarantee) together with interest at an interest rate of 10% per annum, accruing from the date of payment by the Purchaser of the Consideration up to the date of completion of the transfer of the Sale Capital from the Purchaser to the First Vendor upon the exercise of the put option.

### *Termination*

The Shareholders' Agreement shall continue in full force and effect until the Target Companies shall be wound up or otherwise cease to exist as a separate corporate existing or when the entire equity interest of the Target Companies is held by one shareholder.

## **INFORMATION OF THE TARGET GROUP AND THE REORGANISATION**

Each of the Target Companies is a company established in the PRC with limited liability.

Huihuang Property is principally engaged in real estate investment consulting services, real estate information consulting services, real estate brokerage services, real estate marketing planning, house leasing as well as agency services for obtaining property ownership certificates. As at the date of this announcement, Huihuang Property holds 2% equity interest in Huihuang Real Estate Agency and 10% equity interest in Huihuang Real Estate.

Huihuang Real Estate is principally engaged in real estate information consulting services, real estate brokerage and consulting services, real estate marketing planning and house leasing. As at the date of this announcement, (i) Huihuang Real Estate holds 40% equity interest in Xinjiang Huihuang, 98% equity interest in Youjia Assets Management, 51% equity interest in Nanning Huihuang, 96% equity interest in Huihuang Real Estate Agency,

100% equity interest in Huihuang Guigang Real Estate, 100% equity interest in Huihuang Guigang Property, 100% equity interest in Guilin Huihuang, 100% equity interest in Guangzhou Haohui Real Estate.

Huihuang Real Estate Agency is principally engaged in the real estate intermediary, brokering and agency services and property leasing; corporate marketing planning; agency services for the application of corporate licenses and permits; investment consulting services and real estate information and consulting services.

Huihuang Guigang Real Estate is principally engaged in real estate information consulting services, real estate agency and consulting services, real estate marketing planning and property leasing.

Huihuang Financial Investment Management is principally engaged in trustee management of non-performing assets; real estate investment; trustee management of non-security equity investment funds (save for funds subject to specific provisions of the State); corporate management consulting, economic information consulting, business information consulting and investment information consulting.

Fangjiajia Information Technology is principally engaged in graphic and textual design and production; design, development and sales of software; computer and IT consulting; research and development of games (save for products subject to State monopoly); network engineering design and construction; research and development of network engineering technology and basic-value consulting; communication systems integration; development and integration of electronic automated control systems; automated engineering technology consulting; corporate marketing planning; market research; design, production, agency management and distribution of domestic advertising; conference and exhibition services and corporate image planning; planning of domestic cultural and artistic activities and engagement programmes; sales: computer software and auxiliary equipment, electronic products (save for products subject to State monopoly), communication devices; real estate information consulting services; real estate agency and consulting services; real estate marketing planning; property leasing.

As at the date of this announcement, Huihuang Real Estate was owned as to 90% and 10% by the First Vendor and the Third Vendor respectively; and (ii) Huihuang Property was owned as to 95% and 5% by the First Vendor and the Second Vendor respectively.

Upon completion of the Reorganisation, Huihuang Property will be owned as to 95% and 5% by the First Vendor and the Second Vendor respectively. Huihuang Real Estate will be owned as to 90% and 10% by the First Vendor and the Third Vendor respectively. Huihuang Real Estate holds 100% equity interest in each of Huihuang Real Estate Agency and Huihuang Guigang Real Estate. Huihuang Property holds 100% equity interest in Huihuang Financial Investment Management and Fangjiajia Information Technology. The Reorganisation shall be conducted and completed in such manner as the Purchaser may approve.

Xinjiang Huihuang is principally engaged in real estate market consulting services, real estate information and consulting services, real estate agency, marketing planning; property leasing; agency services for obtaining property ownership certificates, real estate e-commerce and the corresponding online publishing services; economic information and consulting, tourism information and consulting, property management consulting and information exchange, housekeeping information and consulting; and decoration information and consulting.

Youjia Asset Management is principally engaged in trustee management of assets; real estate intermediary trading, brokering and agency services; corporate marketing planning; property leasing; agency services for the application of corporate licenses and permits; corporate investment information and consulting; real estate information and consulting services; building renovation projects (operating with registered licenses); and cleaning services.

Nanning Huihuang is principally engaged in real estate product information and consulting services and the intermediary trading, brokering and agency for real estate products.

Huihuang Guigang Property is principally engaged in real estate information and consulting services; real estate intermediary, brokering, agency and marketing planning; and property leasing.

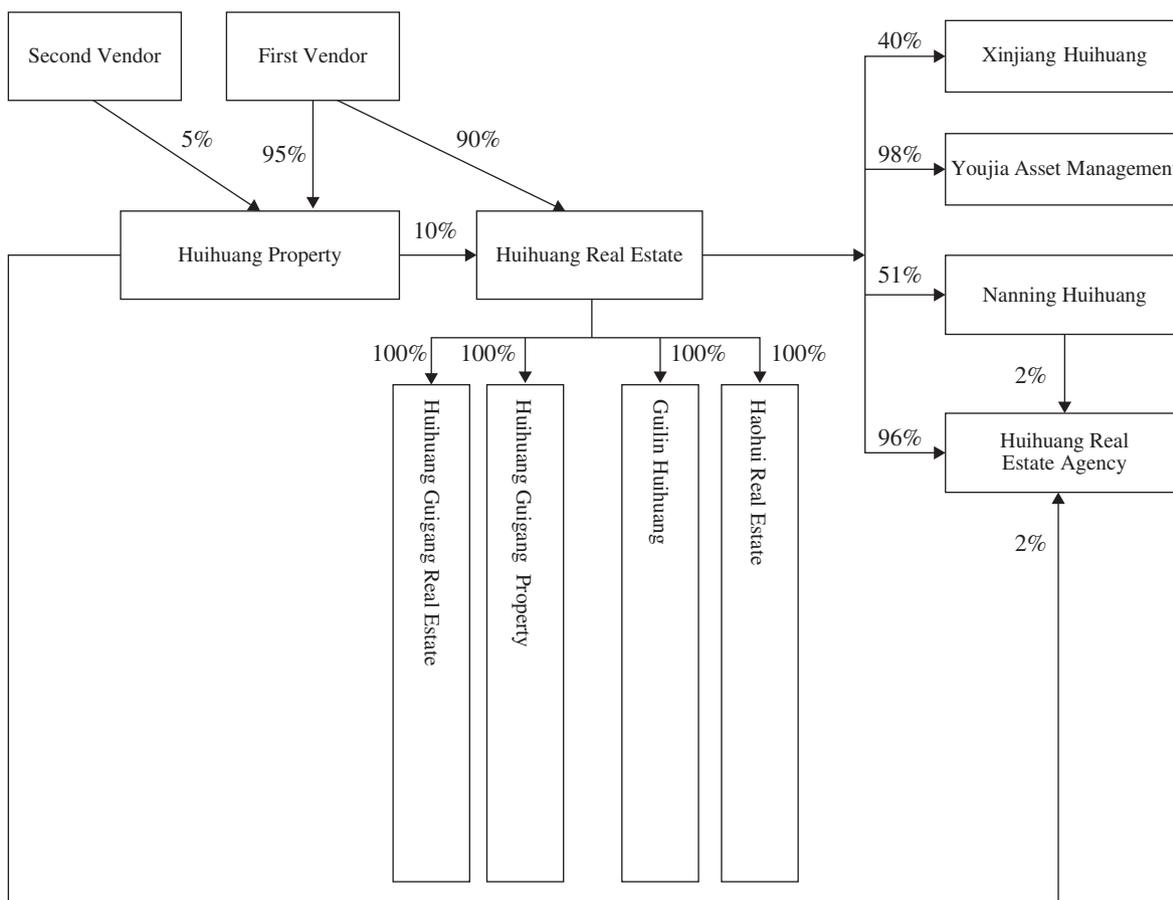
Guilin Huihuang is principally engaged in real estate information and consulting, real estate intermediary, agency and brokering.

Haohui Real Estate is principally engaged in real estate agency services; and real estate consulting services.

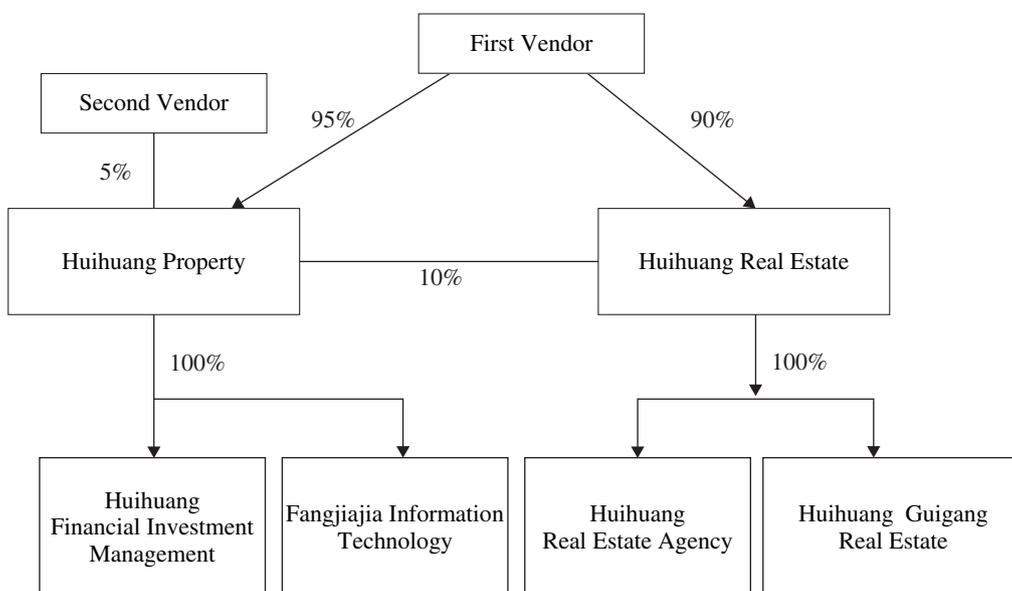
### **Structure of the Target Group**

The following charts show the group structure of the Target Group (i) as at the date of this announcement; (ii) immediately after completion of the Reorganisation; and (iii) immediately after the Completion.

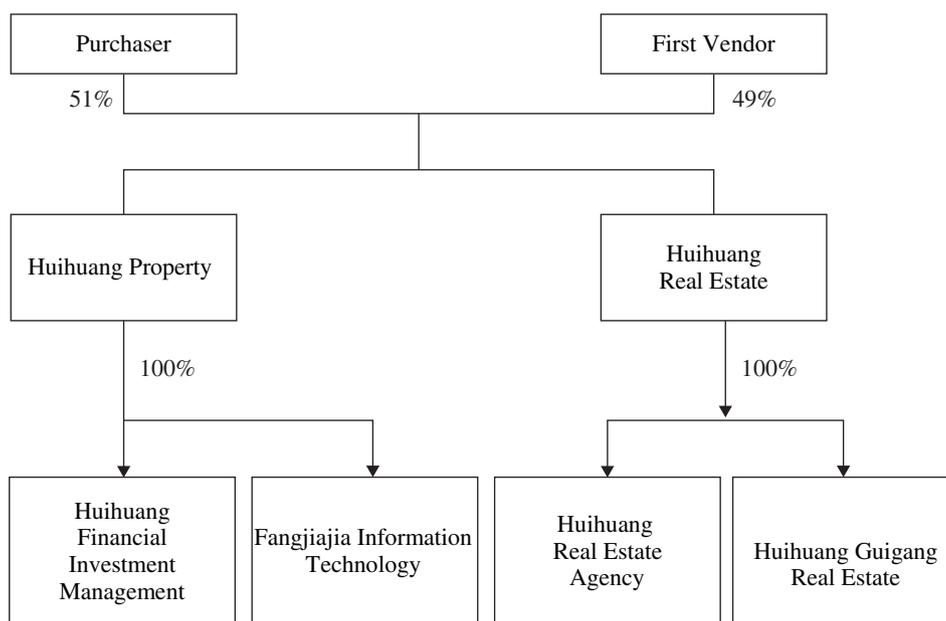
*As at the date of this announcement*



*Immediately after completion of the Reorganisation*



*Immediately after the Completion*



The unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2016 and 31 December 2017 (as if the Reorganisation having been completed) are set out below:

	<b>For the year ended 31 December 2016 (unaudited) (RMB)</b>	<b>For the year ended 31 December 2017 (unaudited) (RMB)</b>
Profit (Loss) before taxation	8,305,088	8,154,632
Profit (Loss) after taxation	<u>6,881,501</u>	<u>6,679,321</u>
Net assets	<u><u>44,125,070</u></u>	<u><u>51,222,720</u></u>

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is an investment holding company. The Group is principally engaged in the provision of property management services and property management consulting services in the PRC.

The Group planned to implement regional expansion plans and optimize expansion strategies. According to the distribution of our management projects in different places, transactions for secondary residential property became more active. As the Group has extensive experience in property management mainly in different districts among various cities across the PRC, it is expected that the Acquisition could enable the Group to further expand to engage in transactions of secondary residential property. The Group would provide assistance on the leasing and sales of residential property and retail units and boost the transaction amount of secondary residential property in districts where the Group offers property management, which could enhance the operational efficiency of the Group's business and generate more revenue to the Group. The Board is of the view that the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms after arm's length negotiations between the Purchaser and the Vendors.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Acquisition are on normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Sale Capital
“Agreement”	the agreement dated 25 June 2018 entered into among the Vendors and the Purchaser in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Zhong Ao Home Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms of the Agreement

“Completion Date”	the date falling within the third (3) Business Days after the fulfilment (or waiver as the case may be) of all conditions precedent under the Agreement
“Consideration”	the aggregate consideration payable by the Purchaser to the Vendors for the Sale Capital, being RMB30,000,000 (equivalent to approximately HK\$36,000,000); and not more than RMB70,000,000 upon satisfaction of the Profit Guarantee payable by the Purchaser to the First Vendor
“Directors”	directors of the Company
“Fangjiajia Information Technology”	廣西房家家信息技術有限公司 (for transliteration purpose only, Guangxi Fangjiajia Information Technology Company Limited), a company established in the PRC with limited liability
“First Vendor”	Mr. Liang Xiwei
“Group”	the Company and its subsidiaries
“Guilin Huihuang”	桂林市輝煌房地產服務有限公司 (for transliteration purpose only, Guilin City Huihuang Real Estate Services Company Limited), a company established in the PRC with limited liability
“Haohui Real Estate”	廣州昊輝房地產服務有限公司 (for transliteration purpose only, Guangzhou Haohui Real Estate Company Limited), a company established by the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huihuang Financial Investment Management”	廣西輝煌融投資產管理有限公司 (for transliteration purpose only, Guangxi Huihuang Financial Investment Management Company Limited), a company established in the PRC with limited liability
“Huihuang Guigang Property”	廣西輝煌集團貴港置業諮詢服務有限公司 (for transliteration purpose only, Guangxi Huihuang Group Guigang Property Consulting Service Company Limited), a company established in the PRC with limited liability
“Huihuang Guigang Real Estate”	廣西輝煌集團貴港房地產諮詢服務有限公司 (for transliteration purpose only, Guangxi Huihuang Group Guigang Real Estate Consulting Services Company Limited), a company established in the PRC with limited liability
“Huihuang Property”	廣西輝煌置業諮詢服務有限公司 (for transliteration purpose only, Guangxi Huihuang Property Advisory Services Company Limited), a company established in the PRC with limited liability

“Huihuang Real Estate”	廣西輝煌房地產諮詢服務集團有限公司 (for transliteration purpose only, Guangxi Huihuang Real Estate Advisory Services Group Company Limited), a company established in the PRC with limited liability
“Huihuang Real Estate Agency”	廣西輝煌房地產經紀有限公司 (for transliteration purpose only, Guangxi Huihuang Real Estate Agency Company Limited), a company established in the PRC with limited liability
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanning Huihuang”	南寧市輝煌房地產服務有限公司 (for transliteration purpose only, Nanning City Huihuang Real Estate Services Company Limited), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China
“Profit Guarantee”	the profit guarantee that (i) the consolidated audited net profit after tax of the Target Group for the two financial years ending 31 December 2018 and 2019 shall not be less than RMB40,000,000; (ii) the consolidated audited net profit after tax of the Target Group for the year ending 31 December 2020 shall not be less than RMB40,000,000; and (iii) the consolidated audited net profit after tax of the Target Group for the year ending 31 December 2021 shall not be less than RMB50,000,000
“Purchaser”	Zhong Wu Hang Property Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, being the purchaser of the Agreement
“Sale Capital”	(i) 51% equity interest in Huihuang Property; and (ii) 51% equity interest in Huihuang Real Estate
“Second Vendor”	Mr. Huang Junhua
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between the Purchaser, the First Vendor and the Target Companies upon Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Huihuang Real Estate and Huihuang Property
“Target Group”	the Target Companies, Huihuang Financial Investment Management, Fangjiajia Information Technology, Huihuang Real Estate Agency and Huihuang Guigang Real Estate
“Third Vendor”	Huihuang Property
“Vendors”	collectively, the First Vendor, the Second Vendor and the Third Vendor
“Warranties”	the warranties and representations given by the Vendors in the Agreement
“Xinjiang Huihuang”	新疆廣廈輝煌諮詢服務有限公司 (for transliteration purpose only, Xinjiang Guangxia Huihuang Consulting Services Company Limited), a company established in the PRC with limited liability
“Youjia Asset Management”	廣西輝煌優家資產管理有限公司 (for transliteration purpose only, Guangxia Huihuang Youjia Asset Management Company Limited), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

*In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.2. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at all.*

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

Hong Kong, 26 June 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.*