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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)**

### **TERMINATION OF PREVIOUS PROPOSED ACQUISITION AND DISCLOSEABLE TRANSACTION INVOLVING THE ACQUISITION OF 51% OF EQUITY INTERESTS IN THE TARGET COMPANIES**

#### **TERMINATION DEED**

On 17 April 2019 (after trading hours of the Stock Exchange), Zhong Wu Hang Property, the First Vendor, the Second Vendor and Huihuang Property entered into the Termination Deed pursuant to which the parties thereto agreed to terminate the agreement in relation to the Previous Proposed Acquisition and the transactions contemplate thereunder and to release and discharge the others from all duties and obligations under the agreement in relation to the Previous Proposed Acquisition.

#### **THE FIRST AGREEMENT**

On 17 April 2019 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the First Agreement with the Vendors, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the First Sale Capital subject to the terms and conditions of the First Agreement for an aggregate consideration of RMB65,000,000 (equivalent to HK\$78,000,000) (assuming that the Profit Guarantee or such other conditions agreed between the parties having been fulfilled).

#### **THE SECOND AGREEMENT**

On 17 April 2019 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Second Agreement with the Vendors, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the Second Sale Capital subject to the terms and conditions of the Second Agreement for an aggregate consideration of RMB35,000,000 (equivalent to HK\$42,000,000) (assuming that the Profit Guarantee or such other conditions agreed between the parties having been fulfilled).

## **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.

## **BACKGROUND INFORMATION**

Reference is made to the announcements of the Company dated 26 June 2018, 26 September 2018, 31 October 2018, 14 December 2018, 31 January 2019 and 29 March 2019 respectively in relation to, among other things, the Previous Proposed Acquisition and the extension of long stop date for the Previous Proposed Acquisition.

On 17 April 2019 (after trading hours of the Stock Exchange), Zhong Wu Hang Property, the First Vendor, the Second Vendor and Huihuang Property entered into the Termination Deed pursuant to which the parties thereto agreed to terminate the agreement in relation to the Previous Proposed Acquisition and the transactions contemplate thereunder and to release and discharge the others from all duties and obligations under the agreement in relation to the Previous Proposed Acquisition.

The entering into of the Termination Deed was due to the change of principal terms of the Previous Proposed Acquisition (in particular the acquisition of the Sale Capital by the Purchaser instead of Zhong Wu Hang Property under the Previous Proposed Acquisition for tax management purposes) and the entering into of the Agreements by the Vendors with the Purchaser in relation to the Acquisition.

## **THE ACQUISITION**

The Board announces that on 17 April 2019 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreements 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 Agreements. The principal terms of the Agreements are set out below.

## **THE FIRST AGREEMENT**

Date: 17 April 2019 (after trading hours of the Stock Exchange)

Parties: (1) The Purchaser;  
(2) Mr. Liang Xiwei (as the First Vendor); and  
(3) Mr. Huang Junhua (as the Second Vendor).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Vendors are Independent Third Parties.

The Purchaser is a company established in the PRC with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in provision of property management services in the PRC.

### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser has agreed to purchase and the Vendors have agreed to sell the First Sale Capital, representing 51% equity interests in Huihuang Real Estate upon Completion.

The First Vendor and the Second Vendor agreed to sell 41% and 10% equity interests in Huihuang Real Estate respectively to the Purchaser.

### **Consideration and adjustment**

The consideration for the sale and purchase of the First Sale Capital shall be RMB65,000,000 (equivalent to approximately HK\$78,000,000), which shall be payable by the Purchaser in cash to the Vendors in the following manners:

- (a) RMB20,000,000 within 7 Business Days upon completion of the business registration for the change in equity interests of Huihuang Real Estate from the Vendors to the Purchaser with the relevant industry and commerce bureau in the PRC (as to RMB16,000,000 to the First Vendor and RMB4,000,000 to the Second Vendor); and
- (b) the remaining balance of RMB45,000,000 shall be payable by the Purchaser to the First Vendor upon fulfillment of the Profit Guarantee or such other conditions agreed between the parties, further details of which are set out in the paragraph headed “Profit Guarantee” in this announcement.

The above consideration was determined after arms’ length negotiations with reference to (i) valuation of Huihuang Real Estate in the amount of RMB46,000,000 as at 31 December 2018 assessed by the independent professional asset valuer based on market comparison approach; and (ii) the Profit Guarantee.

### **Conditions precedent**

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

- (a) the Purchaser being satisfied with the results of the due diligence review (including but not limited to legal, financial, technical and other aspects considered to be necessary by the Purchaser) to be conducted in relation to the business, assets, liabilities, operations, litigation and arbitration of Huihuang Real Estate (including its subsidiaries and branch offices);
- (b) the Reorganisation having been completed;
- (c) the business registration for the change in equity interests of Huihuang Real Estate from the Vendors to the Purchaser with the relevant industry and commerce bureau in the PRC having been completed;

- (d) the Warranties remaining true and accurate and not misleading in all material respects and there being no incident which will result in the Vendors breaching the Warranties or any terms of the First Agreement;
- (e) there being no material adverse change or effect to Huihuang Real Estate (including its subsidiaries and branch offices);
- (f) all consents and approvals (including but not limited to bank, judicial or arbitral institution or other governmental authorities) required to be obtained on the part of the Vendors and Huihuang Real Estate (including its subsidiaries and branch offices) in respect of the First Agreement and the transactions contemplated thereunder having been obtained;
- (g) all consents and approvals (including but not limited to the approval from the Shareholders at the general meeting of the Company and the Stock Exchange, if applicable) required to be obtained on the part of the Company in respect of the First Agreement and the transactions contemplated thereunder having been obtained;
- (h) 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 Huihuang Real Estate (including its subsidiaries and branch offices); and
- (i) the valuation report in relation to Huihuang Real Estate having been issued by the independent professional asset valuer appointed by the Purchaser in the form and substance to the satisfaction of the Purchaser.

The Purchaser may at its absolute discretion at any time waive in writing any of the above conditions set out in (a) and (b). Other than the above conditions (a) and (b), all other conditions set out above are not waivable. If the conditions set out in the First Agreement have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the First Agreement shall cease and determine and thereafter none of the parties to the First Agreement shall have any obligations and liabilities towards the others save for any antecedent breaches of the terms of the First Agreement and the Vendors shall forthwith refund all consideration paid by the Purchaser under the First Agreement (without interest) to the Purchaser within five (5) Business Days after the termination of the First Agreement.

## **THE SECOND AGREEMENT**

Date: 17 April 2019 (after trading hours of the Stock Exchange)

Parties: (1) The Purchaser;  
(2) Mr. Liang Xiwei (as the First Vendor); and  
(3) Mr. Huang Junhua (as the Second Vendor).

### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser has agreed to purchase and the Vendors have agreed to sell the Second Sale Capital, representing 51% equity interests in Huihuang Property upon Completion.

The First Vendor and the Second Vendor agreed to sell 46% and 5% equity interests in Huihuang Property respectively to the Purchaser.

### **Consideration and adjustment**

The consideration for the sale and purchase of the Second Sale Capital shall be RMB35,000,000 (equivalent to HK\$42,000,000), which shall be payable by the Purchaser in cash to the Vendors in the following manners:

- (a) RMB10,000,000 within 7 working days upon completion of the business registration for the change in equity interests of Huihuang Property from the Vendors to the Purchaser with the relevant industry and commerce bureau in the PRC (as to RMB9,000,000 to the First Vendor and RMB1,000,000 to the Second Vendor); and
- (b) the remaining balance of RMB25,000,000 shall be payable by the Purchaser to the First Vendor upon fulfillment of the Profit Guarantee or such other conditions agreed between the parties, further details of which are set out in the paragraph headed “Profit Guarantee” in this announcement.

The above consideration was determined after arms’ length negotiations with reference to (i) valuation of Huihuang Property in the amount of RMB22,000,000 as at 31 December 2018 assessed by the independent professional asset valuer based on market comparison approach; and (ii) the Profit Guarantee.

### **Conditions precedent**

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

- (a) the Purchaser being satisfied with the results of the due diligence review (including but not limited to legal, financial, technical and other aspects considered to be necessary by the Purchaser) to be conducted in relation to the business, assets, liabilities, operations, litigation and arbitration of Huihuang Property (including its subsidiaries and branch offices);
- (b) the business registration for the change in equity interests of Huihuang Property from the Vendors to the Purchaser with the relevant industry and commerce bureau in the PRC having been completed;
- (c) the Warranties remaining true and accurate and not misleading in all material respects and there being no incident which will result in the Vendors breaching the Warranties or any terms of the Second Agreement;
- (d) there being no material adverse change or effect to Huihuang Property (including its subsidiaries and branch offices);
- (e) all consents and approvals (including but not limited to bank, judicial or arbitral institution or other governmental authorities) required to be obtained on the part of the Vendors and Huihuang Property (including its subsidiaries and branch offices) in respect of the Second Agreement and the transactions contemplated thereunder having been obtained;

- (f) all consents and approvals (including but not limited to the approval from the Shareholders at the general meeting of the Company and the Stock Exchange, if applicable) required to be obtained on the part of the Company in respect of the Second Agreement and the transactions contemplated thereunder having been obtained;
- (g) 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 Huihuang Property (including its subsidiaries and branch offices); and
- (h) the valuation report in relation to Huihuang Property having been issued by the independent professional asset valuer appointed by the Purchaser in the form and substance to the satisfaction of the Purchaser.

The Purchaser may at its absolute discretion at any time waive in writing the above condition set out in (a). Other than the above condition (a), all other conditions set out above are not waivable. If the conditions set out in the Second Agreement have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Second Agreement shall cease and determine and thereafter none of the parties to the Second Agreement shall have any obligations and liabilities towards the others save for any antecedent breaches of the terms of the Second Agreement and the Vendors shall forthwith refund all consideration paid by the Purchaser under the Second Agreement (without interest) to the Purchaser within five (5) Business Days after the termination of the Second Agreement.

## **OTHER TERMS OF THE AGREEMENTS**

### **Completion**

Completion shall take place within three (3) Business Days (or such later date agreed between the parties to the Agreements) after the fulfilment (or waiver as the case may be) of all the conditions precedent under the Agreements.

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 Companies will be consolidated into the accounts of the Company.

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

### **Profit Guarantee**

The First Vendor irrevocably represents and warrants to and undertakes with the Purchaser that (i) the audited consolidated net profit after tax of the Target Companies shall not be less than RMB20,000,000 for the financial year ending 31 December 2019; (ii) the audited consolidated net profit after tax of the Target Companies shall not be less than RMB30,000,000 for the financial year ending 31 December 2020; and (iii) audited consolidated net profit after tax of the Target Companies shall not be less than RMB50,000,000 for the financial year ending 31 December 2021.

The auditor of the Target Companies to be appointed by the Purchaser shall (i) complete the audit of the financial statements of the Target Companies for the relevant period within five months after the end of the relevant period; and (ii) provide to the Purchaser and the First Vendor a copy of the audited report, which shall be prepared in accordance with the PRC accounting standards and such report shall be final, conclusive and binding on the parties.

### **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 of the Sale Capital held by the Purchaser. The exercise of the put option is not at the First Vendor's discretion.

The exercise price of the put option is equivalent to the aggregate amount of all the consideration paid by the Purchaser (including the consideration paid by the Purchaser in relation to the satisfaction of all or part of the Profit Guarantee) at the time of exercise of the put option plus an interest at the interest rate of 10% per annum. Upon the exercise price of the put option, the First Vendor agreed to refund to the Purchaser all capital injected to the Target Companies from the Completion up to the date of exercise of the put option plus an interest at the interest rate of 10% per annum.

The Purchaser is entitled to exercise the put option if the Profit Guarantee cannot be satisfied for any of the relevant financial year under the Profit Guarantee. To exercise the put option, the Purchaser shall deliver a written notice to the First Vendor on or before 30 June of the next financial year.

### **Payment of remaining Consideration**

If the Profit Guarantee is satisfied or if the Profit Guarantee is not satisfied but the Purchaser fails to exercise the put option for the relevant financial year, the Purchaser shall pay the First Vendor the remaining Consideration in the following manners:

- (a) RMB20,000,000, (i) if the Profit Guarantee for the financial year ending 31 December 2019 is satisfied, within 7 Business Days after the issue of the audited report of the Target Companies for the financial year ending 31 December 2019; or (ii) if the Profit Guarantee for the financial year ending 31 December 2019 is not satisfied and the Purchaser fails to exercise the put option, within 7 Business Days after 30 June of the next financial year, whichever is the later (but no later than 31 July 2020);
- (b) RMB30,000,000, (i) if the Profit Guarantee for the financial year ending 31 December 2020 is satisfied, within 7 Business Days after the issue of the audited report of the Target Companies for the financial year ending 31 December 2020; or (ii) if the Profit Guarantee for the financial year ending 31 December 2020 is not satisfied and the Purchaser fails to exercise the put option, within 7 Business Days after 30 June of the next financial year, whichever is the later (but no later than 31 July 2021); and
- (c) the remaining balance of RMB20,000,000, (i) if the Profit Guarantee for the financial year ending 31 December 2021 is satisfied, within 7 Business Days after the issue of the audited report of the Target Companies for the financial year ending 31 December 2021; or (ii) if the Profit Guarantee for the financial year ending 31 December 2021 is

not satisfied and the Purchaser fails to exercise the put option, within 7 Business Days after 30 June of the next financial year, whichever is the later (but no later than 31 July 2022).

If the Purchaser exercises the put option, any remaining balance of the Consideration shall no longer be payable by the Purchaser to the First Vendor.

## **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.

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 Property owns 100% equity interests in each of Fangjiajia Information Technology and Huihuang Financial Investment Management; and (ii) Huihuang Real Estate owns 100% equity interests in each of Huihuang Real Estate Agency and Huihuang Guigang Real Estate.

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.

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.

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.

### Reorganisation

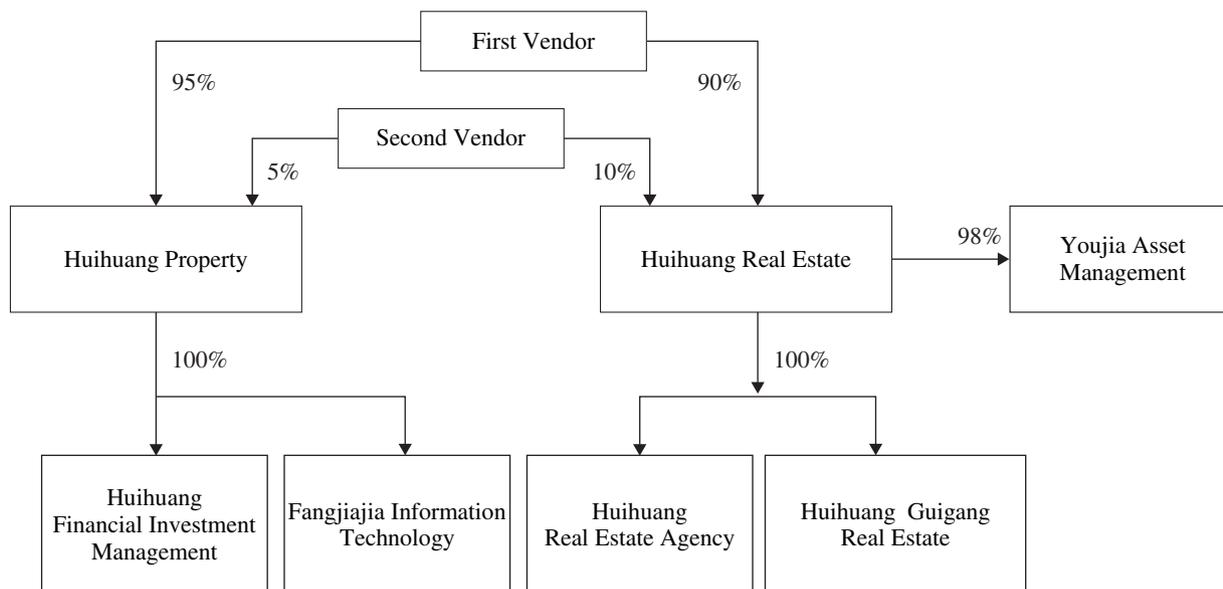
As at the date of this announcement, Huihuang Real Estate (i) also owns 98% equity interests in Youjia Asset Management, which shall be disposed of by Huihuang Real Estate under the Reorganisation and will not be part of the Target Group upon Completion; and (ii) has a branch office, at Guigang City, the PRC, which shall be deregistered under the Reorganisation.

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.

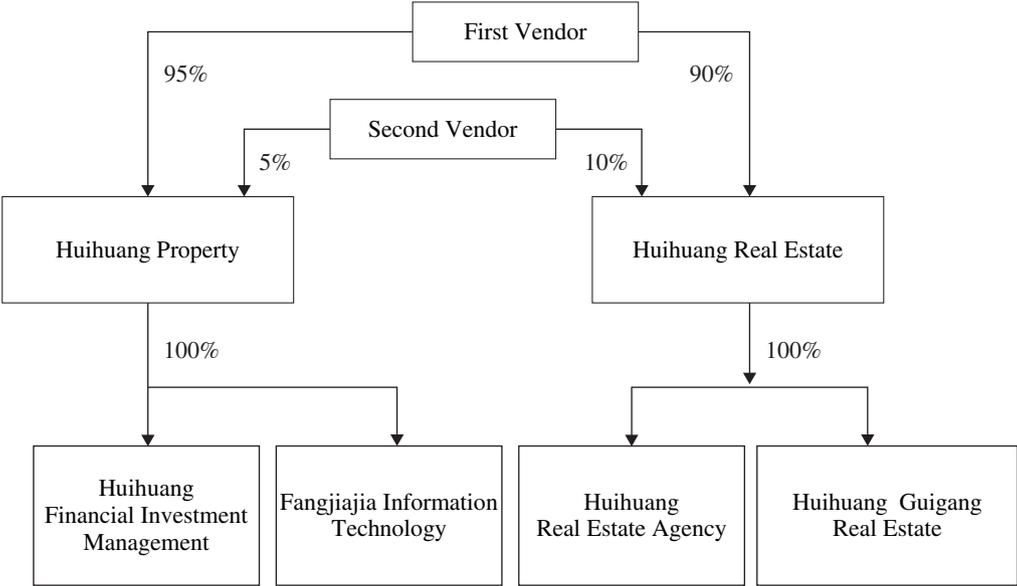
### Structure of the Target Group

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 Completion.

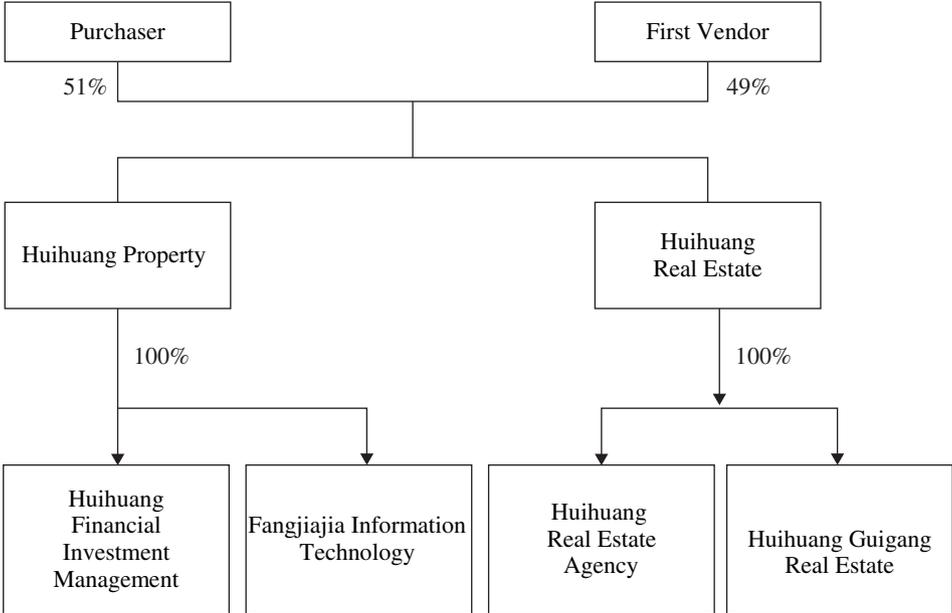
*As at the date of this announcement*



*Immediately after completion of the Reorganisation*



*Immediately after Completion*



## Financial information

The audited consolidated financial information of the Target Group for the two financial years ended 31 December 2017 and 31 December 2018 (as if the Reorganisation having been completed) are set out below:

	<b>For the year ended 31 December 2017 (audited) (RMB)</b>	<b>For the year ended 31 December 2018 (audited) (RMB)</b>
Profit before taxation	7,709,258	16,010,163
Profit after taxation	<u>5,471,415</u>	<u>13,412,013</u>
Net assets	<u>16,240,774</u>	<u>30,451,184</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
“Agreements”	collectively the First Agreement and the Second Agreement
“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 the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms of the Agreements
“Completion Date”	the date falling within three (3) Business Days after the fulfilment (or waiver as the case may be) of all the conditions precedent under the Agreements
“Consideration”	the aggregate consideration payable by the Purchaser to the Vendors for the Sale Capital under the Agreements, being RMB100,000,000 (equivalent to HK\$120,000,000) (assuming that the Profit Guarantee or such other conditions agreed between the parties having been fulfilled)
“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 Agreement”	the agreement dated 17 April 2019 entered into among the Vendors and the Purchaser in relation to the acquisition of the First Sale Capital
“First Sale Capital”	41% and 10% of the registered capital in Huihuang Real Estate from the First Vendor and the Second Vendor
“First Vendor”	Mr. Liang Xiwei
“Group”	the Company and its subsidiaries

“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 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
“Long Stop Date”	31 May 2019 (or such later date agreed between the parties to the Agreements)
“Purchaser”	廣東中奧物業管理有限公司 (for transliteration purpose only, Guangdong Zhong Ao Property Management Company Limited), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, being the purchaser of the Agreements
“PRC”	the People’s Republic of China

“Previous Proposed Acquisition”	the acquisition of 51% equity interests in the Target Companies previously disclosed in the announcement of the Company dated 26 June 2018, which has been terminated by the Termination Deed
“Profit Guarantee”	the profit guarantee made by the First Vendor in favour of the Purchaser, details of which are set out in the paragraph headed “Profit Guarantee” in this announcement
“Reorganisation”	the reorganisation to be conducted under the First Agreement including (i) the disposal of 98% equity interests in Youjia Asset Management by Huihuang Real Estate; and (ii) the deregistration of the branch office of Huihuang Real Estate at Guigang City, the PRC
“Sale Capital”	collectively the First Sale Capital and the Second Sale Capital
“Second Agreement”	the agreement dated 17 April 2019 entered into among the Vendors and the Purchaser in relation to the acquisition of the Second Sale Capital
“Second Sale Capital”	46% and 5% of the registered capital in Huihuang Property from the First Vendor and the Second Vendor
“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)
“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
“Termination Deed”	the deed of termination dated 17 April 2019 and entered into among Zhong Wu Hang Property, the First Vendor, the Second Vendor and Huihuang Property pursuant to which the parties thereto agreed to terminate the Previous Proposed Acquisition
“Vendors”	collectively the First Vendor and the Second Vendor
“Warranties”	the warranties and disclosures made by the Vendors as set out in the Agreements (as the case may be)

“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
“Zhong Wu Hang Property”	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 for the Previous Proposed Acquisition
“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, 17 April 2019

*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.*