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**Zhong Ao Home Group Limited**

**中奥到家集团有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1538)**

## **SUPPLEMENTAL AGREEMENT IN RELATION TO EXERCISE OF PUT OPTION**

Reference are made to the announcements (the “**Announcements**”) of Zhong Ao Home Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 18 August 2021 and 22 October 2021 respectively in relation to, among other matters, the exercise of the Put Option. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, on 22 October 2021, the Purchaser and the First Vendor entered into the Agreement pursuant to which, the Purchaser and the First Vendor agreed that (i) the Option Price in the amount of RMB5 million would be payable by the First Vendor to the Purchaser by 30 November 2021; (ii) the Option Price in the amount of RMB5 million would be payable by the First Vendor to the Purchaser by 31 January 2022; and (iii) the remaining balance of the Option Price including all the accrued interest amount would be payable by the First Vendor to the Purchaser by 31 July 2022.

In addition, as disclosed in the Announcements, in order to secure the above payment of the Option Price, the First Vendor agreed to pledge an immovable property, which is legally and beneficially owned by him and with a value of not less than RMB26 million, in favour of the Purchaser by no later than 31 January 2022.

The Purchaser was informed by the First Vendor that (i) due to the impact of the real estate market in the PRC, he has difficulty to recover the relevant funds and is under financial pressure to settle the remaining Option Price; and (ii) as the Chinese Lunar New Year holiday is soon approaching, he would need additional time to obtain the title certificates of the immovable properties before he could pledge the immovable properties in favour of the Purchaser and as such, on 28 January 2022, the Purchaser and the First Vendor entered into

a supplemental agreement (the “**Supplemental Agreement**”) pursuant to which, the Purchaser and the First Vendor agreed with the followings:

- (a) the Option Price will be settled by the First Vendor in the following manner:
  - (i) RMB5 million would be payable by the First Vendor to the Purchaser by 30 November 2021 (the “**First Payment**”);
  - (ii) RMB1.5 million would be payable by the First Vendor to the Purchaser by 30 January 2022 (the “**Second Payment**”);
  - (iii) RMB3.5 million will be payable by the First Vendor to the Purchaser by 10 March 2022; and
  - (iv) the remaining balance of the Option Price including all the accrued interest amount will be payable by the First Vendor to the Purchaser by 31 July 2022;
- (b) in order to secure the above payment of the remaining Option Price, the First Vendor agreed to (i) obtain the title certificates of a house situated at 中國南寧市天譽花園 (for transliteration purpose only, Tianyu Garden, Nanning City, the People’s Republic of China) (“**Tianyu Garden**”) and 204 car parking spaces located at Tianyu Garden by the end of February 2022; (ii) obtain the title certificates of 106 additional car parking spaces located at Tianyu Garden and 100 car parking spaces located at 中國南寧市啟迪東盟科技城 (for transliteration purpose only, Qidi Dongmeng Technology City, Nanning City, the People’s Republic of China) by the end of April 2022; and (iii) within three days after obtaining the above title certificates of the immovable properties, complete the registration procedures for mortgaging the immovable properties in favour of the Purchaser.

Save for the above amendments, all other terms and conditions of the Agreement shall remain unchanged. As at the date of this announcement, (i) each of the First Payment and the Second Payment was fully paid by the First Vendor to the Purchaser in accordance with the terms of the Supplemental Agreement; and (ii) the total outstanding amount of the Option Price together with all the accrued interest amount was approximately RMB31.7 million.

Taking into account (i) the Supplemental Agreement was entered into due to the First Vendor having financial pressure to settle the Option Price under the impact of the real estate market in the PRC; (ii) the outstanding Option Price will continue to accrue interest up to the date of full settlement by the First Vendor; (iii) the First Vendor agreed to mortgage the immovable properties with value of not less than RMB26 million in favour of the Purchaser in accordance with the terms of the Supplemental Agreement; (iv) if the actual value of the immovable properties to be mortgaged by the First Vendor in favour of the Purchaser is less than RMB26 million, the Purchaser is entitled to request the First Vendor to provide additional security depending on the repayment status of the First Vendor under the Agreement; and (v) if the First Vendor is in breach of the Agreement, the Purchaser is entitled to request the First Vendor to pay all outstanding Option Price and all the accrued interest in full in one lump sum, the Board (including all independent non-executive

Directors) considers that the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 31 January 2022

*As at the date of this announcement, the Board comprises Mr. Liu Jian, Ms. Chen Zhuo, Mr. Liang Bing and Mr. Long Weimin as executive directors, Mr. Wu Zhihua and Ms. Jin Keli as non-executive directors, and Mr. Chan Wai Cheung, Admiral, Mr. Chan Ka Leung, Kevin and Mr. Huang Anxin as independent non-executive directors.*