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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)

SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO EXERCISE OF PUT OPTION

References 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, 22 October 2021 and 31 January 2022 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 at the date of this announcement, (i) a total of RMB10 million was paid by the First Vendor to the Purchaser for settlement of part of the Option Price; (ii) the total outstanding amount of the Option Price together with all the accrued interest amount was approximately RMB29.2 million; (iii) the First Vendor obtained the title certificates of and completed the registration procedures for mortgaging a total of 228 immovable properties (including a house and 227 car parking spaces situated at Tianyu Garden (“**Tianyu Garden Car Parking Spaces**”) in favour of the Purchaser; and (iv) the mortgage registration procedures of the remaining 83 Tianyu Garden Car Parking Spaces and 100 car parking spaces situated 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) (“**Technology City Car Parking Spaces**”) as stipulated under the Supplemental Agreement have not yet been completed.

The Purchaser was informed by the First Vendor that the registration procedures for mortgaging certain immovable properties in favour of the Purchaser are taking longer than expected and as such, on 1 August 2022, the Purchaser and the First Vendor entered into the second supplemental agreement (the “**Second Supplemental Agreement**”), pursuant to which, the Purchaser and the First Vendor, agreed with the followings:

- (a) the First Vendor will mortgage an additional of 100 Tianyu Garden Car Parking Spaces in favour of the Purchaser in substitution for the 100 Technology City Car Parking Spaces;

- (b) the First Vendor will complete the registration procedures for mortgaging (i) 40 Tianyu Garden Car Parking Spaces in favour of the Purchaser by 30 September 2022; and (ii) the remaining 143 Tianyu Garden Car Parking Spaces in favour of the Purchaser by 31 December 2022; and
- (c) the remaining balance of the Option Price and accrued interest amount will be settled by the First Vendor in the following manner:
 - (i) RMB2 million will be payable by the First Vendor to the Purchaser by 31 August 2022;
 - (ii) RMB2 million will be payable by the First Vendor to the Purchaser by 31 December 2022;
 - (iii) RMB2 million will be payable by the First Vendor to the Purchaser by 31 March 2023;
 - (iv) RMB2 million will be payable by the First Vendor to the Purchaser by 31 May 2023; and
 - (v) 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 2023.

Save for the above amendments, all other terms and conditions of the Agreement (as supplemented by the Supplemental Agreement) shall remain unchanged.

Taking into account (i) the Second Supplemental Agreement was entered into due to the unexpectedly long registration time for completing the mortgage registration procedures for certain immovable properties; (ii) a total of RMB10 million was paid by the First Vendor to the Purchaser for settlement of part of the Option Price; (iii) the outstanding Option Price will continue to accrue interest up to the date of full settlement by the First Vendor; (iv) a total of 228 immovable properties have already been mortgaged in favour of the Purchaser; and (v) the First Vendor will continue to arrange for the mortgage of 183 Tianyu Garden Car Parking Spaces in favour of the Purchaser, which together with the 228 immovable properties already mortgaged in favour of the Purchaser, will have a value of not less than RMB29.2 million, the Board (including all independent non-executive Directors) considers that the Second 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 Executive Director

Hong Kong, 1 August 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 Zihua 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.