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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)**

## **INSIDE INFORMATION COMMENCEMENT OF LITIGATION**

This announcement is made by Zhong Ao Home Group Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 18 August 2021, 22 October 2021 and 31 January 2022 and 1 August 2022 respectively (the “**Announcements**”) 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 of the date of this announcement, although the Purchaser has demanded the First Vendor from time to time to (i) pay the remaining balance of the Option Price; and (ii) complete the registration procedures for mortgaging the remaining 183 Tianyu Garden Car Parking Spaces in accordance with the Second Supplemental Agreement, the First Vendor has still not settled the remaining balance of the Option Price and not completed the registration procedures for mortgaging the remaining 183 Tianyu Garden Car Parking Spaces in accordance with the Second Supplemental Agreement, which constitutes a breach of the Second Supplemental Agreement. Accordingly, the Purchaser has commenced civil lawsuit and submitted a claim (the “**Claim**”) against the First Vendor to the People’s Court of Qingxiu District, Nanning City, the People’s Republic of China (the “**Court**”) for, among others, (i) the remaining balance of the Option Price of RMB20 million and all accrued interest; (ii) penalty for breach of contract; and (iii) an order that the Purchaser shall have the right to be compensated in priority by the proceeds from the auction or sale of the mortgaged properties (including a house and 227 Tianyu Garden Car Parking Spaces). On 14 April 2023, the Purchaser has received from the Court an acceptance notice in relation to the Claim.

The Purchaser will proactively advocate and enforce its rights in the above legal proceeding in accordance with applicable laws. The Company will make further announcement(s) as and when appropriate to keep its shareholders and potential investors informed of any significant developments in connection with the above legal proceeding.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 17 April 2023

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