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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)

**MAJOR TRANSACTION IN RELATION TO
FORMATION OF JOINT VENTURE
AND
PROPOSED ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

THE JV AGREEMENT

The Board is pleased to announce that on 21 July 2026, New Trillion (a wholly-owned subsidiary of the Company) entered into the JV Agreement with Ms. Tseung pursuant to which the parties agreed to jointly operate the JV Group. The JV Agreement outlines the rights and obligations of New Trillion and BVI Holding Company as ultimate shareholders of the JV Group and the structure and business operations of the JV Group.

PROPOSED ISSUE OF CONVERTIBLE BONDS

Subject to the terms and conditions of the JV Agreement, New Trillion has conditionally agreed to procure the Company to issue the Convertible Bonds in an aggregate principal amount of HK\$306,000,000 to BVI Holding Company.

Based on the initial Conversion Price of HK\$0.93 per Conversion Share (subject to adjustment), a maximum of 329,032,258 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights in full, representing (i) approximately 38.50% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 27.80% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds (assuming that there will be no change in the issued share capital of the Company from the date of this announcement and up to conversion of the Convertible Bonds in full at the initial Conversion Price).

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Shareholders at the EGM.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the JV Agreement are more than 25% but less than 100%, the JV Agreement and the transactions contemplated thereunder constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has any material interest in the JV Agreement and the transactions contemplated thereunder, none of the Directors is required to abstain from voting on the board resolutions approving the JV Agreement and the transactions contemplated thereunder.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, JV Agreement and the transactions contemplated thereunder, the proposed issue of the Convertible Bonds and the grant of the Specific Mandate. In compliance with the Listing Rules, the relevant resolutions will be voted on by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates would have a material interest in the JV Agreement and the transactions contemplated thereunder. No Shareholder would be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, details of the JV Agreement and the transactions contemplated thereunder, together with a notice convening the EGM, is expected to be despatched to the Shareholders on or before 31 August 2026 as additional time is required by the Company to prepare and finalise certain information to be included in the circular.

Shareholders and potential investors of the Company should note that the JV Agreement and the transactions contemplated thereunder are subject to the fulfillment of the conditions under the JV Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

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THE JV AGREEMENT

The principal terms of the JV Agreement are set out below.

Date: 21 July 2026

Parties: (i) New Trillion; and

(ii) Ms. Tseung.

New Trillion is a company incorporated in BVI with limited liability and is a wholly owned subsidiary of the Company. New Trillion is an investment holding company.

Ms. Tseung, aged 54, a practicing lawyer in China, has worked for several well-known law firms in Hong Kong and engaged in cross-border legal affairs related to Chinese law, focusing on corporate IPO financing for over ten years. She is the Chairman of PRC Law Association of Hong Kong. Ms. Tseung engages in corporate finance and cross-border business cases. She is familiar with enterprise capital market operations and handles various types of corporate legal matters. She is currently serving as an executive director of Khoon Group Limited, a company listed on Main Board of the Stock Exchange (Stock Code: 924) and an independent non-executive director of China Oral Industry Group Holdings Limited, a company listed on GEM of the Stock Exchange (Stock Code: 8406).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Ms. Tseung is an Independent Third Party.

Reorganisation

Upon the entering into of the JV Agreement, Ms. Tseung agreed to arrange for the following reorganisation as soon as possible and within two months (or such later date as may be agreed between the parties to the JV Agreement) from the date of the JV Agreement:

- (i) to incorporate a new company in BVI with limited liability (i.e. BVI Holding Company), which shall be controlled and beneficially owned as to 68% by Ms. Tseung and the remaining 32% by two other Independent Third Parties;
- (ii) to incorporate a new company in Hong Kong with limited liability, which shall be wholly and beneficially owned by Ms. Tseung;
- (iii) to establish a new company in PRC with limited liability with a registered capital of RMB5,000,000, which shall be wholly and beneficially owned by Hong Kong Company;
- (iv) to incorporate a new company in BVI with limited liability, which shall be wholly and beneficially owned by Ms. Tseung and BVI Company will acquire all equity interests of Hong Kong Company and BVI Holding Company will acquire all equity interests of BVI Company;

- (v) Ms. Tseung shall procure relevant third parties to enter into memorandums of understanding to, upon the establishment of the PRC Company, assign business contracts (with contract worth of not less than RMB1.5 billion within a year) to PRC Company such that PRC Company shall provide computing power, SaaS and related services to customers under these business contracts; and
- (vi) the Business Contracts Assignment having completed.

Conditions Precedent

The JV Agreement is conditional upon all of the following conditions being fulfilled on or before 30 September 2026 (or such later date as may be agreed between the parties to the JV Agreement), failing which the JV Agreement shall cease to be effective and no party shall have any liability or obligation thereunder, save for any antecedent breach:

- (i) the Reorganisation having completed;
- (ii) the receipt of a valuation report from an independent professional valuer appointed by the Company, stating that the valuation of 51% equity interests of PRC Company is not less than HK\$306,000,000;
- (iii) the Shareholders shall have passed the requisite resolution(s) at the EGM approving the JV Agreement and the transactions contemplated thereunder, including the issue of the Convertible Bonds and the grant of the Specific Mandate for the allotment and issue of the Conversion Shares upon exercise of the Conversion Rights attached to the Convertible Bonds;
- (iv) the Stock Exchange having granted the listing of, and permission to deal in, the Conversion Shares which fall to be allotted and issued upon the exercise of the Conversion Rights attached to the Convertible Bonds;
- (v) all necessary consents and approvals to be obtained by New Trillion and the Company in respect of the JV Agreement and the transactions contemplated thereunder having been obtained; and
- (vi) all necessary consents and approvals to be obtained by Ms. Tseung in respect of the JV Agreement and the transactions contemplated thereunder having been obtained.

Transfer of 51 shares of BVI Company

Subject to the fulfillment of all conditions precedent under the JV Agreement, the parties to the JV Agreement will proceed to complete the transfer of shares of BVI Company (the “**Completion**”) pursuant to which (i) New Trillion agreed to acquire 51 shares of BVI Company, representing 51% of the issued share capital of BVI Company, from BVI Holding Company at the nominal consideration of HK\$1.00; and (ii) New Trillion will procure the Company to issue the Convertible Bonds in the principal amount of HK\$306,000,000 to BVI Holding Company.

The principal amount of the Convertible Bonds of HK\$306,000,000 is determined with reference to the preliminary fair value of 51% equity interests of PRC Company conducted by Haysun Appraisal and Advisory Limited (the “**Valuer**”), a professional independent valuer appointed by the Company, as at 13 July 2026 in the amount of approximately HK\$334,460,000 by way of income approach. The final valuation report (the “**Valuation Report**”) to be prepared by the Valuer will be included in the circular to be despatched to the Shareholders. Mr. Sunny Tan, being the founding partner of Haysun Appraisal and Advisory Limited, is a member of Certified Valuation Analyst Association and he has been practicing valuation since 2008. He has expertise in business enterprises valuation, intangible assets, financial instruments and related advisory services. Before practicing valuation, Mr. Sunny Tan has experiences in financial due diligence, forensic accounting, audit and liquidation services.

Since the discounted cash flow method under the income approach was adopted by the Valuer under the preliminary valuation, such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. The information required to be disclosed in compliance with Rule 14.60A of the Listing Rules is set out in the Appendices to this announcement.

Structure and capital injection

Subject to the fulfillment of all conditions precedent under the JV Agreement and upon completion of the transfer of 51 shares of BVI Company, (i) BVI Company will be owned as to 51% by New Trillion and 49% by BVI Holding Company. BVI Company will be a 51% owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group; (ii) BVI Company will hold 100% equity interest of Hong Kong Company; and (iii) Hong Kong Company will hold 100% equity interest of PRC Company.

Pursuant to the JV Agreement, New Trillion and Ms. Tseung (through BVI Holding Company) agreed to inject RMB2,550,000 and RMB2,450,000 respectively into BVI Company (which is in proportion to their respective shareholding interests in BVI Company) and BVI Company will, through Hong Kong Company, inject such amount into PRC Company to pay up the registered capital of PRC Company.

Business of PRC Company

PRC Company will engage in provision of computing power, software as a service (SaaS) and related services in the PRC with the following business model:

- (i) computing power trading: PRC Company will provide computing power as a value-added service to customers engaging in sales of automobiles, enabling them to connect with end buyers and thereby increase the sales of the customers. This will also create business opportunities for PRC Company to participate in the sales by trading of automotive parts and accessories, from which PRC Company will generate trading revenue and profits; and

- (ii) artificial intelligent (AI) computing power applications and SaaS services: PRC Company will provide customers with computing power data analysis and technical solutions (such as (a) to provide ride-hailing companies big data analysis to enhance drivers and orders management, heatmap analysis, real-time scheduling and path planning; (b) by leveraging AI-powered intelligent agents, to optimize the products offerings and supply chain management of cross-border e-commerce services providers through AI-driven products selection and intelligent customer services; and (c) to provide AI-powered quality inspection and production line optimization solutions to automotive parts manufacturers) and will generate services income for PRC Company.

Pursuant to the JV Agreement, (i) Ms. Tseung undertakes that she shall procure BVI Holding Company to contribute all working capital, personnel and technology to PRC Company and shall procure BVI Holding Company to be responsible for conducting the day to day business operations of PRC Company in accordance with the instructions of the board of directors of PRC Company; (ii) Ms. Tseung undertakes that she shall procure BVI Holding Company from time to time inject the necessary capital to BVI Company by way of shareholder's loan and BVI Company will, through Hong Kong Company, inject such capital into PRC Company to satisfy all of its working capital needs; and (iii) Ms. Tseung shall procure BVI Holding Company to be responsible for establishing and managing PRC Company's operational team and ensure that the operational team will enter into service agreement(s) with PRC Company for a minimum period of three (3) years.

The operational team of PRC Company will be led and managed by (i) Mr. Cai Changzhi, the technical leader; and (ii) Mr. Liu Maoxiang, the general manager. The biographical details of Mr. Cai Changzhi and Mr. Liu Maoxiang are as follows:

Mr. Cai Changzhi, aged 44, has obtained a bachelor's degree of mechanical and electronic engineering from Shenzhen University. He has over 20 years of experience in computing power services and software as a service (SaaS) services industry in the PRC and possess in-depth knowledge and expertise. From 2004 to 2010, he was the development manager and system architect of 深圳市騰訊計算機系統有限公司 (Shenzhen Tencent Computer Systems Company Limited). From 2010 to 2012, he was the technical director of 深圳市富必成科技有限公司 (for transliteration purpose only, Shenzhen Fubicheng Technology Company Limited). From 2012 to 2013, he was the technical director of 深圳市訂訂房商務諮詢有限公司 (for transliteration purpose only, Shenzhen Dingdingfang Business Consulting Company Limited). From 2013 up to the date hereof, he is the director and chief technical officer of 深圳盛燦科技股份有限公司 (for transliteration purpose only, Shenzhen Shengcan Technology Company Limited), a company previously listed on the National Equities Exchange and Quotations (NEEQ) (stock code: 870226).

Mr. Liu Maoxiang, aged 44, has obtained a bachelor's degree in accounting from Xi'an Jiaotong University. He has been engaging in brand strategy planning and management, investment and financing, industrial investment and operation for many years and is specialising in market development and operational management. From 2003 to 2005, he worked with 深圳發展銀行珠海分行 (Shenzhen Development Bank Co., Ltd. (Zhuhai branch)) as customer manager of business department and assistant general manager of market development department. From 2006 to 2007, he worked with 深圳茂業(集團)股份有限公司 (Shenzhen Maoye (Group) Co., Ltd.) as financial manager. From 2007 to 2010, he worked with 深圳市寶能投資集團有限公司 (Shenzhen Baoneng Investment Group Co.,

Ltd.) as head of investment and financial department and project manager. From 2011 to 2015, he worked with 深圳市鴻海環球控股集團 (Shenzhen Honghai Global Holding Group Co., Ltd.) as director and executive vice president. From 2015 up to the date of this announcement, he as financial investor has participated in investments in companies across various industries, including cultural tourism investment and financing, business investment management, smart network platforms, electronic component research, development and production, and assistive devices and human-computer interaction research, development and production. He has over the years developed extensive experience in overseas investment and project development and possess vast experience and capabilities in industry brand strategy development, market analysis, investment planning, cost management, and business development operations.

Management and operations of the JV Group

The board of directors of each company of the JV Group shall consist of three directors, of which two shall be nominated by New Trillion and one shall be nominated by Ms. Tseung. The chairman of the board of directors of each company of the JV Group shall be nominated by New Trillion. The board meetings of each company of the JV Group shall only be held in the presence of two directors, one of which shall be a director nominated by New Trillion. Matters arising in any meeting of the board of directors of each company of the JV Group shall be decided by a majority of votes. Ms. Tseung shall nominate the legal representative of PRC Company whereas the supervisor of PRC Company shall be nominated by New Trillion.

The business development, expansion plan and business strategy of each company of the JV Group shall be decided, approved and passed by the board of directors of each company of the JV Group and Ms. Tseung shall, in accordance with the instructions of the board of directors, procure BVI Holding Company to be responsible for carrying out the daily business operations and managing all daily affairs of the JV Group. In addition, Ms. Tseung shall procure BVI Holding Company to provide support in personnel management, including offering administrative expertise and employee training, as well as supporting the business operations and development of each company of the JV Group.

The quorum of the shareholders meeting of BVI Company is two shareholders, one of the which shall be New Trillion. The chairman of the shareholders meeting of BVI Company shall be the chairman of the board of directors of BVI Company. Certain reserved matters of each company of the JV Group, including but not limited to the issuance of new shares, variation of rights of the shares, amendment of the articles of association and winding up are subject to the unanimous approval of New Trillion and Ms. Tseung.

Restriction on transfer of equity interests of BVI Company

Unless with prior written consent of the other shareholder, a shareholder of BVI Company may not transfer or sell to a third party all or part of its interests in BVI Company. Any transfer of shares of BVI Company shall be subject to the new shareholder executing a deed of adherence and complying with the terms and conditions of the JV Agreement.

Profit Guarantee

Subject to completion of the transfer of 51 shares of BVI Company from BVI Holding Company to New Trillion, Ms. Tseung has undertaken that:

- (i) the accumulated audited net profit after tax (excluding any income or loss generated by activities outside the ordinary and usual course of business) of PRC Company for the first three months after the date of Completion shall be not less than RMB5,000,000;
- (ii) the accumulated audited net profit after tax (excluding any income or loss generated by activities outside the ordinary and usual course of business) of PRC Company for the first six months after the date of Completion shall be not less than RMB30,000,000; and
- (iii) the accumulated audited net profit after tax (excluding any income or loss generated by activities outside the ordinary and usual course of business) of PRC Company for the first twelve months after the date of Completion shall be not less than RMB50,000,000.

(the above collectively, the “**Profit Guarantee**”)

If any of the above Profit Guarantee cannot be fulfilled, BVI Holding Company shall forthwith return the Convertible Bonds to the Company and the Company will cancel the Convertible Bonds, while New Trillion shall be entitled to exercise the Put Option.

If the above Profit Guarantee is fulfilled, but the accumulated audited net profit after tax (excluding any income or loss generated by activities outside the ordinary and usual course of business) of PRC Company for the first twelve months after the date of Completion is less than RMB80,000,000, BVI Holding Company shall forthwith return part of the Convertible Bonds in the principal amount of HK\$183,600,000 to the Company and the Company will cancel such part of the Convertible Bonds. As to the remaining part of the Convertible Bonds in the principal amount of HK\$122,400,000, the Company is entitled to decide mandatory conversion of the Convertible Bonds by BVI Holding Company (subject to the conversion restrictions thereunder) or BVI Company shall repay the Convertible Bonds upon maturity according to the terms of the Convertible Bonds.

If the above Profit Guarantee is fulfilled, but the accumulated audited net profit after tax (excluding any income or loss generated by activities outside the ordinary and usual course of business) of PRC Company for the first twelve months after the date of Completion is not less than RMB80,000,000 but less than RMB100,000,000, BVI Holding Company shall forthwith return part of the Convertible Bonds in the principal amount of HK\$85,680,000 to the Company and the Company will cancel such part of the Convertible Bonds. As to the remaining part of the Convertible Bonds in the principal amount of HK\$220,320,000, the Company is entitled to decide mandatory conversion of the Convertible Bonds by BVI Holding Company (subject to the conversion restrictions thereunder) or BVI Company shall repay the Convertible Bonds upon maturity according to the terms of the Convertible Bonds.

If the above Profit Guarantee is fulfilled and the accumulated audited net profit after tax (excluding any income or loss generated by activities outside the ordinary and usual course of business) of PRC Company for the first twelve months after the date of Completion is not less than RMB100,000,000, the Company is entitled to decide mandatory conversion of all

the Convertible Bonds by BVI Holding Company (subject to the conversion restrictions thereunder) or BVI Company shall repay the Convertible Bonds upon maturity according to the terms of the Convertible Bonds.

Distribution of Profits

The annual profit distribution of each company of the JV Group shall be determined by the board of directors of each company of the JV Group. Any profit distribution by BVI Company shall be distributed to New Trillion and BVI Holding Company in proportion to their respective shareholdings in BVI Company.

Put Option

Pursuant to the JV Agreement, Ms. Tseung agreed to grant to New Trillion the Put Option, pursuant to which (i) if all the Convertible Bonds are returned by BVI Holding Company to the Company and cancelled by the Company, New Trillion is entitled to exercise the Put Option within six months after cancellation of the Convertible Bonds to dispose of its 51% equity interest in BVI Company to Ms. Tseung (or BVI Holding Company) at the consideration of 51% of the then consolidated net asset value of BVI Company (or nominal consideration of HK\$1.00 if BVI Company records consolidated net liabilities) plus all the capital contributed by New Trillion to the JV Group; or (ii) if the Convertible Bonds are still outstanding and the Company determines that BVI Holding Company cannot exercise the Conversion Rights under the Convertible Bonds and taking into account the financial status of BVI Company for two consecutive years after its incorporation, BVI Company is financially incapable of repaying 50% of the principal amount of the Convertible Bonds, New Trillion is entitled to exercise the Put Option within six months after the issue of audited consolidated financial report of BVI Company for the second financial year after its incorporation to dispose of its 51% equity interest in BVI Company to Ms. Tseung (or BVI Holding Company) at the consideration of 51% of the then consolidated net asset value of BVI Company (or nominal consideration of HK\$1.00 if BVI Company records consolidated net liabilities) plus all the capital contributed by New Trillion to the JV Group.

Terms and conditions of Convertible Bonds

The principal terms and conditions of the Convertible Bonds are set out as follows:

Issuer:	The Company
Subscriber:	BVI Holding Company
Principal amount:	HK\$306,000,000
Maturity date:	Fourth anniversary of the date of issue of the Convertible Bonds
Interest rate:	the Convertible Bonds are not interest bearing

Mandatory conversion:	Upon the fulfilment of the Profit Guarantee, the issuer is entitled to decide, notify (the “ Notification ”) and require BVI Holding Company (or its transferee) to mandatorily convert all the Convertible Bonds within the conversion period and any outstanding Convertible Bonds not converted (whether due to conversion restrictions or any other reason) after expiry of the conversion period will be returned to the Company and be cancelled.
Conversion period:	Within one month from the date of Notification
Conversion Price:	Subject to adjustment, the initial Conversion Price is HK\$0.93 per Conversion Share, which represents: (i) a premium of approximately 22.37% over the closing price of HK\$0.76 per Share as quoted on the Stock Exchange on the date of the JV Agreement; (ii) a premium of approximately 15.10% over the average of the closing prices per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days preceding the date of the JV Agreement of approximately HK\$0.808; and (iii) a premium of approximately 12.05% over the average of the closing prices per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days preceding the date of the JV Agreement of approximately HK\$0.83. The Conversion Price was determined after arm’s length negotiation between the parties to the JV Agreement taking into account the recent price performance of the Shares and at a premium agreed between the parties to the JV Agreement, which is value accretive for existing Shareholders and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.
Adjustment to the Conversion Price:	The Conversion Price is subject to adjustment if there is an alteration of the nominal amount of each Share by reason of any consolidation or subdivision or re-classification.
Conversion restrictions:	The exercise of the Conversion Rights shall be subject to the following restrictions: (i) the fulfillment of the Profit Guarantee and the issuer decides on mandatory conversion of the Convertible Bonds;

- (ii) any conversion of the Convertible Bonds does not result in (a) BVI Holding Company, being the first registered holder, its associates and parties acting in concert with it being interested in more than 18% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares; and (b) any transferee(s) of BVI Holding Company and/or the parties acting in concert with any of them and/or their respective associates being interested in 10% or more of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares;
- (iii) any conversion of the Convertible Bonds does not result in the Bondholders and/or the parties acting in concert with any of them and/or their respective associates being interested in 30% or more of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (or such lower percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the Conversion Rights, or result in the change in control or de facto control of the Company under the Listing Rules); and
- (iv) any conversion of the Convertible Bonds does not result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares.

Conversion Shares:

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.93, 329,032,258 Conversion Shares will be allotted and issued, representing (i) approximately 38.50% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 27.80% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds (assuming that there will be no change in the issued share capital of the Company from the date of this announcement and up to conversion of the Convertible Bonds in full at the initial Conversion Price).

All Conversion Shares will, when allotted and issued, rank pari passu in all respects among themselves and with all other fully paid Shares in issue as at the date of such allotment and issue and have the rights, privileges and limitations specified in the memorandum and articles of association of the Company.

Redemption:

Upon the fulfilment of the Profit Guarantee, the issuer is entitled to determine and inform BVI Holding Company by Notification that the Conversion Rights under the Convertible Bonds are not exercisable and the repayment obligation under the Convertible Bonds shall be novated to BVI Company and BVI Company shall be obliged to redeem the Convertible Bonds at 100% of the principal amount upon maturity.

Under this circumstance, Ms. Tseung confirms and agrees that the repayment obligation under the Convertible Bonds shall be assumed by BVI Company and the issuer will not have any further obligation or liability under the Convertible Bonds and BVI Holding Company shall sign any further documents and take any further actions to ensure this term of the Convertible Bonds is effective.

Early Redemption:

BVI Company is entitled to early redeem in whole or in part the Convertible Bonds at 100% of the principal amount after the date of Notification and prior to the maturity date.

Transferability:

Upon Notification of mandatory conversion of the Convertible Bonds, the Bondholder may, during the transfer period, assign or transfer the Convertible Bonds to transferee(s) subject to the prior notification to the Company. The Convertible Bonds may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the Listing Rules). For the avoidance of doubt, if the issuer determines that the Conversion Rights under the Convertible Bonds are not exercisable, the Convertible Bonds are not transferable.

Transfer period:

Within one month from the date of Notification

Ranking:

The Convertible Bonds constitute direct, unsubordinated, unconditional, unguaranteed and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves.

Voting rights:

The holder(s) of the Convertible Bonds shall not have any right to attend or vote in any general meeting of the Company.

Listing: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon exercise of the Conversion Rights.

The exercise of the Conversion Rights by BVI Holding Company under the Convertible Bonds will be subject to the fulfilment of the Profit Guarantee and is at the sole discretion of the Company. The Company will decide whether the Conversion Rights is exercisable by BVI Holding Company or for BVI Company to redeem the Convertible Bonds upon maturity taking into account (i) historical business performance and future business development of PRC Company; (ii) past and future contribution by BVI Holding Company to the Group; (iii) benefits to the Group to align the interest of BVI Holding Company as a Shareholder with the interest of the Group.

Taking into account (i) the Convertible Bonds is subject to the fulfillment of the Profit Guarantee and the Convertible Bonds will be cancelled in full if the Profit Guarantee cannot be fulfilled; (ii) the exercise of the Conversion Rights by BVI Holding Company under the Convertible Bonds is at the sole discretion of the Company and subject to the conversion restrictions thereunder; (iii) the Conversion Price is set at a premium over the closing price of HK\$0.76 per Share as quoted on the Stock Exchange on the date of the JV Agreement; (iv) the repayment obligation under the Convertible Bonds shall be novated to BVI Company shall the Company so decide to repay the Convertible Bonds upon maturity; and (v) the Convertible Bonds is non-interest bearing, all Directors (other than the two non-executive Directors who have abstained from voting) are of the view that the terms of the Convertible Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Specific Mandate to Issue the Conversion Shares

The Conversion Shares will be allotted and issued under the Specific Mandate to be sought at the EGM.

Application for listing of the Conversion Shares

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

REASONS FOR AND BENEFITS OF THE FORMATION OF JV COMPANY AND THE PROPOSED ISSUE OF CONVERTIBLE BONDS

The principal activity of the Company is investment holding. Its subsidiaries are primarily engaged in the provision of property management services, sales assistance services, provision of cleaning and greening services and provision of real estate agency services in the PRC (the “**Principal Business**”).

While the Group will continue to focus on, operate and develop its Principal Business, the Group aims to tap into computing and cloud-based services business through the JV Company. The Company expects that the launch of this new business will contribute more operating income and profits to the Group, which is conducive to the continuous improvement of the Group's profitability. The formation of the JV Company will not only enable the Group to explore the business development, cooperation and investment opportunities in the area of computing and cloud-based services business, it can also create comprehensive synergies to the Group by providing the Group big data analysis to enhance the Group's property management services and leveraging AI-powered intelligent agents to optimize the management services through AI-driven intelligent customer services, and thereby enhance the efficiency and effectiveness of the Group's property management services as well as lower the labour and operational costs. The Group will, by applying the computing and cloud-based services, enhance its service quality and profit margins and strategically reposition the Company from a standard service provider to a high-value property technology platform.

All Directors (other than the two non-executive Directors who have abstained from voting) are of the view that the JV Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds) has been entered into on normal commercial terms, and the terms of the JV Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full exercise of the Conversion Rights attaching to the Convertible Bonds (assuming that there will be no further changes in the total number of Shares in issue prior to such exercise) are as follows:

Shareholders	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Qichang International Limited (<i>Note 1</i>)	475,314,000	55.62	475,314,000	40.16
Greentown Service Group Co. Ltd.	159,571,300	18.67	159,571,300	13.48
BVI Holding Company (<i>Note 2</i>)	—	—	329,032,258	27.80
Public Shareholders	219,664,700	25.71	219,664,700	18.56
Total	854,550,000	100	1,183,582,258	100

Notes:

1. Dawngate Limited holds 40% of the issued share capital of Qichang International Limited and is taken to be interested in all shares of the Company held by Qichang International Limited for the purposes of Part XV of the SFO. Dawngate Limited is wholly and beneficially owned by Mr. Liu Jian, an executive Director and Mr. Liu Jian is taken to be interested in all shares of the Company held by Qichang International Limited for the purposes of Part XV of the SFO.

2. The number of Shares held by BVI Holding Company immediately upon full conversion of the Convertible Bonds is for illustration purpose only as it will be subject to the conversion restrictions (including but not limited to (i) not more than 18% of the issued share capital of the Company as enlarged by the allotment and issued of the Conversion Shares; and (ii) will not result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares) under the terms of the Convertible Bonds.

EXPERTS AND CONSENTS

The qualifications of the experts who have given their conclusion or advices included in this announcement are set out as below:

Name	Qualification
Haysun Appraisal and Advisory Limited	Qualified independent valuer
HLB Hodgson Impey Cheng Limited (“ HLB ”)	Certified Public Accountants
Nuada Limited (“ Nuada ”)	A corporation licensed to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO

HLB has been engaged by the Company to report on the arithmetical calculations of the discounted cash flows used in the Valuation prepared by the Valuer. A report from HLB in relation to the calculations of the discounted cash flows is set out in Appendix II to this announcement for the purpose under Rule 14.60A(2) of the Listing Rules.

A letter from Nuada confirming that they are satisfied that the profit forecast in the Valuation has been made by the Directors after due and careful enquiry, is set out in Appendix III to this announcement for the purpose under Rule 14.60A(3) of the Listing Rules.

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letters, reports and/or opinions and the references to its names (including its qualifications) included herein in the form and context in which it is included.

To the best of knowledge, information and belief of the Board and after making all reasonable enquiries, each of the experts is an Independent Third Party. As at the date of this announcement, none of the experts nor their respective subsidiaries mentioned above held any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the date of this announcement, as far as the Directors are aware, none of the experts nor their respective subsidiaries mentioned above had, or had have, any direct or indirect interest in any material assets which have been acquired since 31 December 2025 (being the

date to which the latest published audited consolidated accounts of the Company were made up), or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the JV Agreement are more than 25% but less than 100%, the JV Agreement and the transactions contemplated thereunder constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has any material interest in the JV Agreement and the transactions contemplated thereunder, none of the Directors is required to abstain from voting on the board resolutions approving the JV Agreement and the transactions contemplated thereunder.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, JV Agreement and the transactions contemplated thereunder, the proposed issue of the Convertible Bonds and the grant of the Specific Mandate. In compliance with the Listing Rules, the relevant resolutions will be voted on by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates would have a material interest in the JV Agreement and the transactions contemplated thereunder. No Shareholder would be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, details of the JV Agreement and the transactions contemplated thereunder, together with a notice convening the EGM, is expected to be despatched to the Shareholders on or before 31 August 2026 as additional time is required by the Company to prepare and finalise certain information to be included in the circular.

Shareholders and potential investors of the Company should note that the JV Agreement and the transactions contemplated thereunder are subject to the fulfillment of the conditions under the JV Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

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

“Board”	the board of Directors
“Bondholder(s)”	the holder in whose name the Convertible Bonds is registered in the register of bondholders to be maintained by the Company, and the first registered holder being BVI Holding Company

“Business Contracts Assignment”	the assignment of business contracts (with contract worth of not less than RMB1.5 billion within a year) to PRC Company upon the establishment of the PRC Company such that PRC Company shall provide computing power, SaaS and related services to customers under these business contracts, which shall be procured by Ms. Tseung under the Reorganisation
“BVI”	British Virgin Islands
“BVI Company”	the new company to be incorporated in BVI under the Reorganisation, being the sole shareholder of Hong Kong Company upon completion of the Reorganisation
“BVI Holding Company”	the new company to be incorporated in BVI, being the sole shareholder of BVI Company upon completion of the Reorganisation
“Company”	Zhong Ao Home Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1538)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	the initial conversion price of the Convertible Bonds, being HK\$0.93 per Conversion Share (subject to adjustment)
“Conversion Rights”	rights of the Convertible Bonds to convert the principal amount (in whole or in part) thereof into Shares
“Conversion Share(s)”	the Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$306,000,000 to be issued by the Company to BVI Holding Company pursuant to the JV Agreement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, to approve (i) the JV Agreement and the transactions contemplated thereunder; (ii) the issue of the Convertible Bonds; and (iii) the grant of the Specific Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong Company”	the new company to be incorporated in Hong Kong under the Reorganisation, being the sole shareholder of PRC Company upon completion of the Reorganisation
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“JV Agreement”	the joint venture agreement entered into between New Trillion and Ms. Tseung dated 21 July 2026
“JV Group”	collectively, BVI Company, Hong Kong Company and PRC Company
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Tseung”	Ms. Tseung Choi Wing Queenie
“New Trillion”	New Trillion Industries Limited (新兆實業有限公司), a company incorporated in BVI with limited liability and a wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China
“PRC Company”	Zhongdian Intelligent Computing (Shenzhen) Technology Co., Ltd (中典智算(深圳)科技有限公司), the new company to be established in PRC under the Reorganisation
“Put Option”	the put option granted by Ms. Tseung to New Trillion under the JV Agreement pursuant to which New Trillion is entitled to dispose of 51% equity interest in BVI Company to Ms. Tseung (or BVI Holding Company) subject to the terms and conditions of the Put Option
“Reorganisation”	the reorganisation to be conducted by Ms. Tseung pursuant to the terms and conditions of the JV Agreement including the Business Contracts Assignment
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM for the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Zhong Ao Home Group Limited
LIU Jian
Chairman and Executive Director

Hong Kong, 21 July 2026

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 Ms. Jin Keli and Ms. Xu Yaping, and our independent non-executive directors are Mr. Chan Wai Cheung, Admiral, Mr. Chan Ka Leung, Kevin and Mr. Yang Jianpeng.

APPENDIX I — PRINCIPAL ASSUMPTIONS FOR PROFIT FORECAST

The following sets out the assumptions used by the Valuer in the preparation of the Valuation Report:

- There will be no major changes in the existing political, legal, fiscal and economic conditions in which the PRC Company carries on its business;
- There will be no major changes in the current taxation law in the countries that the PRC Company operates, that the rates of tax payable remain unchanged and that all applicable laws and regulations will be complied with;
- Exchange rates and interest rates will not differ materially from those presently prevailing;
- The availability of finance will not be a constraint on the forecast growth of the PRC Company's operation;
- The PRC Company will successfully maintain its competitiveness and market share through optimizing the utilization of its resources and expanding its marketing network;
- The PRC Company can keep abreast of the latest technological and regulatory development of the industry such that its competitiveness and profitability can be sustained;
- The PRC Company will utilize and maintain its current operational, administrative and technical facilities to expand and increase its sales;
- The PRC Company will be able to secure funds to repay its debts when they fall due (if any);
- The PRC Company will retain and have competent management, key personnel, and technical staff to support its ongoing operations;
- Industry trends and market conditions for related industries will not deviate materially from economic forecasts; and
- The consolidated financial projection of the PRC Company which covers the financial period between the respective Valuation Date. The terminal growth rate beyond 2031 is assessed to be 1.99%.

APPENDIX II — LETTER FROM HLB

The following is the text of a report, prepared for the purpose of incorporation in this announcement, received from the Company's auditor, HLB, Certified Public Accountants, Hong Kong.



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

To the Directors of Zhong Ao Home Group Limited,

Independent Assurance Report on the Calculations of Discounted Future Cash Flows in Connection with the Valuation of 51% Equity Interest of Zhongdian Intelligent Computing (Shenzhen) Technology Co., Ltd (“中典智算(深圳)科技有限公司”)

We have examined the calculations of the discounted future cash flows on which the business valuation prepared by Haysun Appraisal and Advisory Limited (the “**Valuation**”) in respect of the appraisal of the fair value of 51% equity interest of Zhongdian Intelligent Computing (Shenzhen) Technology Co., Ltd (中典智算(深圳)科技有限公司) (the “**Target Company**”) as of 13 July 2026, is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibilities

The Director are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions (the “**Assumptions**”) determined by the directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion on whether the calculations of the discounted future cash flows have been properly compiled, in all material respects, in accordance with the assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rules 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the Assumptions. We performed procedures on the arithmetical calculations and the compilations of the discounted cash flows in accordance with the Assumptions. Our work does not constitute any valuation of Target Company.

Because the Valuation related to discounted future cash flows, no accounting policies of the Company have been adopted in its preparation. The assumptions include hypothetical Assumptions about future event and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the Assumptions.

Yours faithfully,

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Hong Kong

APPENDIX III — LETTER FROM NUADA

Nuada Limited

21 July 2026

The Board of Directors
Zhong Ao Home Group Limited
Suite 613B, 6th Floor
Ocean Centre, Harbour City
Tsim Sha Tsui
Kowloon, Hong Kong

Dear Sirs or Madams,

We refer to the announcement of the Company dated 21 July 2026 (the “**Announcement**”) in relation to the proposed formation of joint venture through acquisition of 51% equity interest in the BVI Company by New Trillion. Unless otherwise specified, terms used in this letter shall have the same meanings as those defined in the Announcement.

We refer to the valuation prepared by Haysun Appraisal and Advisory Limited (the “**Valuer**”) in respect of the fair value of 51% equity interest in Zhongdian Intelligent Computing (Shenzhen) Technology Co., Ltd (中典智算(深圳)科技有限公司) as at 13 July 2026 (the “**Valuation**”). The Valuation has been arrived at using the income approach based on discounted cash flows. As such, the Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules. This letter is issued in compliance with the requirements under Rule 14.60A(3) of the Listing Rules.

For the purpose of preparing this letter, we have reviewed the forecast of future cash flows of the PRC Company (the “**Forecast**”) underlying the Valuation, for which you as the Directors are solely responsible, and have discussed with the management of the Company and the Valuer on the bases and assumptions upon which the Forecast has been prepared. We have also considered the letter from HLB Hodgson Impey Cheng Limited, the Company’s reporting accountants (the “**Reporting Accountants**”), dated 21 July 2026 addressed to you containing its opinion on the arithmetical accuracy of the calculations of the Forecast, details of which are set out in Appendix II to the Announcement.

On the basis of the foregoing and without giving any other opinion on the Forecast, we are of the opinion that the Forecast, for which you as the Directors are solely responsible, has been made by you after due and careful enquiry. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

We have not independently verified the computations leading to the determination of the Valuation by the Valuer. The assessment, review and discussions carried out by us as described in this letter are based on financial, economic, market and other conditions in effect, and the information made available to us as of the date of this letter and we have, in arriving at our views, relied on information and materials provided to us by the Company, the Valuer and the Reporting Accountants and opinions expressed by, and representations of, the employees and/or management of the Company, the Valuer and the Reporting Accountants. We have assumed all the information, materials, opinions and representations so provided, were true, accurate, complete and not misleading in all material respects at the time they were provided or made and continued to be so up to the date of this letter, and that no material facts have been withheld or omitted from the information, materials and representations provided. No representation or warranty, expressed or implied, is made by us on the truth, accuracy or completeness of such information, materials, opinions and/or representations.

It should be noted that the Forecast has been prepared using a set of assumptions which include hypothetical assumptions about future events that may or may not occur and therefore the Forecast may not be appropriate for purposes other than for deriving the Valuation.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under Rule 14.60A(3) of the Listing Rules and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work or this letter.

Yours faithfully
For and on behalf of
Nuada Limited
Kim Chan
Director