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Changsha Broad Homes Industrial Group Co., Ltd.

長沙遠大住宅工業集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2163)

PROFIT WARNING

This announcement is made by Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment made by the management of the Company on the unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for the six months ended June 30, 2020 (the “**Period**”) and the information currently available to the Group, the Group is expected to record a loss for the Period. The loss for the Period of the Group is mainly attributable to the fact that (i) affected by the pandemic of Novel Coronavirus, the customer’s construction projects of certain wholly-owned factories were delayed, which resulted in the delay in sales of PC units; and (ii) the Company adjusted the management model of certain associates since 2018 and such associates were re-measured as financial assets at fair value through profit or loss upon completion of such adjustment. In this regard, the Company recorded relevant valuation gains, which were decreased by over 80% for the six months ended June 30, 2020 as compared with the same period of last year.

The information contained in this announcement is based solely on the preliminary assessment made by the management of the Company on the unaudited consolidated Management Accounts for the Period and the information currently available to the Group, which has neither been implemented nor been audited by the auditors of the Company or reviewed by the audit committee of the Board. As at the date of this announcement, the Company is still in the course of preparing and finalizing the interim results of the Group for the Period (the “**Interim Results**”). Therefore, the actual Interim Results of the Group may differ from those disclosed in this announcement. The Company will continue to closely monitor the situation, take appropriate measures and make further announcement(s) when appropriate. Further details regarding the Interim Results of the Group will be disclosed in the Interim Results announcement to be released on or before August 31, 2020. Shareholders and potential investors are advised to read carefully the Interim Results announcement released by the Company at that time.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

On behalf of the Board of Directors
Changsha Broad Homes Industrial Group Co., Ltd.

Zhang Jian

Chairman

Changsha, July 22, 2020

As at the date of this announcement, the Board comprises Mr. Zhang Jian, Ms. Tang Fen, Ms. Shi Donghong, Mr. Zhang Kexiang and Mr. Tan Xinming as Executive Directors; Mr. Zhang Quanyun and Ms. Hu Keman as non-Executive Directors; and Mr. Chen Gongrong, Mr. Li Zhengnong, Mr. Wong Kai Yan Thomas and Mr. Zhao Zhengting as independent non-Executive Directors.