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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 year ended December 31, 2020 (the “**Period**”) and the information currently available to the Group, the Group’s profit for the Period is expected to decrease by 50% to 75% as compared to the same period of 2019, which is mainly due to the fact that (i) the Company’s major income source gradually shifted to PC unit business with the implementation of the “Broad Homes United Program” and the gradual expansion of joint factories to form a nationwide layout, and affected by the pandemic of Novel Coronavirus, the construction progress of certain joint factories was delayed, leading to over 80% decrease in equipment income; and (ii) since 2018, to better respond to the pressure from implementation of the “Broad Homes United Program” on the Company’s management resources and incentivize our business partners, the Company made adjustment to the management and control models of certain joint factories after considering the management cost, decision-making efficiency, willingness of business partners and other factors, and the changes of management and control models of most joint factories were completed in 2018 and 2019, leading to over 70% decrease in gains on loss of significant influence in associates recorded in 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 annual results of the Group for the Period (the “**Annual Results**”). Therefore, the actual Annual Results of the Group may differ from those disclosed in this announcement. Further details regarding the Annual Results of the Group will be disclosed in the Annual Results announcement to be released on or before March 31, 2021. Shareholders and potential investors are advised to read carefully the Annual Results announcement released by the Company at that time.

**Shareholders and potential investors 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, January 10, 2021

*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.*