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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)**

**INSIDE INFORMATION  
POTENTIAL TRANSACTION IN RELATION TO CAPITAL INCREASE  
IN XINPU BROAD HOMES**

This announcement is made by Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”, 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, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) is pleased to announce that on July 27, 2021, the Board considered and approved the proposal of capital increase (the “**Capital Increase**”) in Henan Xinpu Broad Homes Residential Industry Co., Ltd. (河南新蒲遠大住宅工業有限公司) (“**Xinpu Broad Homes**”). According to the proposal of the Capital Increase, the Company intends to increase the capital in Xinpu Broad Homes by RMB15,009,000. Upon completion of the Capital Increase, the Company’s shareholding in Xinpu Broad Homes will increase from 35% to 42.06%. In addition, Xinpu Broad Homes intends to convene a shareholders’ general meeting to amend its articles of association, which will result in Xinpu Broad Homes becoming a subsidiary of the Company and its financial statements being consolidated into the financial statements of the Company.

Xinpu Broad Homes is a company incorporated in the PRC with limited liability on April 6, 2016 and is principally engaged in the businesses of research and development, production and sales of residential industrialization technologies and related products, etc. In accordance with the Chinese Accounting Standards for Business Enterprises, the audited financial information of Xinpu Broad Homes for the two years ended December 31, 2020 is as follows:

*Unit: RMB'0000*

	<b>As at December 31, 2019/ for the year ended December 31, 2019</b>	<b>As at December 31, 2020/ for the year ended December 31, 2020</b>
Total assets	13,278.43	24,735.57
Total liabilities	5,277.84	12,915.26
Owners' equity	8,000.59	11,820.31
Operating revenue	2,594.13	18,920.57
Net profit	-1,958.01	3,819.71

As of the date of this announcement, the Company, Henan Urban and Rural Planning, Design and Research Institute Co., Ltd. (河南省城鄉規劃設計研究總院有限公司), Xinpu Construction Group Co., Ltd. (新蒲建設集團有限公司) and Henan Jianding Construction Engineering Co., Ltd. (河南省建鼎建築工程有限公司) held 35%, 10%, 25% and 30% equity interests in Xinpu Broad Homes, respectively. As of the date of this announcement, the Company has not entered into any formal written agreement in relation to the Capital Increase. Further announcement on the Capital Increase will be made by the Company in accordance with all applicable requirements under the Listing Rules in due course.

**Shareholders and potential investors of the Company should note that the Capital Increase is subject to negotiation and formal written agreement between the parties and the satisfaction of the relevant conditional terms, as the case may be. Accordingly, there is no assurance that the Capital Increase will be implemented or will ultimately be completed. If the Capital Increase proceeds, it will constitute a discloseable transaction of the Company under the Listing Rules. Further announcement will be made by the Company in accordance with all applicable requirements under the Listing Rules in due course.**

On behalf of the Board of Directors  
**Changsha Broad Homes Industrial Group Co., Ltd.**  
**Zhang Jian**  
*Chairman*

Changsha, July 27, 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 Quanxun 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.*