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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)**

**RESIGNATION OF EXECUTIVE DIRECTOR  
AND  
CHANGE OF PRESIDENT**

This announcement is made by the board of directors (the “**Board**”) of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

**RESIGNATION OF EXECUTIVE DIRECTOR**

The Board hereby announces that due to work adjustment, Mr. Hu Shengli (“**Mr. Hu**”) has resigned as an executive director, president and member of the strategy committee of the Company with effect from March 28, 2024. Upon his resignation, Mr. Hu will cease to hold any position in the Company. Mr. Hu confirms that there is no disagreement between him and the Board and there is no other matter in relation to his resignation that needs to be brought to the attention of the Stock Exchange or the shareholders of the Company. The Company will also elect a director and member of the strategy committee for replacement at an appropriate time. The Board would like to take this opportunity to express its sincere gratitude and appreciation to Mr. Hu for his valuable contributions during his tenure as an executive director, president and member of the strategy committee of the Company.

**CHANGE OF PRESIDENT**

The Board further announces that Mr. Zhang Jian (“**Mr. Zhang**”), the current executive director and chairman of the Board of the Company, has been appointed as the president of the Company with effect from March 28, 2024. The term of office of Mr. Zhang as the president of the Company shall commence from the date of passing of this Board resolution and end on the date of establishment of the fourth session of the Board of the Company and the appointment of the new senior management.

According to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules, the roles of the chairman of the Board and the president shall be separate and shall not be performed by the same person at the same time. As Mr. Zhang concurrently serves as the chairman of the Board and the president of the Company, it constitutes a deviation from code provision C.2.1. However, the Board is of the view that it is in the interest of the Company to have Mr. Zhang to vest the roles of both the chairman of the Board and the president of the Company in order to provide consistent leadership within the Group, facilitate the prompt execution of the Group's business strategies and enhance operational efficiency. The Board also believes that the balance of power and authority under this arrangement will not be jeopardized as all major decisions are made after discussion with the Board as a whole as well as the relevant special committees under the Board, which comprise experienced and high caliber individuals, together with the four independent non-executive directors, who are responsible for providing independent advice to the Board and overseeing the management and operations of the Company. The Board will review and consider the effectiveness of this arrangement on a regular basis, taking into account the overall situation of the Group, and may elect a new president for replacement as and when appropriate.

The Company will enter into a service agreement with Mr. Zhang in respect of his position as the president. The remuneration of Mr. Zhang during his tenure as the president will be determined by the Board with reference to the standards of the senior management of the Company and after taking into account Mr. Zhang's experience, duties and responsibilities and the remuneration policy of the Company. Please refer to the annual report of the Company published in due course for details of his remuneration. Mr. Zhang will receive an annual emolument of RMB469,000 from the Group as salary, allowances and other benefits and RMB4,000 as contribution to the pension scheme, and Mr. Zhang will be entitled to a discretionary bonus as determined by the Board for his role as the chairman of the Company, which shall be determined by the remuneration and appraisal committee of the Company with reference to his qualifications, experience and the prevailing market conditions. Save for the emoluments relating to his role as the chairman and president of the Company, Mr. Zhang will not receive any Director's fee or other emoluments from the Group in respect of his role as an executive Director of the Company, nor will he receive any emoluments from the Group in respect of his other positions with the Company and other members of the Group.

The biographical details of Mr. Zhang are as follows:

**Mr. Zhang Jian (張劍先生)**, aged 60, is the founder of the Company, and has been the chairman of the Board and an executive Director since the date of the incorporation of the Company in April 2006. Mr. Zhang takes charge of the overall affairs of the Board, participates in the formulation and implementation of the business and operation strategies of the Company and makes significant business and operational decisions of the Company through the Board.

Since March 1996, Mr. Zhang has served as an executive director of Hunan Broad Lingmu House Equipment Co., Ltd. ("**Broad Lingmu**"), responsible for formulation of strategies, business operation and investment decision-making. Since April 2008, he has served as the chairman of board of Hunan Dazheng Investment Co., Ltd. ("**Dazheng Investment**"), responsible for investment and management affairs. Since April 2013, he has served as a general partner of Changsha High-tech Development Zone Daxin Investment Management Partnership (Limited Partnership) ("**Daxin Investment**"), responsible for investment and management affairs.

Before joining the Group, Mr. Zhang taught thermal engineering at Harbin University of Science and Technology (哈爾濱理工大學) from July 1985 to September 1988. He served as the head of Chenzhou Hot Spring Heating Equipment Factory\* (郴州溫泉採暖設備廠) from June 1988 to September 1992 and was mainly responsible for research, development and management. He served as an executive director and the president of Broad Air-Conditioner Co., Ltd.\* (遠大空調有限公司) (a company mainly engaged in the research, development, production and sales of air-conditioners) from September 1992 to July 2002 and was mainly responsible for formulation of strategies and the overall management and operation.

Mr. Zhang served as a representative of the Eighth National People's Congress of the PRC from March 1993 to February 1998 and a representative of the Ninth National People's Congress of the PRC from March 1998 to February 2003. Mr. Zhang was awarded the China Invention Gold Award\* (中國發明金獎) by the Organizing Committee of International Exhibition of Patent, New Technology and New Products\* (國際專利及新技術新產品展覽會組織委員會) in November 1990, the Invention Silver Award of the Foire Internationale de Paris by Foire Internationale de Paris in 1991, the Invention Gold Award of the 22nd International Exhibition of Geneva by the International Advisory Committee for Inventions in April 1994, the National Technology Advancement Award by National Science and Technology Commission in December 1996, the Grand Prize of the 110th Concours Lépine International Paris by Association des Inventeurs et Fabricants Francais in 2011, and the Real Estate Representative for the 40th Anniversary of China's Reform and Opening-up by Leju Finance (樂居財經) in December 2018.

Mr. Zhang obtained a bachelor's degree in thermal engineering from Harbin Institute of Technology (哈爾濱工業大學) in July 1985.

As at the date of this announcement, save as disclosed above, Mr. Zhang confirms that he has not held any directorships or supervisory positions or had any significant appointments or qualifications in any other listed companies (the securities of which are listed on any securities market in Hong Kong or overseas) in the last three years and does not hold any position in the Company or any other members of the Group.

Mr. Zhang and the entities controlled by him, namely Broad Homes Lingmu, Daxin Investment, Dazheng Investment and Hangzhou Fuyang Shangjiu Jingyuan Equity Investment Partnership (Limited Partnership) (“**Fuyang Shangjiu**”), are controlling shareholders of the Company. Broad Lingmu is wholly owned by Mr. Zhang. Mr. Zhang is the general partner of Daxin Investment and holds approximately 67.94% equity interest in Daxin Investment as a limited partner of Daxin Investment. Mr. Zhang indirectly holds 70.9% equity interest (through Broad Lingmu) in Dazheng Investment. Mr. Zhang indirectly holds approximately 99.33% equity interest (through Broad Lingmu) in Fuyang Shangjiu. Save as disclosed above, Mr. Zhang is not connected with any other directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Zhang is interested in 68,668,000 domestic shares of the Company (representing approximately 14.08% and 38.62% of the total number of all issued shares and the total number of issued domestic shares of the Company as at the date of this announcement, respectively) and 160,431,600 H shares of the Company (representing approximately 32.90% and 51.78% of the total number of all issued shares and the total number of issued H shares of the Company as at the date of this announcement, respectively) within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”). Mr. Zhang directly holds 10,053,540 domestic shares of the Company. Also, Broad Lingmu directly holds 25,776,660 domestic shares of the Company, Daxin Investment directly holds 18,600,000 domestic shares of the Company, Dazheng Investment directly holds 9,101,800 domestic shares of the Company, and Fuyang Shangjiu directly holds 5,136,000 domestic shares of the Company. Broad Lingmu is wholly owned by Mr. Zhang. Mr. Zhang is the general partner of Daxin Investment and holds approximately 67.94% partnership interest in Daxin Investment as a limited partner of Daxin Investment. Mr. Zhang indirectly holds 70.9% interest (through Broad Lingmu) in Dazheng Investment. Mr. Zhang indirectly holds approximately 99.33% partnership interest (through Broad Lingmu) in Fuyang Shangjiu. Therefore, Mr. Zhang is deemed to be indirectly interested in the 58,614,460 domestic shares of the Company held by Broad Lingmu, Daxin Investment, Dazheng Investment and Fuyang Shangjiu, for the purpose of Part XV of the SFO. Mr. Zhang directly holds 150,000,000 H shares of the Company. Also, Ms. Liu Hui (柳慧女士), the spouse of Mr. Zhang, directly holds 10,431,600 H shares of the Company. Therefore, Mr. Zhang is deemed to be indirectly interested in 10,431,600 H shares of the Company for the purpose of Part XV of the SFO. As at the date of this announcement, save as disclosed above, Mr. Zhang confirms that he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

As at the date of this announcement, save as disclosed above, there is no information on Mr. Zhang that is required to be disclosed in accordance with any of the requirements under Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other matter in relation to his appointment that needs to be brought to the attention of the Stock Exchange and the shareholders.

\* *For identification purposes only*

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

Changsha, March 28, 2024

*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 as non-executive Director; and Mr. Chen Gongrong, Mr. Li Zhengnong, Mr. Wong Kai Yan Thomas and Mr. Zhao Zhengting as independent non-executive Directors.*