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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
RESIGNATIONS OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT
NON-EXECUTIVE DIRECTORS
AND
FAILURE TO COMPLY WITH THE LISTING RULES

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**”) in accordance with Rule 3.11, Rule 3.23, Rule 3.27, Rule 13.09(2)(a) and 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**”) and Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

RESIGNATIONS OF NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board of the Company has recently received the resignation reports (the “**Resignation Reports**”) from each of Mr. Zhang Quaxun (“**Mr. Zhang**”), a non-executive director, Mr. Chen Gongrong (“**Mr. Chen**”), an independent non-executive director, and Mr. Li Zhengnong (“**Mr. Li**”), an independent non-executive director, which stated that Mr. Zhang Jian, an executive director, the chairman of the Board, the general manager and the controlling shareholder of the Company (“**Mr. Zhang Jian**”), had occupied the Company’s funds for a long period of time and failed to return such funds in a timely manner, and had carried out non-compliant connected transactions which had seriously jeopardized the legitimate rights and interests of the shareholders of the Company. Mr. Zhang has resigned as a non-executive director of the Company, Mr. Chen has resigned as an independent non-executive director, the chairman of the audit committee, a member of the remuneration and appraisal committee and a member of the nomination committee of the Company, and Mr. Li has resigned as an independent non-executive director, a member of the audit committee, the chairman of the remuneration and appraisal committee and the chairman of the nomination committee of the Company, all with effect from March 19, 2025. Upon their resignations, they will cease to hold any position with the Company. Save as set out in the Resignation Reports, each of Mr. Chen, Mr. Zhang and Mr. Li has confirmed that he has no disagreement with the Board and there are no other matters relating to their respective resignations that need to be brought to the attention of the Stock Exchange or the shareholders of the Company. The Company is in the process of communicating with Mr. Zhang Jian to confirm the circumstances set out in the Resignation Reports and is in the process of conducting internal verification, and further announcement will be made by the Company in due course.

FAILURE TO COMPLY WITH THE LISTING RULES

Reference is made to the announcement of the Company dated December 24, 2024 in relation to, among other things, the resignation of the independent non-executive directors of the Company and the Company's failure to comply with the requirements of Rule 3.10, Rule 3.10A, Rule 3.21 and Rule 19A.18(1) of the Listing Rules. As of the date of this announcement, despite the Company's best efforts, the Company has not been able to identify suitable candidates within the required timeframe and the Company needs additional time to identify potentially suitable candidates to fill the vacancies in order to comply with the requirements of the Listing Rules.

Upon the resignations of Mr. Chen, Mr. Zhang and Mr. Li, (1) the Board comprises only five executive directors, which continues to fail to comply with Rule 3.10 of the Listing Rules, which requires that the Board must comprise at least three independent non-executive directors and that at least one independent non-executive director must have appropriate professional qualifications or accounting or related financial management expertise, and continues to fail to comply with Rule 3.10A of the Listing Rules, which requires that the independent non-executive directors must represent at least one-third of the Board; (2) the audit committee of the Company does not have any members, which continues to fail to comply with Rule 3.21 of the Listing Rules, which requires that all members of the audit committee shall be non-executive directors, and it shall comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise, a majority of the members must be independent non-executive directors, and the chairperson must be an independent non-executive director; (3) the Company continues to have no independent non-executive director who is ordinarily resident in Hong Kong, which fails to comply with Rule 19A.18(1) of the Listing Rules, which requires a PRC issuer to have at least one independent non-executive director who is ordinarily resident in Hong Kong; (4) the vacancy of the chairperson of the remuneration and appraisal committee of the Company with only Mr. Zhang Jian as the member will not be able to comply with Rule 3.25 of the Listing Rules, which requires that the remuneration committee shall be chaired by an independent non-executive director and a majority of its members shall be independent non-executive directors; and (5) the vacancy of the chairperson of the nomination committee of the Company with only Mr. Zhang Jian as the member will not be able to comply with Rule 3.27A of the Listing Rules, which requires that the nomination committee shall be chaired by the chairman of the Board or an independent non-executive director and a majority of its members shall be independent non-executive directors.

The Company will use its best endeavours to identify suitable candidates to fulfill the requirements of Rule 3.25 and Rule 3.27A of the Listing Rules within three months from failure to comply with Rule 3.25 and Rule 3.27A of the Listing Rules. The Company will use its best endeavours to identify suitable candidates as soon as practicable to comply with Rule 3.10, Rule 3.10A and Rule 3.21 of the Listing Rules and to appoint a person who is ordinarily resident in Hong Kong as an independent non-executive Director in order to comply with Rule 19A.18(1) of the Listing Rules. Further announcement will be made by the Company in due course.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Changsha Broad Homes Industrial Group Co., Ltd.
Zhang Jian
Chairman

Changsha, March 20, 2025

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 of the Company.