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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)

**ANNOUNCEMENT IN RELATION TO GRANT OF LISTING
APPROVAL BY THE STOCK EXCHANGE FOR IMPLEMENTATION OF
THE H SHARE FULL CIRCULATION**

INTRODUCTION

References are made to (i) the announcement of Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”) dated May 26, 2021 in relation to acceptance by the CSRC to process the Company’s application for the H share full circulation and (ii) the announcement of the Company dated August 4, 2021 in relation to the approval by the CSRC of the application in respect of the H share full circulation programme by the Company (collectively, the “**Announcements**”). Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcements.

LISTING APPROVAL

The Company is pleased to announce that on August 27, 2021, the Company received the approval from the Stock Exchange on the listing of and the permission to deal in 187,779,000 H shares (the “**Converted H Shares**”), representing the maximum number of unlisted domestic shares of the Company (the “**Domestic Shares**”) to be converted under the conversion (the “**Listing Approval**”).

SHAREHOLDING STRUCTURE

Set out below is the percentage holding in the Company in relation to the participating shareholders of the Domestic Shares upon completion of the conversion.

Name of the participating shareholders of the Domestic Shares	Number of Domestic Shares Converted to H Shares	Approximate percentage of total issued shares of the Company upon completion of the conversion %
Zhang Jian	150,000,000	30.76
Shanghai Xinji Investment Center (Limited Partnership)	7,560,000	1.55
Gongqingcheng Meitou Shenyuan Investment Co., Ltd.	5,748,000	1.18
Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership)	4,059,000	0.83
Zhou Bin	3,876,000	0.79
Shanghai Longteng Bafang Enterprise Development Co., Ltd.	3,816,000	0.78
Hunan Gaoxin Huineng Venture Investment Enterprise (Limited Partnership)	3,600,000	0.74
Yang Lixin	3,600,000	0.74
Shanghai Hanlin Venture Investment Enterprise (Limited Partnership)	3,240,000	0.66
Wang Yongxian	756,000	0.16
Hunan Caixin Industry Fund Management Co., Ltd.	660,000	0.14
Hangzhou Shidai Dingfeng Venture Investment Partnership (Limited Partnership)	444,000	0.09
Changsha Yinghe Shengdao Private Equity Fund Partnership Enterprise (Limited Partnership)	420,000	0.09
Total	<u>187,779,000</u>	<u>38.51</u>

Upon completion of the conversion, the share capital structure of the Company will be as follows:

Class of shares	As at the date of this announcement		Upon completion of the conversion	
	Number of shares	Approximate percentage %	Number of shares	Approximate percentage %
Unlisted Domestic Shares	365,604,000	74.97	177,825,000	36.47
H shares	<u>122,035,400</u>	<u>25.03</u>	<u>309,814,400</u>	<u>63.53</u>
	<u>487,639,400</u>	<u>100</u>	<u>487,639,400</u>	<u>100</u>

Note: The percentages have been rounded up to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

CONVERSION AND TRADING PROCEDURES

Conversion

The Company has completed the following procedures in connection with the conversion:

- (i) With their authorisation and on behalf of the participating domestic shareholders, the Company has cancelled the registration procedure for converted Domestic Shares held by the participating domestic shareholders in China Securities Depository and Clearing Corporation Limited (“**China Clearing**”) Beijing Branch. On August 24, 2021, except for the Domestic Shares converted into H Shares which have been cancelled, Mr. Zhang Jian remained as the registered holder of 14,053,540 Domestic Shares and Hunan Dingxinrixin Share Capital Investment Management Partnership (Limited Partnership) remained as the registered holder of 1,353,000 Domestic Shares. All Domestic Shares held by other participating domestic shareholders and their names have been removed from the register of members of Domestic Shares maintained by China Clearing.
- (ii) With their authorisation and on behalf of the participating domestic shareholders, the Company has appointed China Clearing as the nominee to deposit the relevant securities at China Securities Depository and Clearing (Hong Kong) Company Limited (“**China Clearing HK**”) and China Clearing HK in its own name will deposit the relevant securities at Hong Kong Securities Clearing Company Limited (“**HKSCC**”). China Clearing as the nominee of the participating shareholders of the Domestic Shares will handle all custody, maintenance of detailed records, cross-border settlement and corporate actions etc. relating to the Converted H Shares for the participating domestic shareholders.
- (iii) The Company has instructed the H share registrar of the Company in relation to the issue of the relevant share certificates of the Converted H Shares.
- (iv) The Company has made arrangements to enable the Converted H Shares be accepted as eligible securities by HKSCC for deposit, clearance and settlement in Central Clearing and Settlement System (“**CCASS**”).

Trading

The holders of the Converted H Shares may conduct trading of the Converted H Shares after completion of the following arrangements:

- (i) The Company will apply to China Clearing, Shenzhen Branch for the maintenance of the detailed records of the initial holding of the Converted H Shares held by the relevant holders. Meanwhile, the Company will submit applications for a domestic transaction commission code and abbreviation, which will be confirmed by China Clearing, Shenzhen Branch pursuant to the authorisation of the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”).
- (ii) According to the “Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing” (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the holders of the Converted H Shares should complete the overseas shareholding registration with the local foreign exchange administration bureau before the shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of shares overseas by onshore investors at an onshore bank with relevant qualifications and a specified fund account for H Share “Full Circulation” at China CICC Wealth Management Securities Company Limited (“**CICC Wealth Management**”). CICC Wealth Management will open a securities trading account for H Share “Full Circulation” with China International Capital Corporation Hong Kong Securities Limited (“**CICC Hong Kong**”).
- (iii) The holders of the Converted H Shares should give instructions on the trading of the Converted H Shares through CICC Wealth Management. The relevant trading instructions of the participating shareholders will be submitted to the Stock Exchange for transaction via the securities trading account opened by CICC Wealth Management with CICC Hong Kong. After completion of the transaction, CICC Hong Kong and China Clearing HK, China Clearing HK and China Clearing, China Clearing and CICC Wealth Management, CICC Wealth Management and the participating shareholders will conduct settlement respectively.
- (iv) The Shenzhen Stock Exchange having authorised Shenzhen Securities Communications Co., Ltd. to provide services relating to entrusted sell orders and completion report between CICC Wealth Management and CICC Hong Kong for the Converted H Shares, and the real-time market forwarding services of the relevant H shares.

Based on the current timetable (subject to adjustment), it is expected that the share certificates for the Converted H Shares will be issued to China Clearing HK and deposited into CCASS operated by HKSCC on September 24, 2021 and the listing of the Converted H Shares on the Stock Exchange will commence at 9:00 a.m. on September 27, 2021.

It is expected that the procedures set out in (i) to (iv) can be completed within two months from obtaining the Listing Approval.

Further Announcement(s) will be made by the Company when and where appropriate.

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

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

Changsha, August 30, 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 Quanaxun 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.