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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)

POSITIVE PROFIT ALERT

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 31 December 2019 (the “**Period**”) and the information currently available to the Group, the Group is expected to record a significant increase in profit for the Period as compared with the profit of the same period in 2018. The significant increase in profit for the Period of the Group is mainly attributable to (i) the significant increase in revenue recorded in PC unit business, with a growth rate of over 150% as compared with the same period of last year; and (ii) the increase in capacity utilization rate of PC unit business and the significant increase in gross profit margin of PC unit business with a growth rate of gross profit for the PC unit for over 200% as compared with the same period of last year, and the PC unit business has become the main business segment for profit contribution of the Group.

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 31 March 2020. Shareholders and potential investors are advised to read carefully the Annual Results announcement released by the Company at that time.

Shareholders and potential investors of the Company 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, 13 January 2020

As at the date of this announcement, the Board of Directors of the Company 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 and Mr. Wong Kai Yan Thomas as Independent non-Executive Directors.