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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)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
RELEVANT RULES OF PROCEDURE
PROPOSED AMENDMENTS TO REGULATION ON MANAGEMENT
OF EXTERNAL GUARANTEE**

This announcement is published by Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”) in accordance with Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RELEVANT RULES OF PROCEDURE

According to the actual needs of the Company, the board of directors of the Company (the “**Board**”) proposed to make amendments to the relevant articles of the articles of association (the “**Articles of Association**”), the rules of procedure of general meetings (“**Rules of Procedure of General Meetings**”), and the rules of procedure of board of directors (“**Rules of Procedure of Board of Directors**”) of the Company. The above resolutions on the proposed amendments to the Articles of Association and the relevant rules of procedures have been considered and approved by the Board.

Details of the proposed amendments to the Articles of Association are set out below:

Original article	Article after amendment
<p>Article 9 For the purposes of these Articles of Association, the term “senior management members” refers to the Company’s general manager, deputy general manager, financial controllers and secretary to the board of directors.</p>	<p>Article 9 For the purposes of these Articles of Association, the term “senior management members” refers to the Company’s general manager (<u>president and CEO, the same below</u>), deputy general manager, financial controllers and secretary to the board of directors.</p>
<p>Article 13 The scope of business of the Company shall be that approved by the Market Supervision and Administration Bureau of Hunan Province and shall include: research and testing of projects and technology; production and possessing of furniture; retail of sanitary wares; installation of household appliances; production of precast concrete components; elevator installation engineering services; the import and export business of goods and technologies conducted by itself or as an agent, other than goods and technologies restricted or prohibited from import and export by the State; technological development services for new materials; research and development of permeable concrete; production of renewable construction materials; manufacturing of machineries for the production of construction materials, wooden doors and windows, stairs, machineries for construction engineering, enamel sanitary wares and metal bathroom and plumbing appliances; sales of electrical and machinery equipment and minerals; business training; and property operation and leasing. (For businesses that require approval by laws, they may only be commenced after obtaining approval from the relevant authorities).</p> <p>The Company may change its scope of business based on its own development needs in accordance with laws.</p>	<p>Article 13 The scope of business of the Company shall be that approved by the Market Supervision and Administration Bureau of Hunan Province and shall include: <u>general items: research and testing of projects and technology; furniture manufacturing; manufacturing of enamel products; manufacturing of sanitary wares; sales of sanitary wares; sales of household appliances; installation services of household appliances; manufacturing of cement products; technological research and development for new materials; sales of construction materials; manufacturing of machineries for the production of construction materials; manufacturing of equipment for the production of glass, ceramics and enamel products; manufacturing of mechanical and electrical equipment; sales of mechanical and electrical equipment; repair and maintenance of electrical equipment; non-residential real estate leasing; import and export agents; business training (excluding education training, vocational skills training and other training required to obtain permission) (Except for projects subject to approval by laws, business activities shall be carried out independently with the business license in accordance with laws).</u> research and testing of projects and technology; production and possessing of furniture; retail of sanitary wares; installation of household appliances; production of precast concrete components; elevator installation engineering services; the import and export business of goods and technologies conducted by itself or as an agent, other than goods and technologies restricted or prohibited from import and export by the State; technological development services for new materials; research and development of permeable concrete; production of renewable construction materials; manufacturing of machineries for the production of construction materials, wooden doors and windows, stairs, machineries for construction engineering, enamel sanitary wares and metal bathroom and plumbing appliances; sales of electrical and machinery equipment and minerals; business training; and property operation and leasing. (For businesses that require approval by laws, they may only be commenced after obtaining approval from the relevant authorities).</p>

Original article	Article after amendment
	The Company may change its scope of business based on its own development needs in accordance with laws.
<p>Article 86 If a general meeting is convened by the board of directors, the chairman of the board of directors shall serve as host and preside over the meeting. If the chairman of the board of directors fails or is unable to perform his/her duties, the meeting shall be presided over by the director jointly elected by at least one-half of the directors.</p>	<p>Article 86 If a A general meeting is convened by the board of directors, <u>shall be presided over by</u> the chairman of the board of directors shall serve as host and preside over the meeting. If the chairman of the board of directors fails or is unable to perform his/her duties, the meeting shall be presided over by <u>the vice chairman of the board of directors (if the Company has two vice chairmen of the board of directors, by the vice chairman of the board of directors jointly elected by at least one-half of the directors); if the vice chairman of the board of directors fails or is unable to perform his/her duties, the meeting shall be presided over</u> by the director jointly elected by at least one-half of the directors.</p>
<p>Article 119 The Company shall have a board of directors which shall be accountable to the general meetings. The board of directors shall consist of 11 directors, including one chairman and four independent non-executive directors.</p>	<p>Article 119 The Company shall have a board of directors which shall be accountable to the general meetings. The board of directors shall consist of 11 directors, including one chairman, <u>1-2 vice chairmen according to the actual needs</u> and four independent non-executive directors.</p>
<p>Article 136 If the chairman of the board of directors is unable or fails to perform his/her duties, a director elected by at least one-half of the directors shall perform such duties on his/her behalf.</p>	<p>Article 136 <u>The vice chairman of the board of directors shall assist the chairman in performing his/her duties.</u> If the chairman of the board of directors is unable or fails to perform his/her duties, <u>the vice chairman of the board of directors (if the Company has two vice chairmen of the board of directors, by the vice chairman of the board of directors jointly elected by at least one-half of the directors) shall perform such duties on his/her behalf; if the vice chairman of the board of directors unable or fails to perform his/her duties,</u> a director elected by at least one-half of the directors shall perform such duties on his/her behalf.</p>

Details of the proposed amendments to the Rules of Procedure of General Meetings are set out below:

No.	Original article	Article after amendment
1.	<p>Article 37 A general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors fails or is unable to perform his/her duties, the meeting shall be presided over by the director jointly elected by at least one-half of the directors.</p>	<p>Article 37 A general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors fails or is unable to perform his/her duties, the meeting shall be presided over by <u>the vice chairman of the board of directors (if the Company has two vice chairmen of the board of directors, by the vice chairman of the board of directors jointly elected by at least one-half of the directors); if the vice chairman of the board of directors fails or is unable to perform his/her duties, the meeting shall be presided over by</u> the director jointly elected by at least one-half of the directors.</p>

Details of the proposed amendments to the Rules of Procedure of Board of Directors are set out below:

No.	Original article	Article after amendment
1.	<p>Article 3 The board of directors shall consist of 11 directors, including one chairman and four independent non-executive directors.</p> <p>At least one of the independent non-executive directors should have appropriate professional qualifications or “accounting or related financial management expertise”. In other words, such independent non-executive directors must have, through experience as a public accountant or auditor or as a chief financial officer, controller or principal accounting officer of a listed company or through performance of similar functions, experience with internal controls and in preparing, auditing, reviewing and analysing financial statements of listed companies.</p>	<p>Article 3 The board of directors shall consist of 11 directors, including one chairman, <u>1-2 vice chairmen according to the actual needs</u> and four independent non-executive directors.</p> <p>At least one of the independent non-executive directors should have appropriate professional qualifications or “accounting or related financial management expertise”. In other words, such independent non-executive directors must have, through experience as a public accountant or auditor or as a chief financial officer, controller or principal accounting officer of a listed company or through performance of similar functions, experience with internal controls and in preparing, auditing, reviewing and analysing financial statements of listed companies.</p>

No.	Original article	Article after amendment
2.	<p>Article 11 If the chairman of the board of directors is unable or fails to perform his/her duties, a director elected by at least one-half of the directors shall perform such duties on his/her behalf.</p>	<p>Article 11 <u>The vice chairman of the board of directors shall assist the chairman in performing his/her duties.</u> If the chairman of the board of directors is unable or fails to perform his/her duties, <u>the vice chairman of the board of directors (if the Company has two vice chairmen of the board of directors, by the vice chairman of the board of directors jointly elected by at least one-half of the directors) shall perform such duties on his/her behalf; if the vice chairman of the board of directors unable or fails to perform his/her duties,</u> a director elected by at least one-half of the directors shall perform such duties on his/her behalf.</p>

The Board has considered and approved to separately propose the resolution on proposed amendments to the Articles of Association, the resolution on proposed amendments to the Rules of Procedure of General Meeting and the resolution on proposed amendments to the Rules of Procedure of Board of Directors to the annual general meeting of 2022 (the “AGM”) to be held on Friday, May 12, 2023 for consideration and approval, and the above proposed amendments will take effect from the date of being considered and approved at the AGM. The existing Articles of Association, Rules of Procedure of General Meeting and Rules of Procedure of Board of Directors shall remain in force until the above proposed amendments become effective.

The Board considered and proposed to the shareholders of the Company (the “Shareholders”) to authorize the Board secretary to handle the application, approval, registration, filing and other related matters (including but not limited to making textual amendments according to the requirements of relevant departments of the Chinese government or domestic and overseas regulatory agencies) required for the amendments to the Articles of Association, Rules of Procedure of General Meeting and Rules of Procedure of Board of Directors.

To be effective, the resolution on proposed amendments to the Articles of Association shall be approved by way of a special resolution at the AGM and each of the resolution on proposed amendments to the Rules of Procedure of General Meeting and the resolution on proposed amendments to the Rules of Procedure of Board of Directors shall be approved by way of an ordinary resolution at the AGM.

II. PROPOSED AMENDMENTS TO REGULATION ON MANAGEMENT OF EXTERNAL GUARANTEE

Based on the actual needs of the Company, the Company proposed to amend the Regulation on Management of External Guarantee. The said proposed amendments have been considered and approved by the Board and will be proposed to the AGM for consideration and become effective from the date of being considered and approved at the AGM. The existing Regulation on Management of External Guarantee shall remain in force until the above proposed amendments become effective.

The proposed amendments to the Regulation on Management of External Guarantee shall be subject to approval at the AGM by way of an ordinary resolution.

A circular containing, among others, further details regarding the proposed amendments to the Articles of Association and relevant rules of procedure, and proposed amendments to the Regulation on Management of External Guarantee will be despatched to Shareholders in due course.

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

Changsha, April 18, 2023

As at the date of this announcement, the Board comprises Mr. Zhang Jian, Ms. Tang Fen, Mr. Hu Shengli, Ms. Shi Donghong, Mr. Zhang Kexiang and Mr. Tan Xinming as executive directors of the Company; Mr. Zhang Quanxun as a non-executive director of the Company; and Mr. Chen Gongrong, Mr. Li Zhengnong, Mr. Wong Kai Yan Thomas and Mr. Zhao Zhengting as independent non-executive directors of the Company.