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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)

RESUMPTION GUIDANCE AND CONTINUED SUSPENSION OF TRADING

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 Rules 13.09(2) (a) 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).

References are made to the announcements of the Company (i) dated 24 December 2024 in relation to the resignations of independent non-executive Directors and failure to comply with the Listing Rules; (ii) dated 20 March 2025 in relation to resignations of non-executive Director and independent non-executive Directors and failure to comply with the Listing Rules; (iii) dated 20 March 2025 in relation to the resignation of chief financial officer; (iv) dated 21 March 2025 in relation to trading halt; (v) dated 24 March 2025 in relation to (a) suspension of duties and powers of an executive Director and termination of other roles of the executive Director; (b) change and appointment of company secretary and change and appointment of authorized representatives; (c) appointment of deputy chief executive officer; (d) appointment of deputy chief financial officer; (e) failure to comply with the Listing Rules and (f) continued suspension of trading; (vi) dated 31 March 2025 in relation to (a) delay in publication of annual results announcement for the year ended 31 December 2024; (b) possible delay in despatch of 2024 annual report; (c) postponement of board meeting; (d) clarification announcement; and (e) continued suspension of trading; (vii) dated 7 May 2025 in relation to inside information (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalisation terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

On 16 May 2025, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the shares of the Company (the “**Resumption Guidance**”):

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

- (ii) conduct an independent forensic investigation with a view to identify any potential misappropriation of funds, unauthorised transactions and/or Listing Rules non-compliance, including but not limited to the Allegations in the Resignation Reports and major audit matters raised by the auditors on transactions associated with Mr. Zhang Jian; assess the impact on the Company's business operation and financial position, announce the findings, and take appropriate remedial actions;
- (iii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (iv) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;
- (v) demonstrate the Company's compliance with Rule 13.24;
- (vi) re-comply with Rules 3.05, 3.10, 3.10A, 3.21, 3.25, 3.27A and 19A.18(1); and
- (vii) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

The Company must meet all requirements in the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. The Stock Exchange may modify or supplement the Resumption Guidance that has been given and/or give further guidance if the Company's situation changes.

FURTHER GUIDANCE

Under Rule 6.01A(1), the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 20 September 2026. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 20 September 2026, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

The Company must also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

The Company must announce the Resumption Guidance and the 18-month period within which it must meet the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares to avoid delisting as soon as practicable.

While trading is suspended, the Company is also reminded of its obligations under the Listing Rules, including, but not limited to, the following:

- (a) keep the duration of any trading suspension to the shortest possible period as required under Rule 6.05;
- (b) comply with its continuing obligations under the Listing Rules at all times;
- (c) announce inside information required to be disclosed under Part XIVA of the Securities and Futures Ordinance; and
- (d) announce quarterly updates on its developments under Rule 13.24A including, among other relevant matters:
 - its business operations;
 - its resumption plan with details of actions that it has taken and intends to take to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the Listing Rules and resume trading. The resumption plan should be accompanied with a clear timeframe in respect of each stage of work under the plan with a view that the Resumption Guidance can be fulfilled and trading can resume as soon as practicable and, in any event before the 18-month period expires;
 - the progress of implementing its resumption plan; and
 - details of any material change to the resumption plan and, in the case of delay, the reasons and impact of such delay.

The Company must announce its first quarterly update on or before 20 June 2025 and every 3 months from that date until resumption or cancellation of listing (whichever is earlier).

The Company is also required to devise its own resumption plan with a timetable setting out the actions that it considers appropriate to fulfil the Resumption Guidance and comply with the Listing Rules, work according to the plan, and announce quarterly updates as described above.

The Company is currently taking the appropriate steps to resolve the issue(s) causing its suspension and to fully comply with the Listing Rules to the Stock Exchange's satisfaction, and will seek to resume trading of its shares as soon as possible.

CONTINUING SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m., 21 March 2025 and will remain suspended until further notice.

The Company will publish further announcement(s) to inform the shareholders and potential investors of any material developments in connection with the suspension of trading as and when appropriate.

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

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

Changsha, 21 May, 2025

As at the date of this announcement, the Board comprises Mr. Zhang Jian, Ms. Tang Fen, Ms. Shi Donghong (Duties suspended), Mr. Zhang Kexiang and Mr. Tan Xinming as executive directors.