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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)

VOLUNTARY CLARIFICATION ANNOUNCEMENT

Changsha Broad Homes Industrial Group Co., Ltd. (the “**Company**”) noted that, there have been some market rumors recently indicating a 50,000-square-meters inventory depot in the Company’s factory in Shanghai, thus questioning the inventory management capabilities of the Company.

After verification, the Company would like to clarify that the above-mentioned market rumors are inconsistent with the facts. The Company hereby confirms that, as of the date of this announcement, the Company’s factory in Shanghai has only an inventory turnover area with a combined area of approximately 7,800 square meters, which is less than 1/6 of the 50,000 square meters mentioned in the market rumors. Relying on a full-process digital information system and big data-driven intelligent manufacturing, the Company has on-demand production and industry-leading inventory management capabilities.

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

On behalf of the Board

Changsha Broad Homes Industrial Group Co., Ltd.

Zhang Jian

Chairman

Changsha, September 10, 2020

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.