

To Business Editors

28 August 2020



## **CHINA VAST Announced 2020 Interim Results Core Business with High Gross Margin Maintained Steady Revenue**

28 August, 2020 - China VAST Industrial Urban Development Company Limited (“China VAST” or the “Company”, stock code: 6166; together with its subsidiaries, the “Group”) announced its results for the six months ended 30 June 2020 (the “Period”). During the Period, the Group’s revenue amounted to RMB1,425.6 million, representing a year-on-year (“YOY”) decrease of 6.9%. The decline was attributed to reduced completed area delivered by its property development projects. The Group achieved a gross profit of RMB1,177.8 million for the Period. Since the income with higher gross profit margin from the sales of land use rights in Longhe Park accounted for a higher proportion of the overall income than that of the corresponding period last year, the gross profit margin of the Group increased by 4 percentage points to 82.6%. The profit of the Group for the Period was RMB581.4 million and the basic earnings per share were RMB0.35.

The revenue of China VAST for the Period was generated from industrial town development, property development and property leasing, which accounted for 96.5%, 2.4% and 1.1% of the total revenue respectively. During the Period, China VAST continued to consolidate the development results of its core parks. Under the severe impact of the epidemic in the first half of the year, the Group maintained stable progress of its core business of industrial town development, which generated steady revenue to the Group.

### **Consolidated the development results of core parks and generated steady revenue from industrial town development business**

China Vast’s industrial town development business recorded a revenue of RMB1,375.8 million for the Period, representing a slight YOY decrease of 1.6%. During the Period, an aggregate of 277,255 sq m of land in Longhe Park was sold by the relevant local government at a total land premium of RMB2,479.7 million; The Group recorded a total fee income of RMB1,254.7 million from Longhe Park during the current period, representing a decrease of RM85.7 million compared with RMB1,340.4 million for the same period in 2019.

Land development revenue from the Group’s other parks experienced significant growth during the Period. For Shijiazhuang General Aviation Industrial Town Park, the Group recognised a revenue of RMB41.1 million from industrial development service, representing a significant YOY increase of 111.9%. For Shijiazhuang Gaocheng VAST Industrial Town Park, the Group recognised a revenue of RMB52.4 million from land preparation and investment services, representing an YOY increase of 88.5%. For VAST Ezhou Industrial Park, the Group recognised a revenue of RMB5.1 million and RMB12.2 million from land preparation and investment services and industrial development service respectively.

In the second half of 2020, the Group will focus on the development of Longhe Park and the foundation works of other outbound projects (including projects in Beijing-Tianjin-Hebei Region and projects in Yangtze River Delta Economic Zone), and continue to strive to complete this year’s

development plan.

### **Property development continued to grow leveraging synergies**

During the Period, for the property development business, the Group recorded a revenue of RMB33.7 million from the sales of properties. The relatively significant YOY adjustment was a result of substantial reduction in delivery of completed area from commercial, residential and industrial properties.

In the second half of 2020, the Group will focus on the construction of Foxconn City Phase III and Hongtai Commerce Plaza. Revenue from sales of properties in the second half of 2020 is expected to be derived mainly from the sales of Foxconn City Phase II and the remaining units of Hongtai Longdi, Hongtai Meishuguan and Electronic Information Industrial Park.

### **About China VAST**

Founded in 1995, China VAST Industrial Urban Development Company Limited is a pioneer in developing new industrial towns and implementing industrial park PPP model in China. Listed on The Stock Exchange of Hong Kong Limited in 2014 (stock code: 6166), the Company is a comprehensive industrial town developer, with industrial town planning and development, infrastructure investment, industrial services upgrade and park operation as its core businesses.

The Company currently provides planning, development and/or operation services in 10 different-themed industrial town projects, consisting of: Longhe Park, Longhe Resort, Guangyang Technology Regeneration Park and Yongqing VAST Industrial Town Park, all of which are located in Langfang, Hebei province; VAST Zhangjiakou City New Industrial Park, Zhangjiakou City Modern Industrial Park, both of which are located in Zhangjiakou City, Hebei province; Shijiazhuang General Aviation Industrial Town Park and Shijiazhuang Gaocheng VAST Industrial Town Park, both of which are located in Shijiazhuang City, Hebei province; VAST Ezhou Industrial Park in Ezhou City, Hubei province; and Wuhan Development Zone General Aviation Industry Comprehensive Demonstration Zone in Wuhan City, Hubei province. After over 10 years of development, Longhe Park is progressing towards its maturity in a fast development stage. The remaining nine projects are in the early stage of planning and development. However, with the improvement and betterment of the terms of cooperation agreements signed between the Company and local governments, some of the Company's cooperation agreements enable the Company to record revenue in the early stage of development, thus providing support for developing projects on a rolling basis.

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Issued by: China VAST Industrial Urban Development Company Limited  
Through: CorporateLink Limited

Media Enquiries: CorporateLink Limited

Christine Chen Tel: 2801 6090 / 6173 9039

Email: [christine@corporatelink.com.hk](mailto:christine@corporatelink.com.hk)

Suki Feng Tel: 2801 7393

Email: [sukif@corporatelink.com.hk](mailto:sukif@corporatelink.com.hk)

(Attached with China VAST's consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2020)

**China VAST Industrial Urban Development Company Limited**  
**(Stock code: 6166)**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the six months ended 30 June 2020**

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>		
Goods and services	1,409,565	1,508,222
Rental	16,019	22,407
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<b>Total Revenue</b>	<b>1,425,584</b>	<b>1,530,629</b>
Cost of sales and services	<b>(247,813)</b>	<b>(327,685)</b>
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Gross profit	1,177,771	1,202,944
Other income	80,414	82,016
Other expenses	(5,377)	(565)
Other gains and losses	(19,924)	(2,017)
Selling and marketing expenses	(43,037)	(31,231)
Administrative expenses	(168,852)	(165,605)
Finance costs	(173,896)	(71,209)
Change in fair value of trade receivables	(17,092)	11,975
Change in fair value of financial assets at fair value through profit or loss	-	(267)
Change in fair value of derivative	527	14,682
Change in fair value of investment properties	51,952	15,194
Share of losses of associates	(1,994)	(3,509)
Share of (losses) profits of joint ventures	(1,274)	577
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Profit before tax	879,218	1,052,985
Income tax expense	(297,783)	(293,796)
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<b>Profit and total comprehensive income for the period</b>	<b>581,435</b>	<b>759,189</b>
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Profit and total comprehensive income (expenses) for the period attributable to:		
Owners of the Company	582,652	759,944
Non-controlling interests	(1,217)	(755)
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	<b>581,435</b>	<b>759,189</b>
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Earnings per share		
Basic (RMB)	0.35	0.46
Diluted (RMB)	0.35	0.44
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