

To Business Editors

27 March 2020



**CHINA VAST'S 2019 PROFIT REACHED RMB828 MILLION
To PAY HK\$330 MILLION DIVIDEND,
WITH A PAYOUT RATIO OF 35%, HIGHEST SINCE LISTING**

China VAST Industrial Urban Development Company Limited ("China VAST" or the "Company", stock code: 6166; together with its subsidiaries, the "Group") announced its audited annual results for the year ended 31 December 2019 (the "Year"). The Company achieved a revenue of RMB2,670.0 million for the Year. The profit for the Year was RMB828.4 million and the basic earnings per share were RMB0.50 (2018: RMB0.67).

The Board of China VAST recommends the payment of a final dividend of HK\$0.20 per share (2018: HK\$0.11) in cash to the shareholders of the Company for the year ended 31 December 2019. The dividend payout ratio was about 35 per cent, being the highest since listing.

The revenue of China VAST during the Year has reduced year-on-year, which was mainly due to a higher recorded revenue from the sales of properties for the previous year as a result of the delivery upon the completion of a property project in the previous year. During the Year, the Company's gross profit amounted to RMB1,870.7 million, and gross profit margin increased from 60.9 per cent in 2018 to 70.1 per cent, mainly because the income from the sales of land use rights in Longhe Park was higher than that of the same period last year, while the corresponding gross profit was higher than that of other industrial parks and property sale projects.

The revenue of China VAST in 2019 was generated from industrial town development, property development and property leasing, which accounted for 90 per cent, 8 per cent and 2 per cent of the total revenue respectively. During the Year, China VAST continued to consolidate the development results of its core parks, with stable industrial town development business.

For the year ended 31 December 2019, the Group recorded an income of RMB2,401.0 million for industrial town development; of this, a fee income of RMB2,091.3 million was recorded from Hebei Langfang Longhe Park, which was up by approximately 11.6 per cent from that of last year. During the Year, an aggregate of 694,082 sq m of land in Longhe Park was sold by the local government at a total land premium of RMB4,422.0 million; there were significant increases in the area of land sold and land premium.

China VAST recorded a revenue of RMB44.4 million from land preparation and investment services and industrial development service for the Shijiazhuang General Aviation Industrial Town Park during the Year. For Shijiazhuang Gaocheng VAST Industrial Town Park and VAST Ezhou Industrial Park, the Group recorded a revenue of RMB89.2 million and RMB174.1 million from land preparation and investment services respectively. The year-on-year decrease in the revenue for the above-mentioned parks was due to reduced investment for balanced development in these parks.

During the Year, the Group recorded a revenue from the sales of properties of RMB215 million. The revenue from the sales of properties for the Year declined, mainly due to a decrease in the area of commercial, residential and industrial properties delivered of about 80,000 sq m as compared with that of the same period in 2018. As at 31 December 2019, the Group had 25 projects at various stages of development, mainly concentrating on the development of residential, commercial and industrial projects with a wide range of products including residence, apartment, villa, retail stores and office buildings. The Group had residential, commercial and industrial land reserves of gross floor area of about 1.63 million sq m remained unsold as at 31 December 2019, located mainly in the Beijing-Tianjin-Hebei region and Hubei province.

Looking forward, the Group will continue to develop Beijing-Tianjin-Hebei region, as well as capitalize on the major opportunities from the construction in the Yangtze River Delta Economic Zone and the “Belt and Road” initiative, with the objective to tap into the developed areas such as Yangtze River Delta and Guangdong-Hong Kong-Macau Greater Bay Area.

Mr Wang Jianjun, the Chairman of China VAST, said: “The Group will optimize the development road map, explore the transformation from asset-heavy investment to asset-light operations, and create greater value by utilizing the Company’s experience in industrial development and industrial parks operations, as well as professional services. On the other hand, the Company will accelerate transformation and upgrade and pay close attention to opportunities for mergers and acquisitions. Capitalizing on the leverage of capital in order to achieve transformation and upgrade, the Group aims to facilitate diversified and sustainable development. China VAST will persist in deepening transformation and upgrade and explore the path of national development. Leveraging on its diversified layout, the Group will move forward step-by-step.”

During the Year, China VAST and National Technology Transfer Center of Chinese Academy of Sciences (CAS) jointly established the CAS-VAST Research Institute to practically promote the transfer and transformation of advanced technologies. The Company has actively participated in the construction of Beijing Daxing International Airport Economic Zone by inviting Langfang Airport Economic Construction Company and John Kasarda, the President of Aerotropolis Institute China, to jointly promote the establishment of Hebei Airport Economic and Industrial Development Think Tank, pushing forward the development of a regional aviation-driven economy.

China VAST ranked second among China’s top 30 industrial real estate developers in 2019; the Longhe Park, which is being operated by the Company, was selected among the Top 10 Golden Projects of China’s Industrial Parks in 2019.

About China VAST

Founded in 1995, China VAST Industrial Urban Development Company Limited is a pioneer and succeeds 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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(Attached with China VAST's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019)

China VAST Industrial Urban Development Company Limited
(Stock code: 6166)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Year ended 31 December	
	2019 RMB'000	2018 RMB'000
Revenue		
Goods and services	2,615,703	3,941,329
Leases	54,304	53,895
Total Revenue	2,670,007	3,995,224
Cost of sales and services	(799,339)	(1,563,904)
Gross profit	1,870,668	2,431,320
Other income	160,936	170,531
Other expenses	(3,781)	(59,096)
Other gains and losses	(74,295)	(16,079)
Selling and marketing expenses	(61,250)	(69,911)
Administrative expenses	(366,623)	(430,928)
Finance costs	(256,408)	(194,431)
Impairment losses under expected credit loss model, net of reversal	(13,745)	(11,302)
Change in fair value of trade receivables	(38,395)	(52,208)
Change in fair value of financial assets at fair value through profit or loss	(6,616)	(3,212)
Change in fair value of investment properties	56,844	(709)
Share of (losses) profits of associates	(2,006)	3,623
Share of (losses) profits of joint ventures	(111)	589
Change in fair value of financial derivative	21,890	11,201
Profit before tax	1,287,108	1,779,388
Income tax expense	(458,702)	(658,041)
Profit for the year	828,406	1,121,347
Other comprehensive expense		
<i>Items that will not be reclassified to profit or loss</i>		
Fair value loss on investment in equity instruments at fair value through other comprehensive income	-	(3,300)
Other comprehensive expense for the year, net of income tax	-	(3,300)
Total comprehensive income for the year	828,406	1,118,047
Profit (loss) for the year attributable to:		
Owners of the Company	830,423	1,110,019
Non-controlling interests	(2,017)	11,328
	828,406	1,121,347
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	830,423	1,106,719
Non-controlling interests	(2,017)	11,328

Press Release

Total comprehensive income for the year

828,406

1,118,047

Earnings per share

Basic (RMB)

0.50

0.67

Diluted (RMB)

0.48

0.62