



CHINA VAST reports surge in net profit with stable GP margin Recommends dividend of HK0.18 per share

31 March, 2021 - 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 year ended 31 December 2020 (“Year under review” or the “Year”). During the Year, the Group’s revenue amounted to RMB2,364.4 million. The Group achieved a gross profit of RMB1,672.2 million for the Year. The gross profit margin of the Group for the Year was 69.7%, which was close to that of the previous year. The Group’s profit for the Year was RMB844.6 million, representing a modest increase year-on-year, and the basic earnings per share were RMB0.51.

The board of the Company proposed to recommend the payment of a final dividend for the year ended 31 December 2020 of HK\$0.18 per share in cash, representing a total dividend payment of approximately HK\$297.2 million.

90% of revenue generated from industrial town development business

The revenue of China VAST for the Year was generated from industrial town development projects, sales of property and property leasing, which accounted for 90.3%, 8.3% and 1.4% of the total revenue respectively. In reacting to challenges brought along by COVID-19, the Group promptly formulated response measures, such as quickly adapting to the needs of epidemic prevention and control to realize early resumption of work and production, strengthening investment promotion, adopting multi-channel promotion of commercial, residential and industrial land, and working with the government to help enterprises in the parks to overcome the impact of the epidemic to ensure sound development of business operations. These measures played a positive role in the stable development of the Group’s business.

China Vast’s industrial town development business reported a revenue of RMB2,166.2 million for the Year. During the Year, an aggregate of 600,081 sq.m. of land in Longhe Park was sold by the relevant local government at a total land premium of RMB3,764.4 million. The Group recorded a total fee income of RMB1,969.3 million from Longhe Park during the Year.

In addition, the Group also recorded revenue from industrial urban development projects in other parks. For Shijiazhuang General Aviation Industrial Town Park, the Group recognized a revenue of RMB41.9 million from industrial development service. For Shijiazhuang Gaocheng VAST Industrial Town Park, the Group recognized a revenue of RMB76.9 million from land preparation and investment services. For VAST Ezhou Industrial Park, the Group recognized a revenue of RMB23.6 million and RMB38.2 million from land preparation and investment services and industrial development service respectively. The decrease in total revenue of the above three parks during the year was due to reduced investments for balanced development in these parks, in accordance with the parks’ development momentum.

During the Year, China VAST recorded a revenue of RMB198.2 million from sales of properties. The Group delivered residential, commercial and industrial properties with a total area of 17,038 sq.m. during the Year, representing an increase of 2,111 sq.m. from that of 2019, leading to upsurge in revenue from residential, commercial and industrial properties. However, revenue from the sales of car park units decreased due to less car park units in the project ancillary area delivered in 2020. As a result, total revenue from sales of properties declined during the Year.

Focus on development of Longhe Park in 2021

In respect of industrial town development in 2021, the Group will focus on the development of Longhe Park and continue the development works of other outbound projects (including projects in Beijing-Tianjin-Hebei Region and projects in Yangtze River Delta Economic Zone). The Group is confident that it can complete the annual development plan and revenue plan formulated by the Group's management at the beginning of the year.

In respect of property development in 2021, the Group will focus on the construction of Foxconn City Phase III, Longhe Center and Electronic Information Industrial Park. Revenue from sales of properties during 2021 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 8 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; 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 seven 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 2020)

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 2020

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Revenue		
Goods and services	2,364,364	2,635,830
Rental	34,264	34,177
Total Revenue	2,398,628	2,670,007
Cost of sales and services	(726,447)	(799,339)
Gross profit	1,672,181	1,870,668
Other income	201,336	160,936
Other expenses	(5,213)	(3,781)
Other gains and losses	115,923	(74,295)
Selling and marketing expenses	(87,889)	(61,250)
Administrative expenses	(322,943)	(366,623)
Finance costs	(339,135)	(256,408)
Impairment losses under expected credit loss model, net of reversal	(46,789)	(13,745)
Change in fair value of trade receivables at fair value through profit or loss ("FVTPL")	(115,686)	(38,395)
Change in fair value of other financial assets at FVTPL	397	(6,616)
Change in fair value of investment properties	132,806	56,844
Share of losses of associates	(1,756)	(2,006)
Share of losses of joint ventures	(1,010)	(111)
Change in fair value of derivative	1,520	21,890
Profit before tax	1,203,742	1,287,108
Income tax expense	(359,126)	(458,702)
Profit and total comprehensive income for the Year	844,616	828,406
Profit (loss) and total comprehensive income (expense) for the year attributable to:		
Owners of the Company	846,531	830,423
Non-controlling interests	(1,915)	(2,017)
Total comprehensive income for the year	844,616	828,406
Earnings per share		
Basic (RMB)	0.51	0.50
Diluted (RMB)	0.49	0.48