

To Business Editors



CHINA VAST Reports an Annual Gross Profit of RMB980 Million, with Gross Profit Margin of 64.1% and Net Profit of RMB159 million

28 March 2022 - China VAST Industrial Urban Development Company Limited (“China VAST” or the “Company”, stock code: 06166; together with its subsidiaries, the “Group”) announced that, the Group’s revenue for the year ended 31 December 2021 (the “Year under review”), amounted to RMB1,527.8 million, with gross profit of RMB980.0 million and gross profit margin of 64.1 per cent. The Group’s net profit for the year amounted to RMB159.0 million with basic earnings per share of RMB0.10.

As at 31 December 2021, the Company’s bank balances and cash and restricted bank deposits was RMB1,078.1 million. As of 31 December 2021, the amounts of in progress land development arrangements, and properties under development and completed for sale were RMB4,616.3 million and RMB2,665.1 million respectively.

The decrease in the Group’s revenue and gross profit for the Year under review was mainly due to decline in revenue from land development projects as compared with that generated in the previous year. The decline in the overall gross profit margin was primarily because the land development fee income from the sales of land in Longhe Park, which offered a higher gross profit margin, accounted for a smaller proportion of the overall revenue.

Land development business continued to consolidate

China VAST is one of the pioneer service providers in planning, development and operation of large-scale industrial towns in China. During the Year under review, the revenue of the Group was substantially generated from the fee and service income arising from land development projects/arrangements, sales of properties and property leasing, which accounted for 84.5 per cent, 12.8 per cent and 2.7 per cent of the total revenue respectively. China VAST continued to consolidate its achievements in the development of core parks; the revenue of land development business amounted to RMB1,291.4 million during the Year under review.

During the Year under review, an aggregate of 415,396 sq m of land in Longhe Park was sold by the relevant local government at a total land premium of RMB1,363.0 million. During the Year under review, the Group reported a total fee income of RMB1,114.0 million from Longhe Park. In addition, the Group also reported revenue from land development business in other parks. For VAST Ezhou Industrial Park, the Group recognized a revenue of RMB43.9 million and RMB77.7 million from land preparation and investment services and industrial development service respectively, representing significant increases of around 86.0 per cent and around 100 per cent respectively as compared with those of 2020. For Shijiazhuang Gaocheng VAST Industrial Town Park, the Group recognized a revenue of RMB31.6 million from land preparation and investment services. For Wuhan

Development Zone General Aviation Industry Comprehensive Demonstration Zone, the Group recognized a revenue of RMB7.4 million from land preparation and investment services.

During the Year under review, the Group reported a revenue from the sales of properties of RMB195.4 million. The revenue from the sales of properties was mainly derived from remaining units of existing projects, thus the amount was more or less the same as that of the previous year.

For the year ended 31 December 2021, the Group's property leasing income was RMB41.0 million, representing a year-on-year increase of around 19.8 per cent.

In respect of industrial town development, China Vast will focus on the development of Longhe Park and continue the foundation works of other outbound projects (including projects in Beijing-Tianjin-Hebei Region and projects in Yangtze River Delta Economic Zone) in 2022. In respect of the Group's property development in 2022, it will focus on the construction of Foxconn City Phase III, Longhe Center, Electronic Information Industrial Park and Ezhou Huineng Project. Revenue from sales of properties during 2022 is expected to be derived mainly from the sales of Foxconn City Phase III, Ezhou Huineng Project Phase I, and the remaining units of Foxconn City Phase II and Electronic Information Industrial Park.

Given its sound and steady operation capability, remarkable industrial construction and integrated operational capability in industrial park, China VAST ranked in the third place of the "7th China Industrial Park Conference in 2021 (2021 第七屆中國產業園區大會)", and had been among top three for two consecutive year. The project in Longhe Park, Langfang, invested and managed by China VAST, has been named the "2021 Best Production City Integration Demonstration Zone in China (2021 年度中國最佳產城融合綜合示範區)".

Joined hands with strategic shareholder China Jinmao

Mr. Song Liuyi, the Chairman of the Group, said, "Looking ahead in 2022, international situation, domestic macro environment and the real estate industry are likely to face more challenges and fluctuation, while a new turning point will stand ahead. China VAST will join hands with its strategic shareholder China Jinmao to grasp the trend and development direction. By optimizing business structure and leveraging Longhe Park and other outbound projects including those in Beijing-Tianjin-Hebei Region and in Yangtze River Delta Economic Zone, the two parties are working to promote the industrial urban comprehensive development and realize the sustainable development of the Company's business.

China Jinmao Holdings Group Limited ("China Jinmao", stock code: 00817) became a major shareholder of China VAST in June and launched the Mall of Splendors in Longhe Park, Langfang in November 2021, aiming to build Langfang into a "new urban center" and promote the pace of the main urban area into "Longhe era". China VAST will vigorously promote the strategic synergy between the two parties. Leveraging China Jinmao's position as a city operator, China VAST will carry out comprehensive and mutually beneficial cooperation in the areas of city operation and property development, leasing and operation of properties held, industrial finance and property services, green building technology and education services.

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About China VAST

Founded in 1995, China VAST Industrial Urban Development Company Limited is one of the pioneer service providers in planning, development and operation of large-scale industrial towns 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 eight different-themed industrial town projects, including: 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 them 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 planning and early stage of 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 2021)

China VAST Industrial Urban Development Company Limited (Stock code: 06166)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2021

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Revenue		
Goods and services	1,486,781	2,364,364
Leases	41,046	34,264
Total Revenue	1,527,827	2,398,628
Cost of sales and services	(547,876)	(726,447)
Gross profit	979,951	1,672,181
Other income	160,504	201,336
Other expenses	(7,067)	(5,213)
Other gains and losses	61,434	115,923
Selling and marketing expenses	(77,697)	(87,889)
Administrative expenses	(337,217)	(322,943)
Finance costs	(313,010)	(339,135)
Impairment losses under expected credit loss model, net of reversal	(77,045)	(46,789)
Change in fair value of trade receivables at fair value through profit or loss ("FVTPL")	(100,556)	(115,686)
Change in fair value of other financial assets at FVTPL	(10,737)	397
Change in fair value of derivative financial instruments	38,452	1,520
Change in fair value of investment properties	(10,772)	132,806
Share of results of associates	(200)	(1,756)
Share of results of joint ventures	(4,526)	(1,010)
Profit before tax	301,514	1,203,742
Income tax expense	(142,482)	(359,126)
Profit and total comprehensive income for the year	159,032	844,616
Profit (loss) and total comprehensive income (expense) for the year attributable to:		
Owners of the Company	171,313	846,531
Non-controlling interests	(12,281)	(1,915)
Total comprehensive income for the year	159,032	844,616
Earnings per share		
Basic (RMB)	0.10	0.51
Diluted (RMB)	0.09	0.49