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China VAST Industrial Urban Development Company Limited

中國宏泰產業市鎮發展有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 6166)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2021	2020	
Revenue (RMB'000)	1,527,827	2,398,628	-36.3%
Gross profit (RMB'000)	979,951	1,672,181	-41.4%
Profit before tax (RMB'000)	301,514	1,203,742	-75.0%
Profit for the year (RMB'000)	159,032	844,616	-81.2%
Earnings per share (basic) (RMB)	0.10	0.51	-80.4%
Earnings per share (diluted) (RMB)	0.09	0.49	-81.6%

Revenue of the Group for the year ended 31 December 2021 amounted to RMB1,527.8 million, representing a decrease of 36.3% as compared with RMB2,398.6 million for the same period in 2020. The decrease in revenue was mainly because revenue from land development projects decreased as compared with that generated in the same period last year.

The board of directors (the “**Board**”) of China VAST Industrial Urban Development Company Limited (the “**Company**”) is pleased to announce the annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021, which was prepared in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and had been audited by the independent auditor of the Company, Deloitte Touche Tohmatsu and reviewed by the Company’s audit committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	Year ended 31 December	
		2021 RMB’000	2020 RMB’000
Revenue			
Goods and services		1,486,781	2,364,364
Leases		41,046	34,264
Total Revenue	3	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	4	(142,482)	(359,126)
Profit and total comprehensive income for the year	5	159,032	844,616

		Year ended 31 December	
	<i>Notes</i>	2021	2020
		RMB'000	<i>RMB'000</i>
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)
		<hr/>	<hr/>
Total comprehensive income for the year		159,032	844,616
		<hr/>	<hr/>
Earnings per share			
Basic (RMB)	7	0.10	0.51
Diluted (RMB)	7	0.09	0.49
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	At 31 December	
		2021	2020
		RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		1,100,715	1,078,932
Right-of-use assets		180,924	187,602
Investment properties		1,232,700	1,256,900
Interests in associates		246,114	269,180
Interests in joint ventures		115,964	12,000
Financial assets at FVTPL		136,194	154,730
Trade receivables	8	2,127,716	1,649,147
Prepayments and other receivables		171,720	207,633
Amounts due from related parties		143,468	144,955
Restricted bank deposits		–	176,615
Deferred tax assets		158,311	131,054
		5,613,826	5,268,748
Current assets			
In progress land development arrangements		4,616,324	4,444,957
Properties under development for sale		1,837,805	1,797,150
Completed properties for sale		827,302	819,825
Trade receivables	8	395,777	1,106,708
Prepayments and other receivables		176,180	163,216
Contract assets		56,790	75,905
Amounts due from related parties		–	15,273
Derivative financial instruments		9,250	–
Restricted bank deposits		237,307	122,175
Time deposits with maturity over three months		–	311,000
Bank balances and cash		840,779	646,329
		8,997,514	9,502,538
Total assets		14,611,340	14,771,286

		At 31 December	
	<i>Notes</i>	2021	2020
		RMB'000	RMB'000
Current liabilities			
Trade and other payables	9	954,074	927,746
Advances received from tenants		13,651	15,083
Amounts due to related parties		761,837	5,586
Lease liabilities		2,299	2,238
Current tax liabilities		546,779	606,341
Contract liabilities		289,797	89,639
Bank and other borrowings		1,590,890	2,222,480
Convertible bonds, notes and senior notes		424,115	1,789,688
Deferred income		606	1,646
		<u>4,584,048</u>	<u>5,660,447</u>
Net current assets		<u>4,413,466</u>	<u>3,842,091</u>
Total assets less current liabilities		<u>10,027,292</u>	<u>9,110,839</u>
Non-current liabilities			
Bank and other borrowings		2,529,478	2,484,844
Convertible bonds, notes and senior notes		772,169	–
Derivative financial instruments		2,716	–
Amounts due to related parties		214,961	–
Lease liabilities		5,345	7,282
Deferred tax liabilities		255,753	284,291
Deferred income		2,454	2,473
Contract liabilities		84,161	84,161
		<u>3,867,037</u>	<u>2,863,051</u>
Net assets		<u>6,160,255</u>	<u>6,247,788</u>
Capital and reserves			
Share capital	10	13,141	13,141
Reserves		6,145,525	6,221,880
Equity attributable to owners of the Company		<u>6,158,666</u>	<u>6,235,021</u>
Non-controlling interests		1,589	12,767
TOTAL EQUITY		<u>6,160,255</u>	<u>6,247,788</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 13 February 2014. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is China VAST Development Building, Hongtai East 2nd Avenue, Chaoyang District, Beijing, China. The principal activity of the Company is investment holding. Its subsidiaries are primarily engaged in industrial towns development, property development and property leasing in the People's Republic of China ("PRC").

The consolidated financial statements are presented in Renminbi ("RMB") which is also the functional currency of the Group, and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, Interest Rate Benchmark Reform – Phase 2
IFRS 4 and IFRS 16

In addition, the Group has early applied the Amendment to IFRS 16 *Covid-19-Related Rent Concessions* beyond 30 June 2021.

Besides, the Group applied the agenda decision of the IFRS Interpretations Committee of the IASB issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except as described below, the application of the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying IFRS 7 *Financial Instruments: Disclosures*.

As at 1 January 2021, the Group has bank borrowings in an aggregate principal amount of RMB13,889,000, the interests of which are indexed to 1 month Hong Kong Interbank Offered Rate that may be subject to interest rate benchmark reform. The amendments have had no material impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank loans measured at amortised cost.

3. SEGMENT INFORMATION

The executive directors of the Group are identified as the chief operating decision maker (the “CODM”) of the Group for the purposes of resources allocation and performance assessment. The information reported to the CODM for the purposes of resources allocation and performance assessment focuses specifically on respective businesses of the Group. The Group’s operating and reportable segments are as follows:

Industrial towns development	–	Land infrastructure and industrial towns development and maintenance
Property development	–	Development and sale of properties
Property leasing	–	Lease of properties

Segment revenue and results

	Industrial towns development RMB'000	Property development RMB'000	Property leasing RMB'000	Total RMB'000
For the year ended 31 December 2021				
Segment revenue				
– External segment revenue	<u>1,291,401</u>	<u>195,380</u>	<u>41,046</u>	<u>1,527,827</u>
Consolidated revenue	<u>1,291,401</u>	<u>195,380</u>	<u>41,046</u>	<u>1,527,827</u>
Segment results	<u>545,541</u>	<u>82,696</u>	<u>(4,458)</u>	<u>623,779</u>
Inter-segment elimination	55,503	–	(55,503)	–
Unallocated profit or loss items:				
Other income				17,626
Other gains and losses				38,452
Selling and marketing expenses				(17,706)
Administrative expenses				(144,827)
Finance costs				(242,445)
Change in fair value of other financial assets at FVTPL				(9,882)
Change in fair value of derivative financial instruments				38,452
Share of results of associates				2,591
Share of results of joint ventures				<u>(4,526)</u>
Profit before tax				<u>301,514</u>

	Industrial towns development RMB'000	Property development RMB'000	Property leasing RMB'000	Total RMB'000
For the year ended 31 December 2020				
Segment revenue				
– External segment revenue	2,166,174	198,190	34,264	2,398,628
Consolidated revenue	<u>2,166,174</u>	<u>198,190</u>	<u>34,264</u>	<u>2,398,628</u>
Segment results	<u>1,230,186</u>	<u>64,204</u>	<u>153,945</u>	<u>1,448,335</u>
Inter-segment elimination	6,538	(6,538)	–	–
Unallocated profit or loss items:				
Other income				30,714
Other expenses				(105)
Other gains and losses				106,063
Selling and marketing expenses				(14,995)
Administrative expenses				(123,952)
Finance costs				(227,814)
Change in fair value of other financial assets at FVTPL				(16,489)
Change in fair value of derivative financial instruments				1,520
Share of results of associates				1,475
Share of results of joint ventures				<u>(1,010)</u>
Profit before tax				<u>1,203,742</u>

4. INCOME TAX EXPENSE

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Current tax:		
– PRC enterprise income tax	188,811	356,135
– Land appreciation tax	14,803	16,461
– Over provision in prior year	<u>(5,337)</u>	<u>(16,316)</u>
	198,277	356,280
Deferred tax	<u>(55,795)</u>	<u>2,846</u>
	<u>142,482</u>	<u>359,126</u>

Certain subsidiaries of the Group, Langfang VAST Urban Development Co., Ltd., Langfang Hongsheng Real Estate Development Co., Ltd. and Langfang Yonglun Property Development Co., Ltd. were subject to the enterprise income tax of PRC at a tax rate of 25% on a verification collection basis at deemed profit which represents 10% or 15% of its revenue after adjusting the subsidies paid to customers (enterprises establishing their businesses in Longhe Park) prior to 1 January 2014 in accordance with authorised tax valuation method (核定徵收) approved by local tax bureau pursuant to the applicable PRC tax regulations (the “**Deemed Profit Basis**”). From 1 January 2014, the three subsidiaries of the Group mentioned above no longer enjoyed the tax benefit of the authorised tax valuation method. Certain income tax calculated on Deemed Profit Basis of unrealised profit earned in prior years was realised in 2020 and 2021.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (“LAT”) (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings of the Group (being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

Except for the above, under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

5. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Profit and total comprehensive income for the year has been arrived at after charging (crediting):

	Year ended 31 December	
	2021 RMB'000	2020 RMB'000
Directors' emoluments (including share-based payment expenses, if any)	14,582	12,736
Staff costs		
Salaries, wages and other benefits	140,198	186,933
Contribution to retirement benefits scheme	19,254	18,196
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Total staff costs (including Directors' emoluments)	174,034	217,865
Less: Amount capitalised in:		
In progress land development arrangements	(28,160)	(30,235)
Properties under development for sale	(699)	(333)
	<hr/>	<hr/>
	145,175	187,297
	<hr/>	<hr/>
Rental income from property leasing	(41,046)	(34,264)
Less: Direct operating expenses for property leasing	1,779	13,810
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	(39,267)	(20,454)
	<hr/>	<hr/>
Cost of properties sold	122,447	92,530
Cost of land development arrangements	423,650	620,107
Short-term lease expense	4,254	4,779
Covid-19-related rent concessions	–	(150)
Auditor's remuneration	3,727	3,406
Depreciation of property, plant and equipment	62,568	64,161
Depreciation of right-of-use assets	8,078	21,058
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6. DIVIDEND

No dividend has been declared by the Company for the year ended 31 December 2021.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	171,313	846,531
Adjustment to the profit for the year attributable to owners of the Company for the purpose of diluted earnings per share		
– impact of convertible bonds issued by the Company	<u>(11,694)</u>	<u>3,697</u>
Profit for the year attributable to owners of the Company for the purpose of diluted earnings per share	<u>159,619</u>	<u>850,228</u>
	Year ended 31 December	
	2021	2020
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,651,237	1,651,237
Effect of dilutive potential ordinary shares:		
– Convertible bonds	<u>157,111</u>	<u>98,237</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,808,348</u>	<u>1,749,474</u>

The profit attributable to owners of the Company and the number of ordinary shares for the purpose of calculating diluted earnings per share for the year ended 31 December 2020 had been adjusted assuming that the conversion of the 2018 convertible bonds has been effective from 1 January 2020. The diluted earnings per share for the year ended 31 December 2021 had been adjusted assuming the conversion of the 2021 convertible bonds from the issue date, and the adjustments were not made for the 2018 convertible bonds and the put option embedded in amount due to a related party as their impacts are anti-dilutive.

The computation of diluted earnings per share for the years ended 31 December 2021 and 2020 does not assume the exercise of share options because the adjusted exercise price of those options was higher than the average market price of the shares for both periods.

8. TRADE RECEIVABLES

	At 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
– At amortised cost		
Receivables from industrial towns development	288,060	627,595
Receivables from property sales	17,088	14,977
Receivables from property leasing	960	1,711
	<u>306,108</u>	<u>644,283</u>
Less: Allowance for trade receivables	(11,705)	(3,788)
	<u>294,403</u>	<u>640,495</u>
– At FVTPL		
Receivables from industrial towns development	2,229,090	2,115,360
Total	<u>2,523,493</u>	<u>2,755,855</u>
Analysis for reporting purpose as:		
– At amortised cost		
– Current assets	229,729	633,386
– Non-current assets	64,674	7,109
	<u>294,403</u>	<u>640,495</u>
– At FVTPL		
– Current assets	166,048	473,322
– Non-current assets	2,063,042	1,642,038
	<u>2,229,090</u>	<u>2,115,360</u>
Total		
– Current assets	395,777	1,106,708
– Non-current assets	2,127,716	1,649,147
	<u>2,523,493</u>	<u>2,755,855</u>

The aging analysis of trade receivables – at amortised cost, net of allowance for doubtful debts, presented based on revenue recognition date, at the end of the reporting period is as follows:

	At 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 180 days	94,735	517,573
181 to 365 days	111,651	–
1-2 years	2,154	1,545
2-3 years	337	103,951
Over 3 years	85,526	17,426
	<u>294,403</u>	<u>640,495</u>

9. TRADE AND OTHER PAYABLES

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Trade payables	691,252	695,705
Refundable deposits	49,833	59,932
Tax payables	85,940	91,482
Property, plant and equipment costs payable	13,172	15,670
Investment properties construction costs payable	4,591	4,922
Other deposits received	58,970	23,864
Accrued payroll	10,125	10,267
Other payables	40,191	25,904
	<u>954,074</u>	<u>927,746</u>

The following is an aging analysis of trade payables based on services/materials received date at the end of the reporting period:

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Less than 1 year	267,748	368,891
1-2 years	222,520	192,513
2-3 years	107,728	33,845
Over 3 years	93,256	100,456
	<u>691,252</u>	<u>695,705</u>

10. SHARE CAPITAL

Share capital of the Group includes only issued and fully paid share capital of the Company as set out below:

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000
Authorised ordinary shares of HK\$0.01 each:			
As at 31 December 2020 and 31 December 2021	<u>1,651,237,491</u>	<u>16,512</u>	<u>13,141</u>

BUSINESS REVIEW

I. Industrial Town Development

We currently provide planning, development and/or operation services in eight industrial town projects, including (i) Longhe Park; (ii) Longhe Resort; (iii) Guangyang Technology Regeneration Park; (iv) Yongqing Vast Industrial Town Park, all of which are located in Langfang City, Hebei Province; (v) Shijiazhuang General Aviation Industrial Town Park; (vi) Shijiazhuang Gaocheng Vast Industrial Town Park, both of which are located in Shijiazhuang City, Hebei Province; (vii) VAST Ezhou Industrial Park in Ezhou City, Hubei Province; and (viii) 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 our cooperation agreements enable us to record revenue in the early stage of development, thus providing support for development projects on a rolling basis.

Industrial town project	Industry theme	Scope of services	Fee arrangement	Status
Langfang, Hebei Province				
(I) Longhe Park Planned site area: 28.0 million sq.m.	<ul style="list-style-type: none"> Information technology, advanced manufacturing, modern services and property development 	<ul style="list-style-type: none"> Planning and design, industry positioning, land preparation, infrastructure construction, marketing and follow-up services to manage and operate the project 	<ul style="list-style-type: none"> Calculated with reference to a certain percentage of land sale proceeds and taxes paid by resident enterprises. 	<ul style="list-style-type: none"> Progressing towards an active development stage, and contributed to our income during the year
(II) Longhe Resort Planned site area: 9.5 million sq.m.	<ul style="list-style-type: none"> Vacation home and facilities, business headquarters and culture business subject to finalization 	<ul style="list-style-type: none"> Planning and design, industry positioning, land preparation, infrastructure construction, marketing and follow-up services to manage and operate the project 	<ul style="list-style-type: none"> Calculated with reference to a certain percentage of land sale proceeds and taxes paid by resident enterprises. 	<ul style="list-style-type: none"> Binding agreement signed; land preparation and infrastructure construction not yet commenced
(III) Guangyang Technology Regeneration Park Planned site area: 15.0 million sq.m.	<ul style="list-style-type: none"> Under planning 	<ul style="list-style-type: none"> Planning and design, industry positioning, land preparation, infrastructure construction, marketing and follow-up services to manage and operate the project 	<ul style="list-style-type: none"> A portion of the net land sale proceeds representing the sum of our actual investment amount with a pre-agreed return and a portion of the remaining net land sale proceeds in accordance with our equity interest in the relevant project company. 	<ul style="list-style-type: none"> Binding agreement signed; land preparation and infrastructure construction not yet commenced
(IV) Yongqing Vast Industrial Town Park Planned site area: 14.0 million sq.m.	<ul style="list-style-type: none"> Intelligent equipment manufacturing, new energy, new material industry 	<ul style="list-style-type: none"> Planning and design, industry positioning, land preparation, infrastructure construction and marketing 	<ul style="list-style-type: none"> Commission services income, which is calculated based on a certain proportion of a fixed return and the aggregate investment in the park. 	<ul style="list-style-type: none"> Binding agreement signed; land preparation and infrastructure construction not yet commenced

Industrial town project	Industry theme	Scope of services	Fee arrangement	Status
Shijiazhuang, Hebei Province				
(V) Shijiazhuang General Aviation Industrial Town Park Planned site area: 20.0 million sq.m.	• General aviation industry, modern services and property development	• Planning and design, industry positioning, land preparation, infrastructure construction and marketing	• Commission services income, which is calculated based on a certain proportion of a fixed return and the aggregate investment in the park.	• Binding agreement signed; land preparation and infrastructure construction commenced
(VI) Shijiazhuang Gaocheng VAST Industrial Town Park Planned site area: 27.1 million sq.m.	• Healthcare industry, eldercare industry and tourism	• Planning and design, industry positioning, land preparation, infrastructure construction and marketing	• Commission services income, which is calculated based on a certain proportion of a fixed return and the aggregate investment in the park.	• Binding agreement signed; land preparation and infrastructure construction commenced, and contributed to our income during the year
Ezhou, Hubei Province				
(VII) VAST Ezhou Industrial Park Planned site area: 4.3 million sq.m.	• Intelligent manufacturing, electronic information and strategic emerging industries	• Planning and design, industry positioning, land preparation, infrastructure construction and marketing	• Commission services income, which is calculated based on a certain proportion of a fixed return and the aggregate investment in the park.	• Binding agreement signed; land preparation and infrastructure construction commenced, and contributed to our income during the year
Wuhan, Hubei Province				
(VIII) Wuhan Development Zone General Aviation Industry Comprehensive Demonstration Zone Planned site area: 5.1 million sq.m.	• General aviation industry	• Planning and design, industry positioning, land preparation, infrastructure construction and marketing	• Commission services income, which is calculated based on a certain proportion of a fixed return and the aggregate investment in the park.	• Binding agreement signed; land preparation and infrastructure construction commenced, and contributed to our income during the year

Longhe Park

After years of development, an accumulated land of 7,674,473 sq.m. (accounted for 39.4% of saleable land) was sold by the local government of Longhe Park. The table below sets forth details regarding land sold by local government, the relevant average selling price, land premium and a breakdown of our fee income for the year ended 31 December 2021:

	Land sold by local government <i>sq.m.</i>	Average selling price of local government <i>RMB/sq.m.</i>	Land premium <i>RMB'000</i>	Our fee income/ percentage of land premium <i>RMB'000</i>	<i>%</i>
Year ended 31 December 2021					
Residential and commercial land	210,572	5,901	1,242,600	745,456	60.0
Industrial land	204,824	588	120,357	82,915	68.9
Total	415,396	3,281	1,362,957	828,371	60.8

II. Property Development

The following table sets forth the revenue, gross floor area (“GFA”)/unit sold, and average selling price (“ASP”) for each of our revenue-generating properties for the year ended 31 December 2021.

Project	Year ended 31 December 2021		
	Revenue <i>RMB'000</i>	GFA Sold <i>sq.m.</i>	ASP <i>RMB/sq.m.</i>
Foxconn City Phase II (Longhefengjing)			
Residential	25,954	2,250	11,535
Hongtai Longdi Phase I			
Commercial	14,244	1,242	11,469
Hongtai Longdi Phase II			
Commercial	18,457	1,509	12,231
Hongtai Meishuguan Phase I			
Commercial	2,636	277	9,516
Hongtai Meishuguan Phase II			
Residential	2,572	244	10,541
Yulong Bay Phase I			
Residential	73,948	12,910	5,728
Commercial	454	112	4,054
Electronic Information Industrial Park Plant	20,213	2,243	9,012
Yihejiayuan			
Commercial	4,377	410	10,676
Foxconn City Phase I			
Commercial	1,686	163	10,344
Sub-total	164,541	21,360	7,703

Project Ancillary Area	Revenue <i>RMB'000</i>	GFA sold <i>sq.m.</i>	ASP <i>RMB/sq.m.</i>
Yulong Bay Phase I Underground Chamber	4,669	2,005	2,329
Underground chamber of other projects	193	327	590
Sub-total	<u>4,862</u>	<u>2,332</u>	<u>2,085</u>
	Revenue <i>RMB'000</i>	Unit sold <i>Unit</i>	ASP <i>RMB/unit</i>
Foxconn City Phase II (Longhefengjing) Underground Car Park Unit	1,457	34	42,853
Hongtai Meishuguan Underground Car Park Unit	2,414	46	52,478
Hongtai Longdi Underground Car Park Unit	7,402	131	56,504
Yulong Bay Phase I Underground Car Park Unit	<u>21,302</u>	<u>122</u>	<u>174,607</u>
Sub-total	<u>32,575</u>	<u>333</u>	<u>97,823</u>
Total	<u>201,978</u>		
Less: Tax and surcharges	<u>(6,598)</u>		
Total revenue after tax	<u>195,380</u>		

III. Property Leasing

For the year ended 31 December 2021, our property leasing income was RMB41.0 million. In the future, we will consider the synergies created by the property development business, to determine the input of resources on property investment.

IMPACT OF COVID-19 AND RESPONSE

In 2021, the macroeconomic conditions in China continued to be adversely affected by the COVID-19 epidemic, which brought a certain impact on the real estate industry, including us. In particular, the industry and market showed a downward trend with the appearance of the variant virus in the second half of the year. Meanwhile, the prevention and control measures implemented by the government at various stages have affected our construction progress and large-scale investment promotion activities, reduced our operating efficiency and slowed down our business growth.

Faced with the challenge of epidemic prevention and control, we carried out anti-epidemic and support works according to government policies in all our parks through various measures to ensure the stability of the Company's operation and minimize the short-term impact of the epidemic. On the one hand, we supported the government to complete nucleic acid testing with urgency in the parks and tried our best to control the spread of the epidemic to ensure the stable operation of enterprises in the parks, which reflected the Company's social responsibility and accountability; on the other hand, we increased efforts in investment promotion and carried out flexible multi-channel investment promotion activities, which enhanced the brand reputation and strategic level of Longhe Park and other parks.

With the large-scale vaccination of the COVID-19 vaccine in China, the improvement of the precision of the government's prevention and control policies, and the expectation of the development of specific drugs, the domestic economy will continue to grow steadily. We believe that there will be a limited impact for the epidemic on the Company's business in medium and long term. We will continue to monitor the development of the COVID-19 epidemic, assess the impact of the COVID-19 epidemic on our financial position and operating results, adjust the plans and measures for epidemic prevention and control and project operation in due time, and disclose any relevant important information where appropriate.

OUTLOOK

In early 2022, the Report on the Work of the Government of Langfang was issued, which specified to speed up the "southward and westward expansion" in main district and "reconstruction and upgrading of Longhe region driven by Anci District, and building a new urban center of Langfang". Located in the south of Langfang City, Longhe Park is the main direction of "southward expansion" and will surely embrace a great opportunity for rapid development; meanwhile the new mission of building "a new urban center of Langfang", which promotes the reconstruction and upgrading of Longhe region to the strategic level of Langfang City, is very favorable for the development of Longhe Park. The year of 2022 marked the first year for Longhe Park to build "a new urban center" of Langfang. The construction of a number of supporting projects including the Mall of Splendors of Jinmao, Urban Hall, Anci District Hospital, Anci District Cultural Center, and Anci District Party School have been launched and will be accelerated with a promising development prospect.

In respect of our industrial town development, we 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. We are confident that we can complete the annual development plan and revenue plan formulated by the management of the Group at the beginning of the year.

In respect of our property development in 2022, we 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 and Ezhou Huineng Project Phase I, and the remaining units of Foxconn City Phase II and Electronic Information Industrial Park.

Taking into account our cash and future operating cash flows, and bank and other borrowings available, we believe that we have sufficient funding to support these development plans.

FINANCIAL REVIEW

Revenue

Our revenue for the year ended 31 December 2021 was substantially generated from: (i) land development projects/arrangements, representing our fee income derived from development of industrial town projects; (ii) the sales of properties; and (iii) property leasing. The table below sets forth a breakdown of our revenue:

	Year ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Fee and service income relating to land development projects/arrangements	1,291,401	2,166,174
Revenue from the sales of properties	195,380	198,190
Revenue from property leasing	41,046	34,264
	<u>1,527,827</u>	<u>2,398,628</u>

Revenue of the Group for the year ended 31 December 2021 amounted to RMB1,527.8 million, representing a decrease of 36.3% as compared with RMB2,398.6 million for the same period in 2020. The decrease in revenue was mainly because revenue from land development projects decreased as compared with that generated in the same period last year.

As for the land development business, we recorded a revenue of RMB1,291.4 million for the year ended 31 December 2021, representing a decrease of 40.4% as compared with RMB2,166.2 million for the same period in 2020.

For the year ended 31 December 2021, 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. Compared with the aggregate of 600,081 sq.m. of land in Longhe Park sold by the local government at a total land premium of RMB3,764.4 million for the same period in 2020, there were significant decreases in the area of land sold and the land premium during the year. For the year ended 31 December 2021, we recorded a total fee income of RMB1,114.0 million from Longhe Park, representing a decrease of RMB855.3 million as compared with RMB1,969.3 million for the same period in 2020. The fee income recognized from sales of land was RMB828.3 million as compared with RMB1,732.5 million for the same period in 2020, land preparation service income received from successful land buyers was RMB53.9 million, one-off infrastructure services income received from the enterprises in the park was RMB196.7 million and other comprehensive services fee income was RMB35.1 million. Among the fee income recognised from sales of land in 2021, approximately RMB715.6 million was sourced from the land premium from the purchase of land in Longhe Park by a wholly-owned subsidiary of China Jinmao.

In addition, we also recorded revenue from land development projects in other parks. For VAST Ezhou Industrial Park, the Group recognised a revenue of RMB43.9 million and RMB77.7 million from land preparation and investment services and industrial development service respectively, while a revenue of RMB23.6 million and RMB38.2 million from land preparation and investment services and industrial development service in this park was recognised respectively in the same period of 2020. For Shijiazhuang Gaocheng VAST Industrial Town Park, the Group recognised a revenue of RMB31.6 million from land preparation and investment services, while a revenue of RMB76.9 million from land preparation and investment services in this park was recognised in the same period of 2020. For Wuhan Development Zone General Aviation Industry Comprehensive Demonstration Zone, the Group recognised a revenue of RMB7.4 million from land preparation and investment services, while no revenue was recognised for this park in the same period of 2020. For Shijiazhuang General Aviation Industrial Town Park, no revenue was recognised by the Group for the year ended 31 December 2021, while a revenue of RMB41.9 million from industrial development service in this park was recognised in the same period of 2020. The revenue from land preparation and investment services of the above four parks was calculated under the cost-plus method, and the revenue from industrial development service was calculated according to a certain percentage of the amount of investment in additional park establishment.

For the property development business, we recorded a revenue from the sales of properties of RMB195.4 million for the year ended 31 December 2021, representing a decrease of RMB2.8 million from RMB198.2 million for the same period in 2020, which was mainly due to the revenue from the sales of remaining units of projects, resulting in no substantial change in the property sales revenue as compared with the same period in 2020.

Cost of Sales and Services

Our cost of sales and services consists of (i) cost of land development projects, (ii) cost of properties sold, and (iii) direct operating expense of property leasing. For the year ended 31 December 2021, our cost of sales and services amounted to RMB547.9 million, representing a decrease of 24.6% as compared with RMB726.4 million for the same period in 2020, which was primarily due to the decrease in the cost of land development projects during the year.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2021, our gross profit amounted to RMB980.0 million, which represented a decrease of 41.4% as compared with RMB1,672.2 million for the same period in 2020. Our gross profit margin decreased from 69.7% for the same period in 2020 to 64.1% for the year ended 31 December 2021, which was primarily because the land development fee income from the sales of land in Longhe Park, which has a higher gross profit margin, accounted for a decreased proportion of the overall revenue, resulting in a decrease in overall gross profit margin during the year.

Other Income

Other income decreased from RMB201.3 million for the year ended 31 December 2020 to RMB160.5 million for the year ended 31 December 2021, representing a decrease of RMB40.8 million, which was primarily because the revenue from government grants decreased by RMB14.4 million and the interest income on trade receivables decreased by RMB10.7 million.

Other Gains and Losses

Other gains and losses decreased by RMB54.5 million from RMB115.9 million for the year ended 31 December 2020 to RMB61.4 million for the year ended 31 December 2021, mainly attributable to a decrease of RMB74.5 million in exchange gains, while part of the decrease was offset by a gain of RMB18.2 million from the disposal of equity interest in an associate during the year.

Selling and Marketing Expenses

For the year ended 31 December 2021, our selling and marketing expenses amounted to RMB77.7 million, representing a decrease of 11.6% as compared with RMB87.9 million for the same period in 2020, mainly due to the decrease in advertising costs.

Finance Costs

Finance costs decreased by RMB26.1 million (or 7.7%) from RMB339.1 million for the year ended 31 December 2020 to RMB313.0 million for the year ended 31 December 2021. The decrease in finance costs was mainly due to an increase of RMB25.3 million in finance costs capitalized on properties under development for sale over the same period last year.

Profit Before Tax

Profit before tax decreased by RMB902.2 million (or 75.0%) from RMB1,203.7 million for the year ended 31 December 2020 to RMB301.5 million for the year ended 31 December 2021.

Income Tax Expense

Income tax expense decreased by RMB216.6 million (or 60.3%) from RMB359.1 million for the year ended 31 December 2020 to RMB142.5 million for the year ended 31 December 2021, which was primarily due to a decrease in profit before tax during the year.

Profit

As a result of the foregoing factors, the net profit of the Group decreased by RMB685.6 million (or 81.2%) from RMB844.6 million for the year ended 31 December 2020 to RMB159.0 million for the year ended 31 December 2021.

Pledge of Assets

Certain assets of the Group have been pledged to the banks, trust fund companies and other financial institutions to secure certain loans and banking facilities granted to the Group.

Liquidity and Financial Resources

The Group's principal financial instruments are comprised of bank and other borrowings, convertible bonds, notes, senior notes and bank balances and cash. The main objective for the use of these financial instruments is to maintain a continuity of funding and flexibility at the lowest cost possible.

As at 31 December 2021, bank balances and cash and restricted bank deposits were RMB1,078.1 million, among which RMB740.3 million was denominated in Renminbi, RMB319.0 million in USD and RMB18.7 million in HKD.

As at 31 December 2021, our total bank and other borrowings were RMB4,120.4 million, among which RMB4,107.5 million was denominated in Renminbi and RMB12.9 million in HKD, with maturity terms as follows:

	31 December 2021 <i>RMB million</i>
Within 1 year	1,590.9
1 to 2 years	1,345.6
2 to 5 years	809.4
Over 5 years	374.5
	<hr/>
	4,120.4
	<hr/>

Among the RMB4,120.4 million of bank and other borrowings, RMB1,170.7 million was borrowed at a floating rate, whereas RMB2,949.7 million was borrowed at a fixed rate.

As at 31 December 2021, the Group's gearing ratio (total liabilities to total assets) was 57.8%. The Group will continue to adopt more conservative financial policies and control its gearing ratio at the industry average level.

Convertible Bonds, Notes and Senior Notes

On 9 January 2018, the Group issued convertible bonds amounting to US\$50 million (the “**2018 Convertible Bonds**”) and notes amounting to US\$110 million (the “**2018 Notes**”) respectively. The terms of the 2018 Convertible Bonds and the 2018 Notes are 3 years and 1 to 3 years respectively. The coupon rates of both are 6% with interest payable semi-annually. The 2018 Convertible Bonds can be converted to the shares of the Company at the initial conversion price of HK\$4.75 per share before maturity. The conversion price is subject to adjustments according to terms of the agreement.

On 8 January 2021, the Group and the initial investor entered into a deed of amendment to extend the maturity date of the 2018 Convertible Bonds and the remaining outstanding 2018 Notes to 10 January 2022 and amend certain terms of the subscription agreement, the terms of the 2018 Convertible Bonds and the 2018 Notes, and other relevant transaction documents. The conversion price of the 2018 Convertible Bonds was revised to HK\$3.54 per share (subject to adjustment). Pursuant to another deed of amendment entered into on 4 October 2021, the maturity date was further changed to 31 December 2021.

On 11 December 2021, the Group and the initial investor entered into a deed of amendment to extend the maturity date of the 2018 Convertible Bonds and the remaining outstanding 2018 Notes to 31 December 2022 and amend certain terms of the subscription agreement, the 2018 Convertible Bonds and the 2018 Notes, and other relevant transaction documents. The conversion price of the 2018 Convertible Bonds was revised to HK\$2.82 per share (subject to adjustment). The above amendments took effect on 31 December 2021.

For the year ended 31 December 2021, the Group redeemed 2018 Notes of US\$30 million. On 31 December 2021, the outstanding principal amount of each of the 2018 Convertible Bonds and the 2018 Notes was US\$50 million and US\$16 million, respectively.

The Group issued convertible bonds of US\$123.3 million with a term of three years on 16 July 2021 (the “**2021 Convertible Bonds**”). The coupon rate is 6% with interest payable semi-annually. The 2021 Convertible Bonds can be converted to the shares of the Company at the initial conversion price of HK\$3.05 per share before maturity. The conversion price is subject to adjustments according to terms of the agreement. The prevailing conversion price as at 31 December 2021 is HK\$2.82 per share.

In addition, the Group issued senior notes of US\$180 million (the “**2019 Senior Notes**”) with a term of two years on 28 June 2019. The coupon rate is 13% with interest payable semi-annually. For the year ended 31 December 2021, the Group fully repaid the 2019 Senior Notes of US\$180 million.

Foreign Currency Risk

The Group’s business is principally denominated in Renminbi. Apart from certain cash, bank deposits, amounts due from/to related parties, bank and other borrowings, convertible bonds, notes and senior notes which are denominated in foreign currencies, the Group is not subject to any significant risk from fluctuations in exchange rates. No currency hedging arrangement had been made by the Group during the year. The Group will closely monitor and manage its exposure to fluctuations in foreign exchange rates.

Significant Investments, Acquisitions and Disposals

The Group entered into an equity transfer agreement with an independent third party in respect of the disposal of the entire equity held in an associate at a total consideration of RMB38.2 million for the year ended 31 December 2021. The Group recognised a gain from such disposal of RMB18.2 million in the profit or loss. In addition, the Group entered into an equity transfer agreement with an independent third party in respect of the disposal of the entire equity in a subsidiary at a total consideration of RMB94.1 million. The Group recognised a gain from such disposal of RMB4.8 million in the profit and loss.

Saved as disclosed above, the Group did not make any material acquisition or disposal of subsidiaries and associated companies and significant investments during the year ended 31 December 2021.

EMPLOYEE REMUNERATION AND RELATIONS

As at 31 December 2021, the Group had a total of 744 employees (31 December 2020: 838 employees). The Group provides employees with competitive remuneration and benefits, and the remuneration policy will be reviewed on a regular basis based on the performance and contribution of the employees and the industry remuneration level. In addition, the Group also provides various training courses to enhance the employees’ skills and capabilities in all aspects.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the period.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting (“AGM”) of the Company will be held on 22 June 2022. Notice of the AGM will be published and dispatched to the shareholders of the Company in due course, and in any event not later than 20 clear business days before the AGM.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from 17 June 2022 to 22 June 2022, both days inclusive, during which period no transfer of shares of the Company will be registered, for the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged for registration with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 16 June 2022.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring a high standard of corporate governance practices and continues to closely monitor the compliance with the applicable requirements. For the year ended 31 December 2021, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Listing Rules except for the following deviation:

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wang Jianjun had assumed the roles of both the Chairman of the Board and the President of the Company since the listing of the Company’s shares on 25 August 2014 and up to 19 July 2021. The Board believed that resting the roles of both the chairman and the president in the same person had the benefit of ensuring consistent leadership within the Group and enabled more effective and efficient overall strategic planning for the Group. Although these two roles were performed by the same individual, certain responsibilities were shared with executive directors to balance the power and authority. In addition, all major decisions were made in consultation with members of the Board as well as senior management. The Board had three independent non-executive directors who offered different independent perspectives. Therefore, the Board was of the view that there were adequate balances of power and safeguards in place. With effect from 19 July 2021, Mr. Wang Jianjun resigned from his position as the Chairman of the Board and Mr. Song Liuyi was appointed as the Chairman of the Board. Since then, the Company has complied with Code provision C.2.1.

In respect of code provision C.5.3 of the Code, notice of at least 14 days should be given of the regular board meeting to give all directors an opportunity to attend. During the year ended 31 December 2021, two Board meetings were convened with less than 14 days’ notice to enable the Board members to react timely and make expeditious decision making in respect of transactions which were of significance to the Group’s business. As a result, the aforesaid regular Board meetings were held with a shorter notice period than required with the consent of all the Directors for that time being. The Board will do its best endeavours to meet the requirement of code provision C.5.3 of the Code in the future.

Under Code Provision C.1.6, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

Due to other pre-arranged business commitments which must be attended, Ms. Zhao Ying (resigned from her position as the non-executive director with effect from 19 July 2021) and Mr. Song Liuyi (appointed as the non-executive director with effect on 19 July 2021) were not present at the annual general meeting of the Company held on 2 June 2021 (the “**2021 AGM**”) and the extraordinary general meeting of the Company held on 30 December 2021 (the “**2021 EGM**”), respectively. However, Dr. Wong Wing Kuen, Albert, Ms. Hsieh Yafang and Professor Wang Yijiang, being independent non-executive directors and members of the audit committee of the Company, were present at the 2021 AGM and the 2021 EGM to ensure an effective communication with the shareholders thereat.

Code provision F.2.2 provides that the chairman of the board should attend the annual general meeting. Mr. Wang Jianjun, the then Chairman of the Board (resigned from his position as the Chairman of the Board with effect from 19 July 2021), was unable to attend the 2021 AGM due to other prearranged business commitments which must be attended. Mr. Huang Peikun, the then executive director and chief financial officer of the Company (resigned from his positions as the executive director and chief financial officer with effect from 19 July 2021) who took the chair of the 2021 AGM, together with other members of the Board who attended the 2021 AGM, were of sufficient calibre for answering questions at the 2021 AGM and had answered questions at the 2021 AGM competently.

AUDIT COMMITTEE

The Audit Committee of the Company, consisting of three independent non-executive directors, namely Dr. Wong Wing Kuen, Albert (Chairman), Ms. Hsieh Yafang and Professor Wang Yijiang, has discussed with the independent auditor of the Company, Deloitte Touche Tohmatsu, and reviewed the Group’s consolidated financial statements of the year ended 31 December 2021, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as the guidelines for the directors’ dealings in the securities of the Company.

Specific enquiry has been made to all directors of the Company and all directors have confirmed that they have complied with the applicable standards set out in the Model Code throughout year ended 31 December 2021.

FORWARD LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “anticipate”, “expect”, “intend”, “may”, “will” or “should” or, in each case, their negative, or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects and growth strategies of the Group, and the industry in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.vastiud.com) and the 2021 annual report of the Company will be dispatched to the shareholders and published on the Company’s and the Stock Exchange’s websites in due course.

By Order of the Board
China VAST Industrial Urban Development Company Limited
Song Liuyi
Chairman

Hong Kong, 28 March 2022

As at the date of this announcement, the non-executive director of the Company is Mr. SONG Liuyi; the executive directors of the Company are Mr. WANG Jianjun, Mr. ZHAO Lei, Mr. YANG Yun, Mr. WANG Yagang and Ms. WANG Wei; and the independent non-executive directors of the Company are Dr. WONG Wing Kuen, Albert, Ms. HSIEH Yafang and Professor WANG Yijiang.