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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)

PROFIT WARNING

This announcement is made by China VAST Industrial Urban Development Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment on the unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group is expected to record a net loss of approximately RMB430 million for the six months ended 30 June 2022, as compared to a net profit of RMB96.3 million for the six months ended 30 June 2021.

The expected net loss for the six months ended 30 June 2022 was mainly because there was no land sale in Longhe Park during the period. Due to COVID-19 and policies restricting the purchase of properties, the property markets in the pan-Beijing area experienced continuing downturn; as a result, land sale in Longhe Park fell short of expectations. In light of market conditions at the present, governments at all levels successively adopted relevant policies to facilitate the stable and healthy development of the real estate industry. The Company is optimistic about the real estate market in Langfang and expects that land sale in Longhe Park will also be positive in the second half of 2022.

As the Company is still in the process of finalizing the consolidated interim results of the Group for the six months ended 30 June 2022, the information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group, which has not been audited or reviewed by the Company’s auditor, and other information currently available to the Board. Shareholders of the Company and potential investors are advised to read carefully the announcement of the interim results of the Group for the six months ended 30 June 2022 which is expected to be released before the end of August 2022.

Reference is made to (i) the joint announcement (the “**Rule 3.5 Announcement**”) of the Company and China Jinmao Holdings Group Limited (the “**Offeror**”) dated 9 June 2022 relating to, among others, the pre-conditional proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act (2022 Revision) of the Cayman Islands; (ii) the announcement of the Company dated 17 June 2022 relating to the appointment of Rainbow Capital (HK) Limited as the independent financial adviser in respect to the Proposal; and (iii) the joint announcement of the Company and the Offeror dated 30 June 2022 relating to the extension of time for dispatch of the scheme document. Capitalised terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement, unless the context herein requires otherwise.

The profit warning included in this announcement (the “**Profit Warning**”) constitutes a profit forecast under Rule 10 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and should be reported on by the Company’s financial adviser and auditors in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09(2)(a) of the Listing Rules and pursuant to Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, if the Profit Warning is first published in an announcement, it must be repeated in full, together with the reports from the Company’s financial adviser and auditors or accountants on the Profit Warning, in the next document to be sent to the shareholders of the Company (the “**Shareholders’ Document**”). The Profit Warning will be reported on by the Company’s financial advisers and auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be set out in the next Shareholders’ Document. However, if the interim results of the Company for the six months ended 30 June 2022 which fall within the ambit of Rule 10.9 of the Takeovers Code have been published by the time of release of the next Shareholders’ Document and the relevant results together with the notes to the financial statements are included in the next Shareholders’ Document, the requirements to report on the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply.

Warnings: Shareholders and potential investors of the Company should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Proposal. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 July 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 are Dr. WONG Wing Kuen, Albert, Ms. HSIEH Yafang and Professor WANG Yijiang.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.