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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF 100% EQUITY INTEREST
IN A WHOLLY OWNED SUBSIDIARY**

DISPOSAL OF 100% EQUITY INTEREST IN THE TARGET COMPANY

On 6 December 2016, Langfang City Property (a wholly-owned subsidiary of the Company) and Langfang Jingyu entered into the Equity Transfer Agreement, pursuant to which Langfang City Property agreed to sell, and Langfang Jingyu agreed to purchase, 100% equity interests in the Target Company (a wholly-owned subsidiary of the Company) for a consideration of approximately RMB525 million. Upon completion of the Equity Transfer, the equity interest in the Target Company will be wholly owned by Langfang Jingyu and will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Equity Transfer is more than 5% but less than 25%, the Equity Transfer constitutes a discloseable transaction of the Company under the Listing Rules subject to the notification and announcement requirements under the Listing Rules.

EQUITY TRANSFER AGREEMENT

Date: 6 December 2016

Parties: (1) Langfang City Property; and
(2) Langfang Jingyu.

Pursuant to the Equity Transfer Agreement, Langfang City Property agreed to sell, and Langfang Jingyu agreed to purchase, 100% equity interests in the Target Company for a consideration of approximately RMB525 million.

As of the date of this Announcement, the Target Company directly holds the Langfang Land in Langfang Economic and Technological Development Zone, Hebei, PRC with a total site area of approximately 71,000 sq.m. for industrial, commercial and residential uses. The development of the Langfang Land is in initial planning stage and except for one power distribution station, no construction has been commenced at the Langfang Land yet.

Consideration

The consideration of approximately RMB525 million has been determined after arm's length negotiations among the parties to the Equity Transfer Agreement with reference to the market value of the Langfang Land and having considered that the Target Company has not incurred and did not expect to incur any indebtedness nor has it been subject to any disputes before completion of the Equity Transfer.

The consideration will be fully settled after completion of the relevant industrial and commercial registration, which is expected to be before 31 December 2016.

INFORMATION ON LANGFANG JINGYU

Langfang Jingyu is a company established under the laws of the PRC and its principal business activity is property development.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Langfang Jingyu and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE COMPANY, LANGFANG CITY PROPERTY AND THE TARGET COMPANY

The Company was incorporated in the Cayman Islands with limited liability and the shares of the Company have been listed on the Stock Exchange since August 25, 2014. The Company is principally engaged in the planning, development and operation of large-scale industrial town projects.

Langfang City Property is a company established under the laws of the PRC and a wholly owned subsidiary of the Company. Its principal business activity is property development and provision of after sales service. As of the date of this announcement, Langfang City Property directly holds 100% equity interest in the Target Company.

Target Company is a company established under the laws of the PRC in November 2016 and an indirect wholly owned subsidiary of the Company. Its principal business activity is property development and it directly holds the Langfang Land. As of 6 December 2016, the unaudited total and net asset value of the Target Company were approximately RMB186 million and RMB186 million, respectively.

FINANCIAL EFFECTS AND USE OF PROCEEDS FROM THE EQUITY TRANSFER

Upon the completion of the Equity Transfer, the Group will no longer own any direct or indirect equity interest in the Target Company, and in turn the Langfang Lands, and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the financial statements of the Group from the date of the completion of the Equity Transfer. The Group anticipates that it will realize a gain of approximately RMB250 million after deducting estimated tax, development costs and other expenses upon completion of the Equity Transfer.

The Group intends to apply the proceeds from the Equity Transfer for general working capital purpose.

REASONS FOR THE EQUITY TRANSFER

The Equity Transfer allows the Group to realize its investment in the Langfang Land and increase its cash flow and general working capital, so to focus its financial resources on the development of other projects of the Group.

The Directors (including the independent non-executive Directors) consider that the Equity Transfer is in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Equity Transfer is more than 5% but less than 25%, the Equity Transfer constitutes a discloseable transaction of the Company under the Listing Rules subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	China VAST Industrial Urban Development Company Limited (中國宏泰產業市鎮發展有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Equity Transfer”	the transfer of 100% equity interests in the Target Company from Langfang City Property to Langfang Jingyu pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 6 December 2016 entered into by and among Langfang City Property and Langfang Jingyu
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is(are) independent of the Company and its connected persons (within the meaning of the Listing Rules)
“Langfang City Property”	Langfang City Property Development Co., Ltd.* (廊坊市城區房地產開發有限公司), a limited company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Langfang Jingyu”	Langfang Jingyu Real Estate Development Co., Ltd* (廊坊京禦房地產開發有限公司), a limited company established under the laws of the PRC
“Langfang Land”	which are situated at Langfang Economic and Technological Development Zone, Hebei, PRC with a total site area of approximately 71,000 sq.m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Langfang Ronke Property Development Company Limited* (創坊融科房地產開發有限公司), a limited company established under the laws of the PRC and a wholly-owned subsidiary of the Company before completion of the Equity Transfer
“%”	per cent.

By Order of the Board
China VAST Industrial Urban Development Company Limited
WANG Jianjun
Chairman

Hong Kong, 9 December 2016

As at the date of this announcement, the executive directors of the Company are Mr. WANG Jianjun, Mr. CHEN Liangqiu, Mr. YANG Yun, Mr. WANG Yagang, Mr. HUANG Peikun; the non-executive director is Ms. ZHAO Ying; and the independent non-executive directors are Ms. ZHANG Xiaomei, Mr. WEI Yu and Dr. WONG Wing Kuen, Albert.

* For identification purpose only