

[For immediate release]



DIT Group Limited
(Stock code: 726. HK)

DIT Group announces 2020 annual results

**Profit attributable to owners of the Company
increased substantially by 43.4%**
Collaboration with Central China Group
Strive to be a leading integrated service provider in smart building

Financial Highlights:

HKD '000	For the year ended 31 December		Changes
	2020	2019	
Revenue	1,089,284	695,901	+56.5%
Gross profit	345,204	177,775	+94.2%
Gross profit margin	31.7%	25.5%	+6.2ppt
Net profit	169,966	113,617	+49.6%
Profit attributable to owners of the Company	158,833	110,749	+43.4%
Basic and diluted earnings per share (HK cents)	5.67	3.95	+43.5%

(30 March 2021, Hong Kong) **DIT Group Limited** (“DIT” or the “Group”, SEHK stock code: 726), an innovative high-tech company specializing in businesses in the whole value chain of precast concrete industry in China, is pleased to announce its annual results for the year ended 31 March 2020 (the “Year”).

2020 is the first fiscal year since DIT Group joined the big family of Central China Group, the Group achieved a leapfrog development and entered a period of explosive profit growth. As a leading integrated service provider in smart building, the Group has been adhering to the “technology-led” development strategy, thereby pushing forward its business and greatly improving its operational efficiency. During the Year, the revenue of DIT recorded a year-on-year increase of 56.5% to HKD1,089.2 million, due to the increase in the number of technology parks commenced operation of manufacturing and sale of prefabricated components and the continuous increase in the production capacity of technology parks during the Year; and a significant increase in the revenue from technology licensing and consulting services. Gross profit increased substantially by 94.2% to HKD345.2 million, with a gross profit margin of 31.7%, represented a year-on-year increase of 6.2 percentage points. Profit attributable to owners of the Company increased by 43.4% to HKD158.8 million as compared to last year. Basic and diluted earnings per share were 5.67 HK cents. The Board of Directors did not recommend any payment of final dividend.

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The Group is principally engaged in the production and sale of prefabricated construction units and equipment, and granting licensing in the PRC. During the Year, sales revenue from sales of prefabricated construction units increased by 57.8% year-on-year to HKD915.3 million, accounting for approximately 84.0% of the Group's total revenue. Revenue from granting licenses was approximately HKD67.7 million; revenue from decoration and landscaping services was approximately HK\$37.4 million, revenue from the sales of prefabricated construction equipments was approximately HK\$28.0 million.

Business Review

Skyrocketing of annual sales by 72% and signing of several strategic agreements

The Group's business expanded rapidly during the Year, benefiting from the strengthening market demand driven by accelerated implementation of policies supporting the prefabricated construction industry and the completion and commissioning of six green building technology parks. The annual production volume reached 307,000 cubic metres, an increase of 66% from 185,000 cubic metres in 2019; and shipment volume amounted to 314,000 cubic metres, an increase of 72% from 183,000 cubic metres in 2019.

In 2020, the Group signed strategic cooperation agreements with many reputable companies including JD Group, Jinke Property Group, Sunriver Holding Group and Jujiang Construction Group to create synergy, further expanded business segments, and consolidated business advantages of the entire industry chain and laid a steady foundation of purchase orders pipeline for business in 2021.

Accelerated the establishment of industrial parks and great improvement in the production capacity and operational efficiency of plants

In 2020, the Group built and put six green building technology parks into production, and put 15 nationwide industrial parks into operation, making the Group a leading player in the industry in terms of industrial layout. As of the end of 2020, the Group's overall production capacity was approximately 1.1 million cubic metres. The utilisation rate of production capacity increased from 29% in 2019 to 46% in 2020.

During the Year, the Group's exploration of asset-light business model achieved initial results. Revenue from technology licensing and consulting services increased by 151.5% year-on-year to HK\$94.92 million. The Group has achieved initial results in cost reduction through upgrading production methods. In 2020, the actual cost of prefabricated construction was RMB2,115 per cubic metre, a year-on-year decrease of 8.7%. Besides, the Group launched an intelligent mould placement robot in several smart prefabricated construction plants. This robot can reduce mould placement manpower by 75% and increase mould placement efficiency by 2.5 times.

Expansion of business across the entire industry chain and initial results of synergistic efforts with Central China Group

The Group adopts a new business model covering the entire industry chain. During the Year, the Group created a business layout covering prefabricated construction components, decoration, landscape, and equipment, and the newly added smart landscaping services and smart decoration businesses will soon become the Group's profit growth drivers.

Relying on the positive branding of Central China Group deeply rooted in Henan Province, DIT Group is supported by Central China Real Estate and Central China Management Company who rank among the top ten in China in terms of construction area and house delivery and sees a large number of potential home decoration opportunities brought by Central China New Life whose property management area exceeds 100 million square metres. With the support of Central China Group, DIT Group has spared no effort to expand its production capacity in Henan Province. In 2020, it has successfully established five green building technology parks in Henan Province.

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Prospects and Development Strategy

Creating a new business model covering the entire industry chain

In 2020, the Group announced a new “Smart Home” strategy to create an innovative whole industrial chain collaboration model. Professional abilities across the entire industry chain are the core advantages of the Group. The Group has the world’s leading six core technology systems, strong research and development and innovation capabilities, and extensive experience in external technical cooperation, covering the fields of smart buildings including BIM, Internet of Things, big data and artificial intelligence. With technological advantages of the whole industry chain, the Group has gradually expanded its business to landscaping services and decoration businesses. In the future, the Group plans to develop a business model covering the entire industry chain into a “turnkey” business model. The business will cover the entire life cycle of prefabricated construction.

Collaborating with Central China Group to create synergy focusing on Greater Central China region

The Group will coordinate with various business sectors of Central China Group according to the Central China Group’s Greater Central China strategy, aims to become the promoter of the urbanisation and overall social progress in Central China region where centering on Zhengzhou with a radius of 500 kilometres. The Group expects to leverage the advantages of Central China Group’s wider industrial chain, creating a better operational benefit.

In terms of Central China Real Estate, the Group will implement the “industry + real estate” model, promote the development of commercial and residential land, and reduce plant investment costs by acquiring related commercial and residential land. As for Central China Management Company, the Group will explore the “industry + real estate” cooperation model outside Henan Province and reach a cooperation agreement with Central China Management Company to promote business in asset-light projects. Based on the “Smart Home” strategy, the Group also cooperates with Central China New Life to develop businesses such as home decoration and construction of data middle platform to provide in-depth services for products such as smart communities, smart buildings, and smart homes. The Group will work with the education sector of Central China Group to deliver training to workers through cooperation, expecting to train up 100,000 workers in the coming three years.

Mr. Liu Weixing, Chairman and Executive Director of DIT Group said, “In 2020, the Group fully leveraged the advantages the whole industry chain business model and the synergy with various business segments of Central China Group. The Group adopted a customer-centric approach and continuously improved the quality, to actively expand the market and drive the rapid growth in sales revenue and profitability, resulting remarkable annual results of the Group. China’s prefabricated construction industry will maintain a rapid growth in the future. Its core competitiveness will transform towards technology and business scale. The Group will insist on its positioning as a provider of integrated smart building solutions and mission of ‘Make Life Better with Smart Technology’. With ‘Smart Home’ strategy as a core focus, the Group will set up a digital and smart business platform, explore asset-light development models and provide the industry and society with smarter building solutions, so that more people can enjoy the better life brought by the progress of construction technology.”

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About DIT Group Limited

Headquartered in Changsha and Zhengzhou, China, DIT Group Limited is an innovative high-tech enterprise that specializes in businesses throughout the entire value chain of precast concrete. The company is listed on the main board of the Stock Exchange of Hong Kong Limited (stock code: 726.HK), and is also the first listed company in China's PC industry.

The Group promotes the modernization of construction industry, and its businesses cover in the entire value chain of the PC industry, including R&D, PC components manufacturing, franchise and consultation of PC plants, and manufacturing of intelligent PC equipment. The Group has already set up several smart PC equipment plants nationwide. The Group strategized multiple smart digitalized plants across various provinces. It runs 15 self-operated PC plants and several franchisees and asset-light plants.

By adopting the world's first business model of combining engineering, manufacture, procurement and construction (EMPC), which is created by Drawin Group, DIT Group has been widely recognized by its clients for its technology and products. DIT Group has green construction industrial parks in over 45 cities in 22 provinces nationwide, providing service for projects under construction with a total site area of 6.00 million square meters in China.

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