CEC 中国电子 | OVU 中电光谷 产业资源共享平台

中電光谷聯合控股有限公司

China Electronics Optics Valley Union Holding Company Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 798

ANNUAL REPORT 2021


OVU

CONTENTS

Corporate Information

COMPANY NAME

China Electronics Optics Valley Union Holding Company Limited

PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

STOCK CODE

798

STOCK NAME

CEOVU

BOARD OF DIRECTORS

Non-executive Directors

Mr. Liu Guilin *(Chairman)*
Mr. Xiang Qunxiong
Mr. Zhang Jie
Ms. Sun Ying
Mr. Hu Bin *(re-designated from an executive director to a non-executive director and ceased to act as the executive president of the Company with effect from 8 September 2021)*

Independent Non-executive Directors

Mr. Qi Min
Mr. Qiu Hongsheng
Ms. Chan Ching Har Eliza

Executive Director

Mr. Huang Liping *(President)*

AUTHORIZED REPRESENTATIVES

Mr. Liu Guilin
Ms. Zhang Xuelian

AUDIT COMMITTEE

Mr. Qiu Hongsheng
Mr. Qi Min
Mr. Xiang Qunxiong

REMUNERATION COMMITTEE

Ms. Chan Ching Har Eliza
Mr. Qi Min
Mr. Xiang Qunxiong *(appointed as a member on 8 September 2021)*
Mr. Hu Bin *(ceased to be a member on 8 September 2021)*

NOMINATION COMMITTEE

Mr. Liu Guilin
Mr. Qi Min
Mr. Qiu Hongsheng

FINANCIAL CONTROL COMMITTEE

Mr. Huang Liping
Mr. Wang Yuancheng
Mr. Tian Maoming *(appointed as member with effect from 8 September 2021)*
Ms. Huang Min *(resigned as member with effect from 8 September 2021)*

COMPANY SECRETARY

Ms. Zhang Xuelian

REGISTERED OFFICE

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Creative Capital
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Hongshan District
Wuhan, Hubei
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Cheung Kong Center
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Central, Hong Kong

LEGAL ADVISORS

as to Hong Kong law
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Hong Kong

as to PRC law
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Chaoyang District
Beijing, China

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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75 Fort Street
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Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

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183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKS

Industrial and Commercial Bank of China
Bank of Communications
Industrial Bank

COMPANY WEBSITE

http://www.ceovu.com/

Financial Summary

A summary of the audited results and the assets and liabilities of the Group for the last five financial years is set out below:

	Year ended 31 December				
	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Results					
Revenue from continuing operations	**4,530,568**	3,048,618	3,376,865	3,001,137	2,692,899
Gross profit	**1,297,965**	937,810	1,075,283	1,036,071	987,134
Profit before income tax	**1,084,883**	816,913	956,735	903,693	829,502
Profit attributable to owners of the Company	**640,203**	464,340	569,272	541,486	446,260
Profit attributable to non-controlling interests	**(27,593)**	76,128	24,911	49,430	39,427
Profit for the year	**612,610**	540,468	594,183	590,916	485,687

	As of 31 December				
	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Non-current assets	**8,986,847**	8,356,649	6,388,670	5,237,370	4,218,606
Current assets	**12,320,873**	11,069,388	11,226,836	9,943,224	9,149,471
Current liabilities	**9,128,049**	8,728,185	7,438,297	6,038,876	3,903,664
Net current assets	**3,192,824**	2,341,203	3,788,539	3,904,348	5,245,807
Total assets less current liabilities	**12,179,671**	10,697,852	10,177,209	9,141,718	9,464,413
Total equity	**8,505,323**	7,999,796	7,592,291	6,927,436	6,860,745
Non-current liabilities	**3,674,348**	2,698,056	2,584,918	2,214,282	2,603,668
Total equity and non-current liabilities	**12,179,671**	10,697,852	10,177,209	9,141,718	9,464,413

Chairman's Statement

Dear Shareholders,

Looking back on 2021, CEOVU has turned a new chapter through concerted effort and utmost dedication of our staff to strive for success. 2021 marked the beginning of the "14th Five-Year Plan" period of CEOVU and our first step towards comprehensive implementation of "digital capacity building". Building on the national strategic positioning of the PRC regarding "accelerating the development of the core power and organizational platforms of the national network information industry (加快打造國家網信產業核心力量和組織平台)", we have constantly made adjustments to our development pace in order to keep abreast of the latest trends and seized new opportunities arising from the ever-changing environment. Incorporating reforms, innovation and digitalization into CEOVU's operations, and adopting the "facilitation of local industrial improvement and optimization of economic structure" as CEOVU's core principle, we have forged ahead, and focused our concentration and efforts and took our first step in the "14th Five-Year Plan" in a steady manner.

In 2021, CEOVU grew against the odds, steadily improved the quality of its development and achieved its business objectives beyond expectations. We have been promoting our "One Business, Two Wings" business structure to further stimulate the operational vitality of each business segment. During the reporting period, we achieved operating revenue of RMB4,530.6 million, representing an increase of 48.6% compared with the previous year, and profit attributable to owners of the Company of RMB640.2 million, representing an increase of 37.9% compared with the previous year.

CEOVU's Nationwide Industrial Park Layout

This map shows statistics as of the end of December 2021

We have enhanced decision making quality and efficiency on significant business affairs through further optimization of corporate governance.

We have reorganized the functions and status of each corporate position and governance entity, their terms of reference, work flows, list of important matters, decision-making processes and rules of procedures, and have re-formulated and revised the relevant support systems. Through which, the corporate governance has been further streamlined and thus the decision-making quality and efficiency have been enhanced.

With digitalization as our core motivator, we have strengthened the empowerment of the ecology of the electronic network information industry of the PRC.

As a member CEC group, we have in-depth understanding of the national mission and strategic positioning of CEC. Adopting the principle of "accelerating the development of core power and organizational platforms of the network information industry" as our own mission, we have strived to achieve breakthrough in our digitalization capabilities, emphasized on the depth, breadth and maximization of the integration of both internal and external resources, so as to capitalize the synergies arising from the integration and explore more opportunities from the development of the network information industry.

Through developing our business in an innovative manner, we have further consolidated the foundations for high quality development.

We have consistently insisted on our "customer-oriented" principle and have continuously accumulated practical experience and uplifted business innovations based on CEOVU's strategic initiatives for transformation of "Responsive Customization (敏捷定制)" and "P+EPC+O", thus reaching a historical breakthrough in project development.

Looking forward, we will motivate new driving forces, explore new advantages and open up new dimensions.

2022 marks a year of accelerating the realization of the "14th Five-Year Plan". We will continue to be guided by the CEC's strategic objective of developing core power and organizational platforms of the national network information industry; and we will position ourselves clearly and strategically, and will formulate scientific and highly effective modern corporate systems and further improve our capabilities in digitalized development, market expansion, business innovations, high quality resource integration and decision-making with high efficiency. We have the courage to bear our responsibilities and extend our exposure to drive the leap of CEOVU.

China Electronics Optics Valley Union Holdings Company Limited
Liu Guilin
Chairman

25 March 2022

OVERALL PERFORMANCE

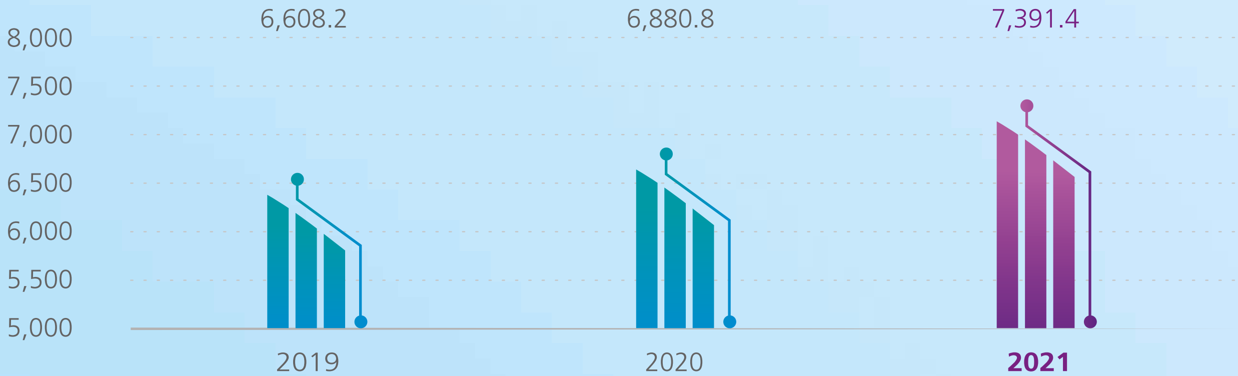
- In 2021, the Group achieved total revenue of RMB4,530.6 million, representing an increase of 48.6% as compared to that of last year. The profit attributable to the owners of the Company for 2021 was RMB640.2 million, representing an increase of 37.9% as compared to that of last year. The Group's significant improvement in results demonstrated the effectiveness of its transformation in the starting year of the "14th Five Year Plan".

- In 2021, the Group has vigorously promoted its methodology of "Responsive Customization (敏捷定制)", organized supply chain financial solutions, adhered to the bottom-line principle of maintaining a positive operating cash flow, and thus realized RMB155.7 million in net cash inflow from operating activities. The cash flow from operating activities remained positive for the recent three years.

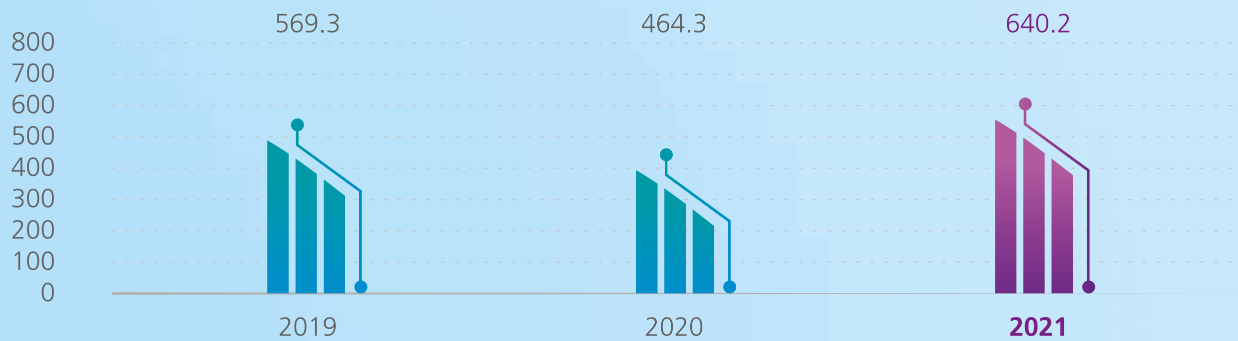
- In 2021, with the addition of five high-quality industrial park projects in cities such as Chongqing, Mianyang and Nantong, the Group has high-quality land bank of approximately 711.8 million sq.m. in various cities, including Chengdu, Changsha, Shanghai, Wuhan and Tianjin as at the end of the Reporting Period.

- In order to maintain the growth of industrial park investment and lay the foundation for growth during the "14th Five-Year Plan" period, the Group has moderately increased the reserve and operating rate of its industrial parks. As at 31 December 2021, the total bank borrowings and bonds payable of the Group was RMB5,360.1 million, representing a decrease of RMB250.1 million as compared to the end of last year, with the gearing ratio being strictly controlled at 60%. Benefiting from factors such as financing structure adjustment, the average borrowing costs decreased to 5.1% in 2021 as compared to 5.4% in 2020.

Growth in total equity attributable to owners of the Company for the years 2019 to 2021 (RMB million)



Growth in profit attributable to owners of the Company for the years 2019 to 2021 (RMB million)



BUSINESS REVIEW

2021 was the starting year of the "14th Five-Year Plan" and an important year for the Group to enhance its digitalization capability and to achieve high quality development. The Group has been committed in implementing the development strategies of China Electronics Corporation Limited* (中國電子信息產業集團有限公司) ("**CEC**") in accelerating the building of the core power and organizational platform of the national network information industry, enhancing its political position and carrying out in-depth integration into China Electronics International Information Service Co., Ltd.* (中國中電國際信息服務有限公司) ("**CEIS**"). We have put effort to build a more supportive industrial ecology and optimize the "resource sharing platform" based on industrial services, striving to develop the "One Body Two Wings (一體兩翼)" business layout mainly based on the operational services in the industrial parks, supported by the development of the industrial parks and driven by the investment in the industry. In 2021, the Group entered into new contracts with aggregated contracted value of approximately RMB4,304.0 million, representing an increase of 34.8% as compared to that of last year, and recorded sales collection of RMB4,928.0 million, representing an increase of 49.4% as compared to that of last year.

Building "P+EPC+O" development model

"P+EPC+O" business in the industrial parks is composed of three parts, namely, planning consultation, contracting for design and construction, and attracting customers and operation. In 2021, Group exerted unprecedented efforts to develop integrated operational projects in the industrial parks using "P+EPC+O" as the key model. Eight projects located at Xianyang, Chengdu, Yichang, Ningbo, Chenzhou, Harbin, Huai'an and Taiyuan have implemented "EPC" after completion of "P" in an orderly manner, and six projects have been confirmed in 2021.

Fruitful results of the integrated operational business developed through innovation

Led by Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司) ("**Lidao Property**"), our property management services, including facilities and equipment management and security services, have a scale with an annual production value of RMB1.0 billion. Our innovative business such as Wuhan China Electronics Energy Conservation Co., Ltd* (武漢中電節能有限公司) ("**CEC Energy Conservation**") has upheld the "specialized and innovative" research direction and is constantly extending the development areas, thus hitting a historical high record in terms of the number of contracts of regional energy business obtained, sales collection and profit during the Reporting Period. Driven by Lidao Property and CEC Energy Conservation, the industrial clustering operating model has been formed in the industrial parks of CEOVU, which has boosted the development of the parks and contributed to local economies and the cross-regional economic synergies. Currently, the Group has seven industrial parks across the country which accommodate over 1,000 enterprises and over 10,000 of their employees.

Steady and progressive development of the industrial parks with positive momentum

"Responsive customization (敏捷定制)" has become an important measure to seek opportunities under crisis and start new development under ever-changing condition. Various projects including Wuhan Digital Industrial Park* (武漢數字產業園), Phase II of Xianyang Western Zhigu* (咸陽西部智谷二期), Chongqing Technology City* (重慶科技城) and Mianyang Manufacturing Park* (綿陽製造園) have actively implemented "responsive customization (敏捷定制)", which has showed significant improvement in terms of service efficiency and effectiveness. The effort has facilitated optimization in industrial chain layout of the automobile, electronic information, display industries in the relevant regions, accumulated new experience in the building of development system incorporating innovation chain, industrial chain and supply chain, and more importantly, supported the theory of high quality development of industry parks through new practices. In particular, Phase I of Wuhan Digital Industrial Park has successfully achieved the goal of the "four in-a-year" (to acquire land, commence construction, promote sales and generate cash inflow in the same year) and concluded four elements of "responsive customization (敏捷定制)", i.e. "service design, planning modification, construction implementation and cost reduction and effectiveness increase across all work flows".

Full acceleration of system construction for digital parks, leading to significant increase in digitalization capability

Based on the three aspects of management, operations and services, the Group has created an OVU industrial park connection system integrating IOT, operation and finance. At the management and control level of the Company's headquarters, the management system including administration, human resources, customers and settlements has been built and put into operation. At the operational level, an operational system incorporating planning, costs and assets has been created, and in respect of the service level, a business and facilities service system has been formulated and promoted. According to the strategic management and control needs, the Group has planned various systems for capital management, finance resource sharing, investment attraction, intelligent engineering, big data of costs and industrial services and has made overall planning for our digital center, striving to fully promote the application of OVU industrial park connection system. The digitalized system has covered 50 industrial parks with 4,759 enterprises and 72,101 users.

Equity investment in the industrial parks reaching harvesting stage with considerable improvement in profit structure

The Group's industrial investment business is mainly supported by two fund management companies, CEC & CICC (Xiamen) Intelligent Industry Equity Investment Fund Partnership (L.P.) (中電中金(廈門)智能產業股權投資基金) ("**CEC & CICC**") and and Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司) ("**Lingdu Capital**"), tapping into areas including integrated circuits, information security, internet, big data, intelligent equipment, artificial intelligence. In addition, Round C financing of Shenzhen Huada Beidou Technology Company Limited* (深圳華大北斗科技有限公司) ("**Huada Beidou**"), a company invested by the Group, completed in December 2021 with a pre-investment valuation of RMB4.0 billion. Wuhan Easylinkin Technology Co., Ltd.* (武漢慧聯無限科技有限公司) ("**Easylinkin Technology**"), a company invested by CEOVU, has completed the Round C+ financing in October 2021 with post investment valuation of RMB1.6 billion. Industrial investment business has become an integral part of the Group's profit structure and an anchor in the corporate transformation. At the same time, the industrial investment business further boosted the development of the regional economy and brought considerable synergies for the attraction of investments into the industrial parks.

Further extending the influence of the industrial park with increasingly strong impact of being a demonstrative model

In 2021, the Group ranked the third place in "Integrated Capability of Industrial Park Operators in the PRC" ("中國產業園區運營商綜合實力"), and the industrial parks developed and operated by the Group, namely Qingdao Optics Valley Software Park, China (Changsha) Information security Industrial Park and CEOVU Manufacturing Center, have been awarded "2021 Top 10 Golden Parasol Award for Industrial Parks with Integrated Capability of the PRC" ("2021年度中國產業園區金梧桐獎綜合實力10强"), "2021 Top 10 Golden Parasol Award for the Most Beautiful Environment of Industrial Parks of the PRC" ("2021年度中國產業園區金梧桐獎最美空間10强") and Global Business Engine "Annual Best Industrial Park" Award, respectively. Golden Parasol Award has been held for five consecutive years by renowned collaborative digital institute in China and has become an authoritative platform for industrial parks to prove their integrated capabilities. The industrial parks developed and operated by the Group have gained high recognitions from various local governments, demonstrating the increasingly strong impact of being the landmark and model of industrial parks.

OPERATING RESULTS

In 2021, the Group achieved a total revenue of RMB4,530.6 million, representing an increase of 48.6% as compared to that of 2020, a profit before tax of RMB1,084.9 million and a net profit of RMB612.6 million. Profit attributable to owners of the Company increased by 37.9% to RMB640.2 million as compared to that of 2020. Net asset value per share attributable to the parent company reached RMB0.98. The Group has upheld the concept of maintaining positive cash flow from operating activities and there was a net inflow of RMB155.7 million in 2021. The cash flow from operating activities remained positive for three years.

BUSINESS SEGMENT ANALYSIS

In 2021, the Group has established a strategic landscape of "One Body Two Wings (一體兩翼)", with park operation as the main body, park development as the backbone and industrial investment as the driving force. The Group has the following three segments: (i) industrial park operation services (including design and construction services, property management service, industrial park property leasing, energy services, digital park services, incubator and office sharing services, financial services in parks, group catering and hotel services, digital apartment services as well as recreation and entertainment); (ii) industrial park development services (sales of industrial park); (iii) industrial investment (any property investment business relevant to industrial theme parks). In recent years, the income structure and composition of profit reflected the result of the Group's strategic transformation and reform to a certain extent.

REVENUE BY BUSINESS SEGMENTS

	For the year ended 31 December			
	2021		2020	
	Revenue (RMB'000)	% of total	Revenue (RMB'000)	% of total
Industrial park operation services	**2,149,457**	**47.4**	1,597,949	52.4
Design and construction services	**726,704**	**16.0**	440,544	14.4
Property management services	**759,455**	**16.7**	623,435	20.4
Industrial park property leasing	**290,731**	**6.4**	219,326	7.2
Energy services	**120,298**	**2.7**	85,363	2.8
Group catering and hotel services	**104,501**	**2.3**	79,027	2.6
Others	**147,768**	**3.3**	150,254	5.0
Industrial park development services	**2,381,111**	**52.6**	1,450,669	47.6
Total	**4,530,568**	**100.0**	3,048,618	100.0

I. INDUSTRIAL PARK OPERATION SERVICES

At the current stage, the Group has formed fifteen types of operation businesses, including digital park system, digital apartment system, strategic planning for projects, project planning, construction and design, general contracting work, decoration work, real estate agency, regional energy services, property management, shared offices, long-term apartments, financial services in parks, catering and hotels. In addition to offering a variety of one-stop park operation services to enterprises stationed in the Group's industrial park, the Group integrates the above-mentioned capabilities of business operation to export services, and has developed various portfolios of integrated operation services that take consultation and planning, information technology and digital park (apartment) solutions, integrated operation life cycle services, "P+EPC+O", smart facility equipment, attraction of customers, dual-innovation services and regional energy management as the entry points, in order to provide integrated operation services for key projects of local government platform companies or large enterprises.

After continuous improvement and optimization, the digital park system has formed a standardized model of "one park dispatching command center, three functional auxiliary platforms, and numerous sustainable development application scenarios (一個園區調度指揮中心、三大功能輔助平台、N個可持續發展應用場景)", which has been chosen as a national-level topic for three consecutive years. The digital park operation system is gradually developing, which now covers 50 parks in 35 cities across the country and has an accumulated numbers of enterprises and users of 4,759 and 72,101 respectively, and was demonstrated and used in national network security bases. During the Reporting Period, with the digital operational capability of the industrial parks as its core, and building on the network security base in Wuhan, the Group entered into projects for integrated operation of digital industrial parks with the government of Chongqing Changshou High-tech Zone and Baotou Qingshan district government with contract values of RMB63.0 million and RMB18.0 million, respectively, to achieve breakthrough in the external development of the digital industrial park business. In the future, the digital industrial park will further integrate smart platforms such as OVU Maker Star and CEC Energy Conservation to create a comprehensive information management platform.

During the Reporting Period, the turnover of the industrial park operation services of the Group amounted to RMB2,149.5 million, representing an increase of 34.5% as compared to the same period in 2020. Among which, revenue from design and construction services reached RMB726.7 million, revenue from property management services reached RMB759.5 million, revenue from industrial parks properties leasing services reached RMB290.7 million and revenue from regional energy, industrial parks finance and other services reached RMB372.6 million. In terms of composition, the revenue from design and construction services, property management services and industrial parks properties leasing services accounted for 82.7% of the revenue from industrial parks operation services, and is currently the major source of revenue of the Group's industrial parks operation services.

Design and Construction Services

"P+EPC+O" integrated operational services

The "P+EPC+O" model takes planning (P-Planning) as the starting point, with engineering, procurement and construction (EPC-Engineering Procurement Construction) as the foothold, and with professional operations (O-Operations) to cooperate with the investment entities to jointly complete the work of industrial services, a three-in-one structure of the responsible body has been established. "P+EPC+O" is a complete integrated form of comprehensive operation, which guide the early planning and consultation with the ultimate goal of later investment and operation services. Operational service goals were achieved through project planning and design to control and manage the project construction process. The "P+EPC+O" model is conducive to the realization of the strategic philosophy of "starting from the end" and the high-standard delivery result of being responsible for the results, as well as the realization of the planning goal of "multiple compliance". In response to the new business opportunities brought by the "new infrastructure (新基建)" and "urban renewal (城市更新)" schemes implemented by local governments across the country, the Company has vigorously promoted the "P+EPC+O" business model, to upgrade the regional industry and form a high-quality industrial cluster that provide integrated industrial operation services that achieve "operational integration and capability specialization (運營綜合化、能力專業化)".

During the Reporting Period, the Group's design and construction service income was RMB726.7 million, representing an increase of 65.0% as compared to the same period of 2020. During the Reporting Period, the Group devoted unprecedented large amount effort to develop the integrated operational project in the industrial parks using "P+EPC+O" as the key model, and formed multiple multi-disciplinary working groups to promote "P+EPC+O" business cooperation with local governments and platform companies in Ningbo, Yichang, Hongze, Hulan and other areas. The Company has entered into preliminary planning (P) type cooperation agreements for multiple projects. In addition, during the Reporting Period, the Group has entered into EPC contract of RMB0.17 billion for Ningbo Binjiang New Town project, EPC contract of RMB0.28 billion for Yichang Jiangnan Innovation and Technology Park project, and is actively promoting the implementation of cooperation agreements of other projects at EPC and other stages.

Property Management Services

In 2021, our property management sector followed the idea of "seeking change in steadiness and progress in change (穩中求變)". While steadily performing services on the park and community properties, the Group facilitated the capacity building and organizational transformation of the property system through integrated operation. With "i-Lido" app (i麗島App), OVU Park Pass (OVU園區通) and EMS Integrated Operation Platform and through the digitalization capacity building of industrial parks and community, the Group strives to develop a professional team with integrated operation which offers industrial park asset operation and value-added services, in order to provide households and enterprises in the industrial parks with real estate, infrastructure, big data and living facility services. Meanwhile, the Group actively integrates its resources and owns Lido Property, Domainblue Smart, ChuWei Defense, Lido Real Estate Agency, Lido Human Resources, Lixiang Life and other whole-industry-chain property service systems to provide consulting and early intervention services for the development and construction of companies, intelligent operation and asset management services for industrial parks, and professional support services for other property management companies. Last but not least, it also provides property owners with all-around and one-stop property management services.

During the Reporting Period, the income from the property management services of the Group was RMB759.5 million, representing an increase of 21.8% as compared to the same period in 2020. The area covered by the property management services reached 22.143 million sq.m., of which the area covered by public property management services such as industrial parks accounted for 64.8%. In 2021, the Group had signed 16 new contracted projects with China Three Gorges Corporation, Jiangxia Cainiao Logistic Park, Wuhan Metro Line 11, Hubei Museum and Huaneng Power, etc., with new contract value of RMB52.6 million as the Group had continuously won bids on providing property services to office building projects outside the Group's properties, which includes governments, schools, art galleries, office buildings of large corporates, rail transit, and multi-city mobile business offices with its smart service system. In the future, the Group will continue to promote the management model of intelligent industrial parks and intelligent communities. At the same time, the revenue of property management services is expected to grow rapidly.

Industrial Park Properties Leasing

During the Reporting Period, supported by the expanding area of self-operating industrial parks and benefiting from the Group's comprehensive park integrated operation service model, the revenue from industrial park properties leasing was RMB290.7 million, with a growth of 32.6% as compared to the same period in 2020.

1. Self-owned property leasing

   During the Reporting Period, the Group owns quality properties with an area of 504,000 sq.m. and an occupancy rate of over 87.0%, which has provided the Group with stable cash flow, improved the model of business solicitation services for the industrial parks and improved brand image, paving a solid foundation for sustainable business development. An operating revenue of RMB221.5 million has been recorded during the Reporting Period.

2. Incubator and office sharing services

The Group has actively followed the national strategy and the general trend of "mass entrepreneurship and innovation (大眾創業、萬眾創新)" to promote transformation and reform. The Group has further promoted the business model of incubators and co–working spaces with the foundation of integrated operation life cycle services, the Group has developed an industrial resource sharing platform of "stated-owned enterprises driving coordinated innovation of all other enterprises (央企帶動，大中小微企業聯合創新)". During the Reporting Period, Wuhan OVU Technology Co., Ltd.* (武漢歐微優科技有限公司) ("**OVU Technology**"), a controlled subsidiary of the Group, has adjusted its business strategy to strengthen marketing effort on the premise of maintaining the existing operating scale so as to eliminate any effect of double reduction policy on OVU Marker Star, to increase occupancy rate and to conduct in-depth analysis of each operating costs and refinement of organizational structure, in order to achieve decrease in both operating costs and research and development costs. In face of the current high vacancy rate in the market and the actual situation of overall economic slowdown, re-negotiation with key parties for some projects has been carried out to maintain steady growth in the overall turnover of OVU Technology. The incubator and office sharing services achieved an operating revenue of RMB69.2 million during the Reporting Period.

OVU Maker Star is operating 39 sites with a total area of 0.4 million sq.m. for innovation and entrepreneurship in 23 innovative cities across the country including Beijing, Shanghai, Shenzhen, Wuhan, Chengdu, Xi'an, Changsha, Hefei and etc. It invited over 150 service providers from different sectors such as human resources, legal, financial, marketing and promotion etc., and supported over 1,500 innovation teams and start-ups including Meituan Bike, Qihoo 360, HP China, Bilibili and Easylinkin Technology. It gathered over 80,000 innovative businessmen and entrepreneurs. For the year ended 31 December 2021, OVU Maker Star has received over 50 qualifications for its site operations including 2 demonstration base, 6 incubators, 10 co-working spaces and 1 advertising incubating platform that are up to national standard; 8 incubators and 8 co-working spaces that are up to provincial standard; as well as 2 incubators and 5 co-working spaces that are up to municipal standard. It was awarded over 30 awards from institutions including the National Development and Reform Commission ("NDRC"), Torch High Technology Industry Development Center of the Ministry of Science and Technology, China Innovation and Entrepreneurship Trading Office and China Association for Science and Technology Enterprise Service Center. The digital space management platform self-developed by OVU Maker Star was recognized by the NDRC as a significant project of national level dual innovation demonstration base as an office incubator for emerging industries which fully supports new working trends including mobile working and cross-city resource sharing.

Energy Services

Through expanding the scope of operations in intelligent control systems ("**DHC**") and renewable energy business models, and expanding the scale of its intelligence and intelligent controls businesses, during the Reporting Period, CEC Energy Conservation entered into new contracts for energy services projects with People's Hospital of Shapingba District, Chongqing City, People's Hospital of Chizhou, Pizhou Yangguang, with aggregated contract value of RMB286.5 million. During the Reporting Period, the income from energy services of the Group was RMB120.3 million, representing an increase of 40.9% as compared to 2020.

Through years of development and exploration, CEC Energy Conservation gradually established DHC as its core business with mechatronics engineering, EMC energy management contracts, and specialised pipelines as its feature. During the Reporting Period, CEC Energy Conservation has added three utility models, one invention patent and three software copyrights. For the year ended 31 December 2021, CEC Energy Conservation had twenty-nine utility models, fifteen invention patents and eight software copyrights relating to its self-developed energy-saving control system. Research and development for the CEC Energy Conservation's intelligent self-controlled energy-saving system was also essentially completed. Sixteen DHC energy stations have been put into operation with area available for operation of over 3.3 million sq.m..

Group Catering and Hotel Services

Wuhan Quanpai Catering Management Co., Ltd.* (全派餐飲管理有限公司) ("**Quanpai Catering**") has been established for 10 years and is experienced in group catering management. It offers catering services that cover three major service models, namely contractual operation, technical support and operation and entrusted management, to serve various large-scale industrial parks, higher education institutions, enterprises and public institutions, hospitals etc. With the normalization of the pandemic, Quanpai Catering had launched digitalized applications such as "Cloud Catering Delivery" (雲遞膳) and "Cloud Inspection" (雲巡檢) to facilitate business development. In particular, Quanpai Catering canteen at the First Hospital of Wuhan was awarded "National Nutritious and Healthy Canteen to the Satisfaction of Customers for the Year". It has continuously expanded the market on top of the solid foundation laid. At present, Quanpai Catering has forty-four market projects, among which eight were new during the Reporting Period.

Adhering to its positioning as an art boutique hotel, Wuhan Ziyuan Hotel tapped the potential, lowered the cost and enhanced the efficiency under the premise of focusing on its brand effect.

In 2021, the revenue from group catering and hotel services reached RMB104.5 million, representing an increase of 32.2% as compared to that of 2020.

II. INDUSTRIAL PARK DEVELOPMENT SERVICES

During the Reporting Period, the industrial park development services of the Group has added new contracted area of 458,000 sq.m. with contracted value of RMB3,215.6 million, representing an increase of 36.7% as compared to the level of the same period of 2020. It recorded payment collection of RMB2,751.3 million, representing an increase of 50.8% as compared to the level of the same period of 2020. Revenue from the industrial park development services amounted to RMB2,381.1 million, representing an increase of 64.1% over the level for the same period of 2020. The booked sales areas was 367,000 sq.m., and continues to play the role of anchor.

1. *Sales of Self-owned Industrial Parks*

During the Reporting Period, the income from the sales of industrial parks of the Group was mainly contributed by three cities, namely Qingdao, Shanghai and Changsha, among which, Qingdao Optics Valley Union Development Co., Ltd.,* (青島光谷聯合發展有限公司) ("**Qingdao Company**") created a new model of "government-enterprise interaction", integrated resource platforms, and upgraded the investment model. During the Reporting Period, Qingdao Company implemented a governement-and-entreprise cooperation with Qingdao West Coast New Area Ocean Holdings Group Co., Ltd.* (青島西海岸新區海洋控股集團有限公司) ("**Qingdao West Coast**"), a government platform and successfully contracted for the area of 18,000 sq.m. in the first phase of Marine & Science Park with China Ocean Engineering Research Institute* (中國海洋工研究院)", which achieved a sales revenue of RMB388.9 million for the year, accounting for 16.3% of the revenue from the sales of industrial parks. Shanghai CEC Information Harbour* (上海中電信息港) has implemented "responsive customization" in full force and has signed customer customization agreement with Chizhou Jiu Hua Ling Hang Technology Innnovation and Investment Co., Ltd. * (池州九華領航科創投資有限公司) with a contract value of RMB625.1 million, which has achieved sales revenue for the year of RMB388.9 million, accounting for 16.3% of the sales revenue of the industrial parks. The Changsha Information Security Industrial Park* (長沙信息安全產業園) has exerted full effort and became the leading innovative complex in Changsha as the second national network security industrial park after Beijing, leading to an upgrade to the 4.0 version of the industrial landmark in Changsha. During the Reporting Period, 21 new customers including Hunan ChinaSoft Information System Co., Ltd.* (湖南中軟信息系統有限公司) ("**Hunan ChinaSoft**") and Hunan Xieying Technology Co., Ltd.* (湖南擕贏科技有限公司) were stationed in the park, achieving sales revenue of RMB327.3 million, accounting for 13.7% of the revenue from the sales of industrial parks.

In 2021, 14 cities (with 17 projects) contributed to the revenue from the sales of industrial parks. This demonstrated that the layout of the Group's industrial parks business in major cities across the country has been widely recognized by the market and our clients, the multi-zone park layout is conducive to lowering the systems risk and ensuring the annual target of the revenue from sales of industrial parks can be achieved.

2. *Development and Completion of Industrial Parks*

With further clarification of the Group's strategic structure, the ability to achieve sustainable growth in revenue been strengthened consistently. In 2021, the total area of construction commenced in industrial parks was 906,000 sq.m., which increased by 5.7% as compared to that of 857,000 sq.m. in 2020. Completed construction area amounted to 541,000 sq.m., which decreased by 16.9% as compared to that of 651,000 sq.m. in 2020. As at the end of 2021, the total area under construction was approximately 1,502,000 sq.m., which laid the foundation for the industrial parks scale business to grow its scale of business steadily during the "14th Five-Year Plan" period, and continues to play the role of anchor for the Group.

Completed Area in Major Cities throughout the Country

City	Project Name	Completed area in 2021 ("000 sq.m.)
Xianyang	China Electronics Western Zhigu	100.1
Ezhou	Ezhou OVU Science and Technology City	54.8
Huanggang	Huanggang OVU Science and Technology City	54.5
Caidian	CEC Optics Valley Digital Industrial Park	37.2
Changsha	China (Changsha) Information Security Industrial Park	64.3
Qingdao	Qingdao CEC Information Harbour	82.9
Qingdao	Qingdao Marine Science Park	79.4
Chengdu	Chengdu Chip Valley	34.1
Shenyang	Shenyang Maker Corporation	26.1
Luoyang	Luoyang CEOVU Information Harbour	7.3
Total		540.7

3. *Land Bank of the Industrial Parks*

During the Reporting Period, with the new addition of 5 industrial park projects in Chongqing, Mianyang, Nantong, the Group has high-quality land bank of approximately 7.118 million sq.m. in various cities, including Wuhan, Shanghai, Qingdao, Changsha, Chengdu, Tianjin, Hefei, Shenyang, Luoyang, Xi'an, Wenzhou, Ezhou, Huangshi, Huanggang, Chengmai (Hainan), Zhuhai, and Ningbo as at the end of the Reporting Period.

Table of Land bank of Industrial Parks

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
1	Optics Valley Software Park (光谷軟件園)	Wuhan	1 Guanshan Avenue, Wuhan, Hubei Province	Industrial	100%	34,988
2	Financial Harbor (Phase I) (金融港一期)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	27,728
3	Financial Harbor (Phase II) (金融港二期)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	29,492
4	Creative Capital (創意天地)	Wuhan	16 Yezhihu West Road, Hongshan District, Wuhan, Hubei Province	Commercial	100%	159,840
5	Wuhan Innocenter (武漢研創中心)	Wuhan	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	Industrial	100%	104,420
6	Wuhan CEC Information Harbour	Wuhan	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	Industrial	100%	82,589
7	Lido 2046 (麗島2046)	Wuhan	175 Xiongchu Avenue, Wuhan, Hubei Province	Residential	100%	461
8	Others	Wuhan	N/A	Residential	100%	14,612

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
9	Qingdao Optics Valley Software Park (青島光谷軟件園)	Qingdao	396 Emeishan Road, Qingdao, Shandong Province	Industrial	100%	145,547
10	Qingdao CEC Information Harbour (青島中電信息港)	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Industrial	100%	130,244
11	Qingdao Innocenter (青島研創中心)	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Residential/ Industrial	100%	68,089
12	Qingdao Marine & Science Park (青島海洋科技園)	Qingdao	South of Changjiang West Road, West of Jiangshan South Road, North of Binhai Avenue, Qingdao Economic & Technical Development Zone, Qingdao, Shandong Province	Industrial	100%	149,224
13	Huanggang OVU Science and Technology City (黃岡光谷聯合科技城)	Huanggang	Junction of Zhonghuan Road and Xingang North Road, Huangzhou District, Huanggang, Hubei Province	Industrial	70%	99,841
14	Shenyang OVU Science and Technology City (瀋陽光谷聯合科技城)	Shenyang	Intersection of Shengjing Avenue and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	Industrial	100%	1,715
15	Shenyang CEOVU Information Harbour (瀋陽中電光谷信息港)	Shenyang	Intersection of Qixing Street and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	Industrial	100%	56,478
16	Shenyang CEOVU Technology City (瀋陽中電光谷科技城)	Shenyang	77 Qixing Street, Shenbei New Area, Shenyang, Liaoning Province	Industrial	100%	80,312
17	Shenyang Maker Corporation (瀋陽創客公社)	Shenyang	Intersection of Qixing Street and Shenbei Road, Shenbei New District, Shenyang, Liaoning Province	Commercial	100%	31,341
18	Ezhou OVU Science and Technology City (鄂州光谷聯合科技城)	Ezhou	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	Industrial	80%	242,529
19	Huangshi OVU Science and Technology City (黃石光谷聯合科技城)	Huangshi	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	Industrial	100%	170,838

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
20	Lido Top View (麗島半山華府)	Huangshi	76 Hangzhou West Road, Huangshi Development Zone, Hubei Province	Residential	100%	16,461
21	Hefei Financial Harbor (合肥金融港)	Hefei	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	Commercial	100%	304,594
22	Xi'an CEC Information Harbour (西安CEC信息港)	Xi'an	West of Caotan Tenth Road, North of Shangji Road, Xi'an, Shaanxi Province	Industrial	73.91%	168,635
23	Wenzhou Industrial Park (溫州產業園)	Wenzhou	Jinhai Park, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Province	Industrial	95%	189,912
24	Shanghai CEC Information Harbour (上海中電信息港)	Shanghai	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District, Shanghai	Research & Development	100%	206,369
25	Chengdu Chip Valley (成都芯谷)	Chengdu	No.1 Fengle District, Dongsheng street, No. 7 Guangrong District, Pengzhen, Chengdu City, Sichuan Province	Commercial/ Research & Development	80%	557,009
26	Ningbo Hangzhouwan (寧波杭州灣), Blue Coast (蔚藍海岸)	Ningbo	North of Binhai 6th Road, East of Zhongxing 1st Road, Hangzhouwan New Zone, Ningbo	Residential/ Industrial	31%	1,241,880
27	Luoyang CEOVU Information Harbour (洛陽中電光谷信息港)	Luoyang	Intersection of Guanlin Road and Longshan Line, Luolong District, Luoyang, Henan Province	Industriall	70%	50,158
28	China (Changsha) Information Security Industrial Park (中國(長沙)電軟件園)	Changsha	Yuelu Avenue, High-tech Industrial Development Zone, Changsha City, Hunan Province	Industrial	100%	384,031
29	Xianyang Western Zhigu (咸陽西部智谷)	Xianyang	No. 3, Xinghuo Avenue, High-tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	Industrial	50%	94,208
30	Tianjin Zhongdian Technology Innovation Park (天津中電科創園)	Tianjin	Tianjin High-tech Zone Huayuan Technology Park	Commercial	80%	111,955
31	CEOVU Manufacturing Center (中電光谷智造中心)	Wuhan	About 100 meters northwest of the intersection of Jingdong Avenue and Wuyi South Road, Xinzhou District, Wuhan City, Hubei Province	Industrial	100%	214,745

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
32	CEOVU Digital Industrial Park (中電光谷數字產業園)	Wuhan	Changfu Industrial Park, Caidian District, Wuhan City	Industrial	100%	122,527
33	Zhuhai Hengqin Smart Digital Cloud (珠海橫琴智數雲)	Zhuhai	East of Fubang Road, Hengqin New District, Zhuhai, Guangdong Province	Commercial	30%	53,618
34	Hainan Resort Software Community (海南生態軟件園)	Chengmai	Southern section situated at 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	Residential/ Science and Education/ Industrial/ Commercial	10%	1,096,919
35	Chongqing CEOVU Technology City	Chongqing	Xiyong AJ Group, Shapingba, Chongqing	Industrial	100%	100,676
36	China Electronics Western Smart Creation Park	Chongqing	Caijiagang, Beibei, Chongqing	Industrial	100%	65,600
37	Changsha Xingsha Digital Intelligence Community	Changsha	South of Luoluotang Road, East of Huangxing Road, Changsha Economic and Technological Development Zone	Industrial	60%	82,600
38	Mianyang CEC Optics Valley Technology City	Mianyang	Mianyang National High-tech Industries Development Zone	Industrial	100%	134,551
39	China Electronic Eastern Zhigu	Nantong	Nantong Chongchuan Economic Development Zone	Industrial	70%	291.528
	Total					7,118,264

Note: No. 33-34 are projects the Group invested in through a subsidiary CEC Technology.

INTRODUCTION OF MAJOR INDUSTRIAL PARK PROJECTS

Briefings on development progress of industrial park projects in 2021

Hefei Financial Harbour

The Group intends to develop it into a park for financial middle and back offices and innovative financial business.

Location:	Intersection of Huizhou Avenue and Nanjing Road in Binhu New District, Hefei.
Scale:	The project has a planned gross floor area ("GFA") of 640,000 sq.m.
Project positioning:	Specialised financial services district, regional headquarters, etc.
Details of the project:	Including high-rise commercial office buildings, separate multi-storey office buildings, OVU international service apartments, Hilton Garden Hotel, specialised commercial streets, etc. It was completed and delivered in December 2019.

Target of the project:	Based on the characteristics of regional industry and relying on the background of industrial upgrade and transformation, the project will focus on the introduction of regional headquarters and back offices of financial institutions, such as banks, insurance, and securities, and the upstream and downstream of the industry chain, such as finance leases, internet finance, fintech, and financial services outsourcing, which will attract industrial enterprises to establish in the park and create the Hefei Binhu financial industrial ecosystem.
Latest status:	Hefei Financial Port has already attracted 695 financial and commercial enterprises, created employments of over 10,000 and realized annual tax of over RMB0.5 billion for 3 consecutive years, creating an industrial ecology which gathers wide variety of enterprises with unimpeded development elements and comprehensive functionalities. It has also become a new landmark in Hefei Industrial Park.

Qingdao Research and Innovation Center

The Group intends to develop it into a demonstration project of innovation business for small and medium-sized technology companies in Qingdao.

Location:	Jiangshan South Road in West Coast New District in Qingdao, which is a national new district.
Scale:	The project has a planned site area and a planned GFA of approximately 68,000 sq.m. and 128,000 sq.m. respectively.

Project positioning:	With high-end research and development and creative industries as the focus, such as artificial intelligence, IC design, research and development of smart manufacturing, and industrial internet, accompanied by human resources, education and training, fintech, new digital services and more, the project will build a new generation city-industry integration and street district with characteristics integrating various space formats, including research and development, creativity, new types of headquarters, shared offices, lohas commercial streets, and service apartments, and other services and functions. It targets to create a demonstration zone for high-end research and development and creative industries among the best in the country, and promote the transformation and upgrading of traditional manufacturing industry and the real economy.
Details of the project	Research and development, creativity, new types of headquarters, shared offices, lohas commercial streets and service apartments
Target of the project	Led by leading enterprises in the industry and new types of headquarters, and relying on sharing and co-creation platform for specialized industrial resources, it will form a new generation city-industry integration that integrates multiple functions, such as research and development, creativity, new types of headquarters, shared offices, and service apartments at a fast pace, and create the core carrier and demonstration park for promoting the transformation and upgrading of traditional manufacturing industry in the Qingdao West Coast New District and the real economy. After the maturity period, it will be able to gather 200 enterprises and institutions of various research and development, creative and ancillary services, with an annual output of RMB3 billion to RMB5 billion, gathering approximately 10,000 talented people
Progress of the project	All contructions have been completed and put into operation.

Qingdao Optical Valley Software Park

Location:	396 Emeishan Road, West Coast New District, Qingdao, Shandong Province
Scale:	The project has a planned site area of 259 mu (approximately 173,000 sq.m), a planned gross floor area of 417,000 sq.m. and a delivered operating area of 300,000 sq.m..
Project positioning:	Integrated digital economic industrial park, demonstration base of national-level marine technological innovations, and demonstration base of new-generation information technology industry
Details of the project:	Research and development office buildings, headquarters of technology enterprises, industrial development platform, auxillary business facilities, etc.
Targets of the project:	Through construction of the national leading industrial resource sharing platform, the project has targeted to drive the transformation and upgrade of the urban industries and the industrial growth in a benchmarking clustering manner, to create a center for high and new technology enterprises in West Coast, to enhance regional economic dynamic and competitiveness, and to accelerate the transformation and upgrade of industrial structure in West Coast. Upon maturity stage, it can attract over 1,500 enterprises engaging in emerging industries such as marine-oriented blue industry, high digital economy, high intelligence manufacturing, medical healthy, human resources, etc., generating annual production value of RMB30 billion.
Progress of the project:	All constructions have been completed and put into operation.

Qingdao CEC Information Harbour

Location:	396 Emeishan Road, West Coast New Area, Qingdao, Shandong Province
Scale:	The project has a planned site area of 60 mu, the total investment of the project is approximately RMB1 billion, a planned gross floor area of 185,000 sq.m., of which overground and underground gross floor areas are 130,000 sq.m. and 55,000 sq.m., respectively.
Project positioning:	The project strives to become a demonstration base of national information innovation industry, a demonstration base of national high-end digital economic transformation and upgrade and a core leading development area of new economic industries. Led by the development direction which bases on information innovation and high-end digital economy, the project has focused on the benchmark items introduction of information security, artificial intelligence, cloud computing, 5G, industrial internet, digital manufacturing, etc.
Details of the project:	The project has planned to create a digital technology application center, information security research center, headquarters for technology research and development, demonstration base of high-end digital economic transformation and upgrade, specialised commercial and trendy street, etc.
Targets of the project:	Upon completion and full operation, it is expected that the project can attract over 300 enterprises engaging in a wide variety of information innovation industry and new economic benchmark projects, gathering a pool of talents in high-end industries of over 5,000, and realizing an annual production value of RMB5 to 10 billion and an annual tax of RMB0.3 billion to 0.5 billion.
Progress of the project:	Phase I has been completed and put into operation. Phase II is currently under construction and is expected to be completed in 2022.

Qingdao Marine Technology Park

Location:	77 Jinshajiang Road, West Coast New Area, Qingdao, Shandong Province
Scale:	The project has a planned site area of 225 mu (approximately 150,000 sq.m), a planned gross floor area of 200,000 sq.m., of which Phase I has a gross floor area of approximately 80,000 sq.m.(overground and underground areas are 63,000 sq.m. and 17,000 sq.m. respectively) and Phase II has a gross floor area of approximately 120,000 sq.m.
Project positioning:	The project strives to become a demonstration base of national-leading, international renowned marine technology innovations, a demonstration base of applied marine technology transformation, headquarters for high-end marine services enterprise and scientific research and development center, and a platform gathering innovative elements such as demonstrative transactions of modern marine industries, etc. Oriented in the research and development of high-end applied marine technologies, the project has focused on the research and development of artificial intelligence, industrial internet, IC design, advanced manufacturing and high-end devices, etc.
Details of the project:	Innovative center for marine technology, marine technology transformation and acceleration center, headquarters for high-end marine-related service enterprise and research and development centers, research and development headquarters for advanced manufacturing, equipped with relevant auxiliary business facilities
Targets of the project:	Upon completion and full operation, it is expected that the project can attract over 300 enterprises engaging in a wide variety of marine-related blue industry and high and new technology, gathering a pool of talents in mid to high-end industries of over 10,000, and realizing an annual direct production value of RMB5 billion and an annual production value of related industries of over RMB20 billion (profit tax of approximately RMB2 billion).
Progress of the project:	Phase I has been completed and put into operation, while Phase II is planned to commence construction in 2022 and is expected to be completed in 2025.

China (Changsha) Information Security Industrial Park

Location:	At the intersection of Yuelu Avenue and Jianshan Road in Changsha High-tech Industrial Development Zone.
Scale:	The project has a total planned site area of 416 mu and a GFA of approximately 620,000 sq.m.
Project positioning:	Planning has been made systemically for the space for specialised industrial research and development, centralized energy management system (DHC), data center system and intelligent industrial platform. Adhering to the development concept of "city-industry integration, civil-military dual-use as well as integration of science, technology and art", with information security industries as the core, the project focuses on frontier technology field such as mobile internet, smart manufacturing, application of Beidou System and big data, leading the way to build a concentration of information security industry, shaping a new business card of Hunan's special industry.
Details of the project:	R&D, incubation, offices, staff apartments and business park facilities and related park supporting facilities.

Project status:	The Park has been divided into A/B/C/D/E/F areas. Currently, single office building areas A and C and B1/B2/B7 have been delivered and put into operation and other areas will be developed at the same time. As of December 2021, the Park has developed an aggregate area of approximately 620,000 sq.m., and a completed area of approximately 202,000 sq.m. The Park has attracted approximately over 120 enterprises including Topsec Technologies, the national leading enterprise in information security, and other leading companies such as eGOVA, Tianwei Xunda, China National Software, Wondershare Technology, Hunan Jingwang, Huacao Hudong, etc., eight of which are listed companies. An industrial ecology gathering enterprise in information security and mobile internet has been initially formed.

Shenyang CEOVU Information Harbour

Location	The intersection of Qixing Street and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province
Scale	The total area of the project is 223,000m^2, the total GFA is 166,000m^2, the total number of buildings: 67 (100 sets).
Project positioning	The five core industries are "smart manufacturing, advanced technology integration, biomedicine and third-party testing, agricultural farming, new materials and new energy".
Details of the project	It will gradually build intelligent manufacturing industry houses, research and development center, testing centers, single headquarters offices and other industrial forms and supporting facilities of the park.
Project Status	The project was developed in two phases. Phase I has been delivered for use in August 2018 and Phase II has been delivered for use in December 2019.

Chengdu Chip Valley

Location:	It is located in Yicheng Avenue and the planning area of Yinhe Road, Shuangliu District, Chengdu.
Scale:	Chengdu Chip Valley Industrial Function Zone, being the sub-center of Chengdu and new center of Shuangliu, has a planned area of 44.8 sq.km. The Chengdu Chip Valley Research and Innovation City (high-quality science and innovation space) currently under construction is the core and start-up zone of Chengdu Chip Valley Industrial Function Zone. The City covers a planned area of 1 sq.km. and the construction of a million sq.m., high-quality science and innovation space has been accelerated, trying its best to build a hundred billion-level electronic industrial ecological park.
Project positioning:	Chengdu Chip Valley is the integrated circuit industry cluster and innovation area jointly built by China Electronics Corporation and the Chengdu Municipal Government to construct the PRC's new level of integrated circuit. Focusing on four segments under "Chip Screen End Network" (芯屏端網), the Valley currently has 176 registered enterprises, 89 of them has been relocated therein, including Montage Technology, Empyrean Technology, CEC Jiutian, Chengdu Sino Microelectronics, Huada Semiconductor, CEC Data, and CEC Rainbow. It also includes relevant leading enterprises such as Institute of Microelectronics of the Chinese Academy of Sciences, Southwest branch, RDW, Tianjin Zhongfa Group, and Taozi Health Group. building a new landscape for high quality development of emerging enterprises based on "joint innovation by large-mid-and small scaled enterprises led by state-owned enterprises". Chengdu Chip Valley will continue to accelerate industrial integration, strive to build a ecology for IC industry with comprehensive chains and important elements, allowing open gathering of IC industry players.

Details of the project:	Construction of high-quality science and innovation space, standardized plants and customized plants, R&D and office properties, corporate headquarters, integrated circuit museum, open labs, public technical service platform, scientific incubators, accelerators, practical training base, international innovation centers, international headquarter centers and facilities.
Project status:	As of February 2022, the construction area of high-quality science and innovation space in Chengdu Chip Valley has reached 713,000 sq.m. Among which, 154,000 sq.m. has been completed, 160,000 sq.m. was under accelerated construction and 398,000 sq.m. was planned for commencement of construction in 2022.

Shanghai CEC Information Harbour

Location:	The project is located at the economy and technology development zone in Songjiang District, Shanghai City, with its north reaching Wensong Road, west to No. 3 River of Xiaokunshan near Wenji Road, south facing Mianzhang Harbour, east to the adjacent land. It has dual national-level enterprise status, ie, national economy and technology development zone and national Comprehensive Bonded Zones).
Scale:	It is the first C65 land in Songjiang. Compared to industrial land, C65 land has higher land value. Shanghai CEC Information Harbour has a site area of 140 mu, a gross floor area of approximately 276,000 sq.m., of which Phase I covers 190,000 sq. m. and Phase II covers 86,000 sq.m.
Project positioning:	Building on the resource advantages of the electronic industry of the PRC, the Harbour bases on the comprehensive life cycle operation and focuses on electronic information industry, including integrated circuits, Internet of Things, artificial intelligence, etc.
Details of the project:	Presentation center, research and development center, office headquarters, smart apartment, service center and the relevant auxiliary business facilities.
Progress of the project:	Physical construction of Phase I has been basically completed and has reached the inspection and acceptance stage. Completion and filling are planned to process in May 2022, while delivery to be conducted in June 2022. Phase II is planned to commence construction in March 2022 and to be completed in March 2024.

Chongqing CEOVU Technology City

Location:	Qingfeng High-tech Industrial Park, Shapingba District, Chongqing City
Scale:	A planned gross floor area of approximately 102,000 sq.m.
Project positioning:	A scientifically advanced base for manufacturing industry in the western region (Chongqing)
Details of the project:	Based on advanced intelligent manufacturing industry, the City focuses on new-generation information technology, intelligent network connected vehicles and high-end devices. It covers a diversified model to include swift building of single storey factories, separate factories, semi-detached factories, multi-storey factories, etc., and integrats various functionalities such as intelligent manufacturing, technologicall innovative pilot scale trial, headquarters research and development, etc. It has built a resource sharing platform with comprehensive life cycle to help business incubation, acceleration and development of enterprises, forming a leading 100 digital intelligence park.
Targets of the project:	To seize the opportunity of national strategy of Chengdu-Chongqing twin-city economic circle, to set up the Western Science City, to build into the Western (Chongqing) Science City advanced manufacturing base, to help Shapingba become the main base and the main force of the construction of the Western (Chongqing) Science City, to promote the construction of "one belt and one road" advanced manufacturing base.
Awards:	Listed on "2022 List of Significant Projects in Chengdu-Chongqing Economic Circle"
	Shortlisted in key projects of new infrastructure construction under the "14th Five-Year Plan (2021-2025) of digital economy of Chongqing City"
Progress of the project:	As of 31 December 2021, the property under development of the project is about 50,000 sq.m., and the construction of 52,000 sq.m. will start in 2022.

China Electronics Western Smart Creation Park

Location:	Located at Beibei Caijia Groups, Xiema Group, Liangjiang New Area, Chongqing, adjacent to Jiayun Avenue, Xiangjiagang station in Subway Line 6
Scale:	A site area of 1,000 mu, a starting area of 202 mu, and a gross floor area of approximately 200,000 sq.m.
Project positioning:	Four positionings: Beibei region – 1. "demonstrative pioneer area" of Chongqing industrial internet; 2. demonstration base of national new industrialised industry for industrial internet. Chongqing City – 1. Industrial internet of Chengdu-Chongqing region – demonstration base of integrated development; 2. Innovative development land for national industrial internet.
Details of the project:	Phase I (approximately 200 mu) includes high-rise research and development office buildings, multi-storey research and development office buildings, separate research and development office buildings, high-rise factories, separate factories, canteen, etc.
Targets of the project:	Based on the theme of industrial internet and vertically focusing on intelligent sensors, information technology services, to build industrial internet which integrates three elements "Hardware, Software, Security". Under the cooperative structure, led by direction of industrial internet enabling, the Park targets to facilitate optimization and cooperation among supply chain, C2M manufacturing and soft production by focusing on two strategic emerging industry, ie, new intelligent terminals, intelligent network connected vehicles. It will become new application center of the national industrial internet, demonstrative benchmark park of traditional industrial digitalization of the western district, gathering zone of Chongqing intelligent ecological integration, and a demonstration of high quality development of manufacturing industry in Sichuan and Chongqing and the central-western district.

Xi'an CEC Information Harbour

Location:	No. 1288, Caotan 10th Road, Economic and Technological Development Zone, Xi'an, Shaanxi Province.
Scale:	Industrial park occupies a total site area of approximately 130,000 sq.m., and approximately 200,000 sq.m. has been completed.
Project positioning:	It focuses on the development of high intelligent manufacturing, software and service outsourcing, civil-military use, healthcare and financial services industries, and develops a system for smart industrial park management and production services.
Details of the project:	Products such as separate buildings for enterprises, customized plants, production acceleration products, integrated office buildings, apartments with ancillary facilities.
Progress of the project:	Phase I, with a gross floor area of approximately 135,000 sq.m., was completed and delivered in 2017, which included 14 separate buildings and underground parking area. Phase II, with a a gross floor area of approximately 57,000 sq.m., of which the cloud computing service industrial project 10-16# included 7 separate building and was delivered on 18 October 2019, the innovative industrial and public service area project 6-18# included 13 separate building and the construction of which had been commenced in May 2019 and completed on 1 December 2020.

Tianjin China Electronics Technological Innovation City

Demonstration Area of Cooperation and Innovation in Beijing-Tianjin-Hebei

Location:	Located at the interjunction of Ying Shui Dao and Jianyang Road, Huayuan Industrial Park, Nankai District, Tianjin
Scale:	A site area of approximately 45,000 sq.m., a gross floor area of approximately 160,000 sq.m., of which overground capacity building area is approximately 112,000 sq.m.
Project positioning:	The project is positioning at new generation information technology and digital economy and focuses in digital content, network security, smart city, intelligent manufacturing technologies, etc.. It strives to form a comprehensive ecological system of self innovation and to become a demonstration zone of cooperative development in Beijing-Tianjin-Hebei and a national-leading digital industrial innovation center.
Details of the project:	Consisting of 7 multi-storey, high-rise office building and some auxiliary business facilities
Targets of the project:	Upon completion, the project will provide new trainings and introduce over 120 quality enterprises, realizing sales revenue from enterprises entering the park of approximately RMB3 billion.

Luoyang China Electronics Optics Valley Information Harbour

Location	The intersection of Guanlin Road and Longshan Avenue, High-tech Industrial Development Zone, Luoyang, Henan Province
Scale	The project has a total planned site area of 150 mu and a total GFA of approximately 100,000 sq.m
Project positioning	Manufacturing of aerospace equipment, manufacturing of advanced equipment, new materials and new energy, electronic information industry, information innovation industry, Internet big data, microelectronics software development, security consulting, system integration, security operation and maintenance, network information security and other leading industries
Details of the project	Single-storey plants, two-storey plants, multi-storey plants and high-rise research and development office buildings, an incubation and innovation working spaces for small and micro enterprises, headquarters economy, is a comprehensive showcase zone which integrates production, office, residential, life and entertainment
Progress of the project	Phase I consisted of 19 factory buildings, which include presentation center, manufacturing factories, auxillary factories, with completed area of 62,000 sq.m. and plot ratio of 1.25. All factories of Phase I had been delivered for use.

China Electronics (Wenzhou) Information Harbour

Location:	Intersection of Jinhai Avenue and Binhai Road 13, Wenzhou Economic and Technology Development Zone
Scale:	A planned gross floor area of approximately 280,000 sq.m.
Project positioning:	To build a production base for autonomous innovation and research and development, a construction and operation base for digital Wenzhou, a health and medical big data base, and an industrial Internet operation services base. To promote the digitization of the industry, and influence Zhejiang and Eastern China region, and promote the rapid development of the digital economy in Wenzhou and Zhejiang, autonomous innovation and research and development production base, digital Wenzhou construction and operation base, health and medical big data base, industrial Internet operation services base.
Details of the project:	It includes single-storey, three-storey and four-storey standard factory buildings, project supporting canteen, dormitory, R&D building and office building, of which 137,000 square meters of Phase I project will be completed and put into operation on 14 September 2020, and Phase II project is planned to be completed and filed in March 2022.
Targets of the project:	Wenzhou Industrial Park would become a demonstration area for the transformation and upgrading of traditional manufacturing industry in Zhejiang, and a national demonstration base for the integration of industrial digitalization, and become a leading industrial new city operator in China.

Latest status: Wenzhou Industrial Park has now completed the first phase of investment, and the park's ancillary services have been highly developed, the second phase has completed the pre-acceptance of construction, and has entered into contracts with 10 enterprises, which intend to be stationed in the park. The Wenzhou Industrial Park will undergo a transformation, it has been in contact with a number of local governments, such as Yueqing, Huaian, Wuhu, Suzhou, Anshan, Shanghai Fengxian, Shanghai Minhang, etc., to cooperate in the integrated operation of light asset projects. The Wenzhou Industrial Park strives to achieve the implementation of the industrial park's operation and construction projects.

China Electronics Western Zhigu Park

Location:	3 Xinghuo Avenue in the National Xianyang Hi-Tech Zone (國家級咸陽高新區星火大道)
Scale:	Total planned site area of 3,200 mu, of which, the CEC Xianyang Generation 8.6 LCD panel production line project in pilot zone occupies a total site area of 1,200 mu and has been completed and put into operation, the development zone occupies 1,000 mu, and the reserved control zone occupies 1,000 mu. In respect of the Western Zhigu Park (西部智谷), Phase I occupies a total site area of approximately 173,100 sq.m. and a total GFA of approximately 188,000 sq.m. and Phase III occupies a total site area of approximately 171,000 sq.m. and a total GFA of approximately 203,000 sq.m.
Project positioning:	A concentration of national-level display device industry players. Strategic emerging industries such as electronic information and intelligent manufacturing are the the leading industries.
Details of the project:	Exhibition centers, double innovation centers, star hotels, intelligent manufacturing plants, customized plants, research and development office buildings, smart apartments, service centers and relevant commercial facilities.
Project status:	As of February 2022, the construction of China Electronics Western Zhigu Park's Phase I.I project with a GFA of 100,000 sq.m. was fully completed and put into operation. The enterprises entering the park have contributed RMB363.50 million in 2021. Phase I.II project with a GFA of 50,000 sq.m. obtained the Construction Permit in May 2021. The main civil construction has been completed, and half of the renovation and installation works have been done. The underground structure with 17,000 sq.m. of Phase I.III is under construction, while the construction of pile foundation of 33 separate buildings of Phase III.1 has commenced, 18 of which have been inspected and tested.

China Electronics Eastern Zhigu Park

Being a demonstration zone jointly formed by CEOVU and Rainbow Group, which is based on intelligent manufacturing and focuses on major enterprises in new generation information technology industry and high-end device manufacturing industry.

Location:	Located at the southern part of Zhongxiu Middle Road, the eastern part of Shilun Road, northern part of Xinsheng Road, western part of Planned Panxiang Road, Chongchuan Economic Development Zone, Nantong City, Jiangsu Province, having a site area of 259 mu and in ladder shape, with a length of approximately 341 meters in east and west side, while south and north side having a length of approximately 560 meters.
Scale:	A planned gross floor area of approximately 310,000 sq.m.
Project positioning:	To build a demonstration zone based on intelligent manufacturing and focusing on major enterprises in new generation information technology industry and high-end device manufacturing industry
Details of the project:	Mainly adjacent to lands for industrial use with various industrial parks built thereon, the location of the project enjoys geographic edge and it is for industrial use, covering 172,359.61 m^2 of the planned site area of the urban complex project of Nantong City. It has a total gross floor area of 310,340.66 m^2, of which the aboveground and underground gross floor areas are 291,578.74 m^2 and 18,761.92 m^2, respectively. It has plot ratio of 2.0, green space rate of 15%, parking lots of 1,860. The gross floor area of Phase I is approximately 80,000 sq.m.

Targets of the project:	Capitalizing the resource advantages of three parties, ie. Chongchuan Economic Development Zone, Nantong City, CEOVU and Rainbow Group, the project targets to build a demonstration zone based on intelligent manufacturing and focusing on major enterprises in new generation information technology industry and high-end device manufacturing industry. It aims to gather mid to small scale technology enterprises with growth potentials to realize City-Industry Integration and become a demonstration base for the national's intelligent manufacturing enterprises.
Progress of the project:	The project is currently under construction, with some pile foundations starting to be inspected.

CEOVU Digital Industrial Park

Location:	No. 88 Xingguang Avenue, Caidian District, Wuhan City
Scale:	The project occupies a site are of approximately 220 mu and the total GFA of the project is approximately 158,000 sq.m.
Project positioning:	Intelligent manufacturing, electronic information, new energy and intelligent connected automobiles as the leading industries.
Details of the project:	Intelligent manufacturing industry houses, high-rise research and development office buildings, industrial empowerment centers, exhibition halls, as well as relevant commercial facilities.
Project status:	As of 18 February 2021, Phase I and II of Wuhan Digital Industrial Park were completed, while the main structure of Phase III has been roof sealed. The pile foundation of Phase IV has been commenced. It is planned that by December 2022, the Phase III will be completed and put into operation and the house building of Phase IV will be completed.

Wuhan CEC Information Harbour

The first Informatization + intellectualization industrial building project

Location:	Intersection of Wuhan Guanggu Avenue and Yangqiaohu Avenue
Scale:	Overall planned area of 50 mu, gross floor area of approximately 100,000 sq.m., divided into two land piece Huisheng and Minghong.
Project positioning:	To build an innovative base for network information industrial ecology. It is planned that, by 2030, the CEC Information Harbour will attract 50 enterprises, generating production value of RMB2 billion, tax of RMB0.1 billion and employment of 10,000. The building of CEC Information Harbour will become cradle for the development of emerging industries and a driving force for regional economic growth.
Details of the project:	Research and development, light asset production, incubators, offices, facilities for industrial park and relevant auxiliary facilities
Progress of the project:	The construction of two eight-storey research and development buildings in Minghong land has been commenced on 1 August 2021, with first floor aboveground completed by the end of January 2022. It is planned to complete by the end of December 2022. The construction of three research and development buildings in Huisheng Land will be commenced in May 2022, and the completion and filing of which will be achieved by the end of October 2023

China Electronics Smart Creation Center

Location	Jingdong Avenue, Yanglou Development Zone.
Scale	The total planning site is 1,000 mu, of which the pilot area of China Electronics Smart Creation Center project occupies 300 mu and the reserved control area is 700 mu. The premiere area occupies an area of 197,700 sq.m. The total construction area is about 210,800 sq.m.
Project positioning:	Relying on China Electronics' industrial resources and core information technology, the park will build industrial ecology with space as the carrier, focusing on strategic emerging industries such as network information industry, emerging information industry, energy-saving and environmental protection, medical equipment, new materials and high-end equipment manufacturing, combining personalized service solutions of big data technology, artificial intelligence technology and cloud service, and turning the park into a platform for digital manufacturing and industrial interconnection domestically and internationally with intelligent manufacturing as the core, thus promoting industrial gathering and industrial ecology construction and realizing deep integration of industry and city.
Details of the project:	presentation center, intelligent manufacturing factory, custom-made factory, research and development office buildings, smart apartments, service center and related commercial facilities.
Project status:	As of 31 December 2021, the construction area of 53,800 sq.m. of the China Electronics Smart Creation Center Phase I.I project has been fully topped out and the construction project planning permit and building construction permit have been obtained. Phase I.II project with a construction area of 41,200 square meters has obtained the construction project planning permit and construction permit in August 2021, and Phase II project has completed land bidding and listing.

BRIEFINGS ON STATUS OF OTHER PROJECTS UNDER DEVELOPMENT

Wuhan Creative Capital

Location:	Located at No.16, Yezhihu West Road, Hongshan District, Wuhan (between Wuhan Second Ring Road and Third Ring Road).
Scale:	Capital occupies a total site area of approximately 291 mu, with a planned construction area of 387,000 sq.m.
Project positioning:	A creative industrial clustering complex integrating arts, culture and commerce
Details of the project:	It includes high-rise office buildings, creative workshops, artists' studios, theaters, creative streets, commercial centers, boutique art hotels, food and beverage anchor stores, art outlets, and OVU Creative Star. Phase I of the project has been completed and put into operation, and Phase II of the project is under planning. It is expected to have a total area of 800,000 sq.m. after completion, which is the largest and most functional creative and innovative themed park in China with the integration of technology and culture.
Target of the project:	According to the plan, the planned construction scale of Phase II of Wuhan Creative Capital is 1 million sq.m., which will gather over 3,000 enterprises. Building on the already formed game industry cluster, the Capital will further develop an space within the capital which incorporates games, webcasts, film and television incubation, art museum and gallery, so as to drive cultural integration, build an industrial cluster for emerging cultures and form the national digital creative industrial land with an area of 1 million sq.m.
Latest status:	The capital has gathered a comprehensive cultural creative industrial chain which includes original arts, industrial designs, fashion designs, engineering designs, garden designs, space designs, advertisement designs, digital media, cultural publishing, games, webcasts, film and television, etc.

Optics Valley Science and Technology Union City

Being a demonstration zone for integration and technological result transformation of emerging industries jointly built by three parties Wubei Science and Technology Department, National-level Gedian Development Zone of Erzhou City and CEOVU.

Location:	Located at Fazhan Avenue, Gaoxinsan No. 3 Road, National-level Gedian Economic and Technology Development Zone
Scale:	A planned gross floor areas of approximately 1,200,000 sq.m.
Project positioning:	To build a demonstration zone for integration and technological result transformation of emerging industries
Details of the project:	Including separate research and development and production center, high-rise research and development headquarters, creative platform for modern industrial services, and auxiliary facilities such as canteens, apartments, activity centers.
Target of the project:	Capitalizing the resource advantages of three parties, ie. Wubei Science and Technology Department, National-level Gedian Development Zone of Erzhou City and CEOVU, the project targets to build a scientific park focusing on Optoelectronic information, intelligent device manufacturing, new materials, e-commerce, and gathering mid to small scale enterprise with high growth potentials, so as to form a city-industry integrated demonstration base of national technology enterprise accelerator.
Progress of the project:	As of 31 December 2021, 373,000 sq.m. of the project has been completed with over 80 enterprises entering. It has currently formed a emerging industrial clusters gathering chip technology enterprises (representative: Wuhan Aroptics-tech), new material technology enterprise (representative: 拓材科技), intelligent device manufacturing technology enterprises (representative: TONTEC) and biotechnology enterprise (representative: Binhui Biopharm, Taike Biotechnology).

III. INDUSTRIAL INVESTMENT

Huada Beidou, a company invested by CEC Optics Valley (Shenzhen) Industry Development Co., Ltd.* (中電光谷(深圳)產業發展有限公司), is mainly engaged in the design, integration, production, testing, sales of computer chips, algorithm, module and end products and other related businesses. At the end of 2021, Huada Beidou completed Round C financing with pre-investment valuation of RMB4.0 billion by introducing five investors including China Development Bank Technology Venture Capital Co., Ltd. and Guangdong Li Feng Chuang Xin Venture Investment Cooperation Enterprise (Limited Partnership)* (廣東立豐創芯創業投資合夥企業(有限合夥)). After the completion of such capital injection, the Group's shareholding proportion was adjusted to 9.78%. The accounting treatment of Huada Beidou had changed from long term equity investment to financial asset at fair value, and an aggregate investment income of RMB363.4 million was recognized.

Easylinkin Technology, a company jointly investment by Wuhan Optics Valley United Group Company Limited and OVU Fund (wholly invested by the Group), is a leading integrated service provider of low-power wide-area internet in China, forming an influential low-power wide-area internet industry chain in China. Easylinkin Technology has completed its business transformation during the Reporting Period, and has launched the LinkOS system that built an industrial alliance composed of more than 400 enterprises. In September 2021, Easylinkin Technology completed Round C+ financing with post-investment valuation of RMB1.6 billion. This round of financing introduced seven investors such as Hubei Changjiang Zhao Yin Wen Chuang Equity Investment Fund Cooperation Enterprise (Limited Partnership)* (湖北長江招銀文創股權投資基金合作企業（有限合夥)), Shenzhen Capital Group Co., Ltd.and Shenzhen Han Xing You Xuan Jie Li Investment Cooperation Enterprise (Limited Partnership)* (深圳漢興優選接力投資合作企業(有限合夥)). Upon completion of capital injection, the Company's shareholding proportion in Easylinkin Technology was 15.8%.

Lingdu Capital, a controlled subsidiary of the Group was in full charge of operating and managing certain industrial investment funds initiated and established by the Group's OVU Fund and relevant government and institutions. For the year ended 31 December 2021, the scale of industrial funds managed by Lingdu Capital exceeded RMB1,300.0 million, so as to build an industrial ecosystem featuring information technology application innovation and network security, digital cities, smart hardware, military-civilian integration, and network audio-visual. During the Reporting Period, the fund company managed by Lingdu Capital newly invested in Shenzhen Haiyong High-tech Materials Technology Co., Ltd.* (深圳海容新材料科技有限公司), Hubei Zhong'e Feilu Technology Co., Ltd.*(湖北中鄂飛鹿科技有限責任公司) etc.

The Group, together with Zhongjin Capital Operation Co., Ltd.* (中金資本運營有限公司) and others, established CEC & CICC (Xiamen) Electronic Industry Equity Investment Management Co. Ltd.* (中電中金(廈門)電子產業股權投資管理有限公司), which is responsible for the establishment and management of the fund of CEC & CICC. CEC & CICC, with a total fund scale amounting to RMB5,000.0 million, focuses on the value chain of advanced manufacturing industries related to semiconductors and electronics, and is complementary to its investment portfolio in small and medium sized innovative technology companies. The investments in 11 projects including Shanghai GTA Semiconductor Co., Ltd.* (上海積塔半導體有限公司), Wasion Electric Co., Ltd.* (威勝電氣有限公司) and Xiamen Sky Semiconductor Technology Co. Ltd.* (廈門雲天半導體科技有限公司), have been completed in 2021.

The industrial investment business has constituted an important part of the profit of CEOVU and has become a strong supporting segment for the transformation of the Company. Meanwhile, the industrial investment business has further boosted the development of the regional economy, generating sound synergies in respect of investment promotion in the industrial parks.

Full Name of Invested Companies	Intended total investment amount (RMB0'000)	Accumulated investment amount (RMB0'000)	Shareholdings
Wuhan Easylinkin Technology Co., Ltd.	180.39	180.39	1.79%
Wuhan Xunniu Technology Company Limited	600.00	600.00	8.99%
Shenzhen Pude Technology Co., Ltd.	200.00	200.00	2.59%
Wuhan Shiyipingmi Investment Company Limited	11.00	11.00	50.00%
Beijing Wanyi Technology Co., Ltd.	572.00	572.00	20.80%
Wuhan Qingchun Rancheng Cultural Development Co., Ltd.	198.00	198.00	39.60%
Changsha Embedded Electronic Technology Co., Ltd.	990.00	990.00	15.23%
Pearl Jiu Information Technology Limited	1,984.50	1,984.50	28.15%
Nantong Xingrui Pulian Technology Co., Ltd.	995.00	995.00	29.85%
Wuhan Xinzheku Electronic Commerce Co., Ltd.	796.00	796.00	15.85%
Wuhan Shifei Technology Co., Ltd.	693.00	693.00	14.36%
Wuhan Lishicheng Robotic Technology Co., Ltd.	825.00	825.00	24.75%
Shanghai Jiayun Information Technology Co., Ltd.	445.50	445.50	9.19%
Hunan Coollu Network Technology Co., Ltd.	896.40	896.40	20.06%
Wuhan Forworld Technology Limited	227.10	227.10	30.00%

Full Name of Invested Companies	Intended total investment amount (RMB0'000)	Accumulated investment amount (RMB0'000)	Shareholdings
Wuhan Beisi Kai'er Information Technology Co., Ltd.	297.00	297.00	14.85%
Wuhan Ball Way Co., Ltd.	485.00	485.00	8.90%
Wuhan Dafeng Xiongdi Network Technology Co., Ltd.	582.00	582.00	7.70%
Wuhan Linptech Co., Ltd.	1,038.00	1,038.00	8.48%
Wuhan Dao Sen Media Co., Ltd.	1,980.00	1,980.00	5.43%
Hangzhou Samdi Science & Technology Co., Ltd.	594.00	594.00	19.80%
Shanghai Xiaozhuo Robot Co., Ltd.	396.00	396.00	9.28%
Wuhan Yiyantang Cultural Communication and Development Co., Ltd.	297.00	297.00	15.67%
Wuhan Hanxi Technology Co., Ltd.	500.00	500.00	9.50%
Shenzhen Haiyong High-tech Materials Technology Co., Ltd.	485.00	485.00	3.59%
	16,267.89	16,267.89	

Note: Only refers to the investment of OVU Fund managed by Lingdu Capital

OUTLOOK OF 2022

2022 is a year of acceleration and upgrade of the realization of the planned targets of "14th Five-Year Plan". Led by the core power of the CEC's national network information industry and the strategic objectives of the organizational platform, the Group will uphold the idea of industrial resource sharing, speed up the improvement of the strategic structure of "One Body Two Wings (一體兩翼)", and, by incorporating theory with practice, continue to develop the methodology of "Systematic Planning (系統規劃)", "Integrated Operation (綜合運營)" and "Responsive Customization" (敏捷定制). It aims at receiving public recognition with the value concept of "customer-oriented" and "striver-based" and the spirit of "honesty and self-discipline", and by using reformation and innovation as basic driving force, strives to enhance the overall coordination capability of the operational management of the headquarters and further stimulate the dynamic of each operational unit, in order to achieve the target of reaching a new level in overall operating performance in 2022.

With "stable foundation, stable efficiency, stable momentum" as our fundamental operating strategies, strictly control gearing ratio and maximizing our efforts in ensuring positive cash flow

In 2022, the Group will continue to ulitilize the industrial park development business as the ballast of the Group's business, and, on top of the five ballasts, namely Qingdao Optics Valley Union Development Co., Ltd.* (青島光谷聯合發展有限公司), Hefei Optics Valley Union Development Co., Ltd.* (合肥光谷聯合發展有限公司), Chengdu Chip Valley Industrial Park Development Co. Ltd.* (成都芯谷產業園發展有限公司), Changsha CEC Industrial Park Development Co., Ltd.* (長沙中電產業園發展有限公司) and Shanghai Huayue Investment and Development Co., Ltd.* (上海華悅投資發展有限公 司), two ballasts will be added; and confirm "Responsive Customization (敏捷定制)" as our grasp of the changing means of industrial park development. After years of condensation, the industrial park operating business will enter a stage of rapid growth and development in 2022, with the second curve effect gradually revealing itself. Indicators such as profit margin, return on equity and internal rate of return will achieve stability and progress favourably.

Further enhancing team dynamics, improving team operating ability, accelerating the strategic value of cross-region collaborative commercial mechanism, establishing long-term advantage in strategic competition

In 2022, the Group will further optimize its emoluments and incentive system and try to operate "partnership system" in one to two projects as pilot projects while expanding the scope of the trial run of "OKR" (Objectives and Key Results); improve team ability by systematic training, exert more effort in appointing young management staff, accelerate the introduction of quality talents, establishing a number of management team in order to adapt to the need of business development of the Group; promote the second stage of the establishment of the cross-region commercial system, establishing cross-region business teams in three cities namely, Wuhan, Shanghai and Shenzhen, further deepening the internal collaboration in the two large regions in the south and the north, constituting the competitive advantage of the Group's long-term strategy.

Promoting "P+EPC+O" development model for the integrated operation of the entire industrial chain

Being the first track for the transformation of integrated operation, "P+EPC+O" focuses on three areas: planning, development center and design institute, southern district and industrial cooperation center, northern district and industrial economic research institute, and accelerates development by using standardized way of organization. In 2022, building on the established construction management and investment promotion work for the integrated operation project, the Group will facilitate growth by using the way of organization with higher effectiveness and further confirm a series of new projects, striving to realize commencement of over 6 "P+EPC+O" projects.

Speeding up integration with digitalization as the core power to form the second track for integrated operation transformation

Using digitalizing as the core power and boosted by the optimized way of organization, the Group will accelerate the transformation of integrated operation by following the second track to build diversified system for effectiveness improvement, pioneering system, internal assessment and settlement system, so as to facilitate segmental effect of "5+5" integrated operation structure, and to generate the core power for industrial chain services through new driving force arising from internal integration.

Financial Review

Revenue

The revenue of the Group is generated from the income from industrial park development services and industrial park operation services. During 2021, the revenue of the Group was RMB4,530.6 million, which increased by RMB1,482.0 million from the same period in 2020, representing an increase of 48.6%.

The following table sets forth the revenue of the Group by business segment:

	For the year ended 31 December			
	2021		2020	
	Revenue (RMB'000)	**% of total**	Revenue (RMB'000)	% of total
Industrial park operation services	**2,149,457**	**47.4**	1,597,949	52.4
Design and construction services	**726,704**	**16.0**	440,544	14.4
Property management services	**759,455**	**16.7**	623,435	20.4
Industrial park properties leasing	**290,731**	**6.4**	219,326	7.2
Energy services	**120,298**	**2.7**	85,363	2.8
Group catering and hotel services	**104,501**	**2.3**	79,027	2.6
Others	**147,768**	**3.3**	150,254	5.0
Industrial parks development services	**2,381,111**	**52.6**	1,450,669	47.6
Total	**4,530,568**	**100.0**	3,048,618	100.0

Industrial Park Operation Services

In 2021, the Group provided integrated operation services, such as design and construction services, property management services, industrial park properties leasing, energy services, and other services, for key projects of local government platform companies or large enterprises, and offered a variety of one-stop industrial park operation services to enterprises stationed in our industrial parks. The revenue of the industrial park operation services of the Group reached RMB2,149.5 million, representing an increase of 34.5% as compared to the same period of 2020, among which, revenue from design and construction services reached RMB726.7 million, revenue from property management services reached RMB759.5 million, revenue from industrial park properties leasing services reached RMB290.7 million and revenue from energy services, group catering and hotel services and other services reached RMB372.6 million. In terms of composition, the income from design and construction services, property management services and industrial park properties leasing services accounted for 82.7% of the income from industrial park operation services, and is the major source of income of industrial park operation services currently.

Industrial Park Development Services

In 2021, the revenue from industrial park development services was RMB2,381.1 million, representing an increase of 64.1% as compared to the same period of last year. The booked sales was 367,000 sq.m. and continues to play the role of anchor.

COST OF SALES

Overview

Cost of sales primarily consisted of (i) cost of properties sold in respect of the Group's sales of industrial parks (mainly includes land acquisition costs, construction costs, capitalized interest and other costs for fair value adjustment in relation to acquisition of project companies), (ii) cost of construction services and (iii) cost of industrial park operation services.

During 2021, cost of sales of the Group was RMB3,232.6 million, which increased by RMB1,121.8 million as compared to the same period of 2020. For the years ended 31 December 2020 and 2021, cost of sales of the Group accounted for approximately 69.2% and 71.4% of the Group's revenue, respectively.

Cost of Sales of Industrial Parks

Cost of sales of industrial parks consisted primarily of costs incurred directly from the Group's property development activities, including land acquisition costs, construction costs, capitalized interest and other costs for fair value adjustment in relation to acquisition of project companies.

During 2021, the cost of properties sold of the Group was RMB1,556.4 million, which increased by RMB732.3 million as compared to the same period of 2020. For the years ended 31 December 2020 and 2021, cost of properties sold of the Group accounted for 39.0% and 48.1% of its total cost of sales, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, during 2021, overall gross profit of the Group was RMB1,298.0 million, which increased by RMB360.2 million as compared to the same period of 2020. During 2021, overall gross profit margin was 28.6%, decreased by 2.2% as compared to 30.8% of last year.

Other Income and Gains/(Losses) – Net

During 2021, other income and gains, net of the Group was RMB485.3 million, representing an increase of 80.9% as compared to the same period of 2020, primarily due to the recognition of various government subsidies of RMB117.6 million, investment income of RMB363.4 million was realized from the disposal of part of the equity interest in Huada Beidou and the transfer of the equity interest in Huada Beidou from long-term equity investment to financial assets held for trading.

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of advertising and promotional expenses, sales and marketing staff cost, travel and communication expenses, office administration expenses, depreciation expenses and others.

During 2021, selling and distribution expenses of the Group was RMB129.6 million, which increased by 14.0% as compared to the same period of 2020. For the years ended 31 December 2020 and 2021, selling and distribution expenses of the Group accounted for approximately 3.7% and 2.9% of the Group's revenue, respectively.

Administrative Expenses

Administrative expenses primarily consisted of administrative staff costs, office administration expenses, travelling expenses, meeting and communication expenses, other indirect taxes, depreciation and amortization expenses, professional fees, and others.

During 2021, administrative expenses of the Group was RMB450.1 million, which increased by 45.1% as compared to the same period of 2020. For the years ended 31 December 2020 and 2021, the administrative expenses of the Group decreased by 0.3 percentage points as compared to the same period of last year and accounted for approximately 9.9% of the Group's revenue.

Fair Value Gains on Investment Properties

During 2021, gains from changes in fair value on the Group's investment properties were RMB51.1 million, which decreased by RMB34.6 million as compared to the same period of 2020, primarily due to: (1) the addition of investment properties during the year were mainly properties under construction, which have a relatively small valuation gain; (2) certain investment properties in Qingdao OVU Marine International Information Harbour* (青島光谷國際海洋信息港) and Wuhan Creative Capital* (武漢創意天地) were disposed during the year.

Finance Income

During 2021, finance income of the Group was RMB77.5 million, which decreased by RMB0.9 million as compared to the same period of 2020.

Finance Costs

During 2021, finance costs of the Group was RMB271.1 million, which increased by RMB30.6 million as compared to the same period of 2020, primarily because the relevant interests on borrowings of the relevant projects ceased capitalization upon completion of projects in Xian Industrial Park, Hefei Financial Harbour, Chengdu Chip Valley and Qingdao Innocenter and were transferred to financing costs.

Share of Profits of Associates

During 2021, the profits of associates shared by the Group was RMB76.2 million, mainly comprising the recognition of investment income of the associate CEC& CICC by the Group using the equity method. Such profit represented a decrease of RMB48.7 million as compared to that of the same period of 2020, primarily because of the decreased share of profits of Hainan Software Community.

Share of Profits of Joint Ventures

In 2021, the Group had a share of profits of joint ventures of RMB23.8 million, representing an increase of RMB16.3 million as compared to the same period of 2020, which primarily consisted of the Group's share of profits from Ningbo Excellence Optics Valley Real Estate Co., Ltd.* (寧波卓越光谷置業有限公司).

Income Tax Expense

During 2021, the Group's income tax expense was RMB472.3 million, representing an increase of RMB195.8 million over the same period of 2020, mainly due to an increase in revenue from the industrial park development business and an increase of RMB55.4 million in the expenditure of LAT, where the effective tax rates of the Group were 33.8% and 43.5% in 2020 and 2021, respectively.

Profit Attributable to Owners of the Company and Core Net Profit

As a result of the foregoing, the profit attributable to owners of the Company for the year was RMB640.2 million, representing an increase of RMB175.9 million over the same period of 2020. After deducting the after-tax fair value changes from the investment property of RMB38.3 million, the core net profit attributable to owners of the Company was RMB601.9 million.

Basic Earnings Per Share

The basic earnings per share increased from RMB6.13 cents in 2020 to RMB8.45 cents in 2021.

FINANCIAL POSITION

Properties under Development

As at 31 December 2021, the carrying amount of the Group's properties under development was RMB3,904.6 million, which increased by RMB1,108.0 million as compared to that as at 31 December 2020.

Completed Properties Held for Sale

As at 31 December 2021, the carrying amount of completed properties held for sale of the Group was RMB2,707.3 million, which decreased by RMB491.5 million as compared to that as at 31 December 2020, the main reason for which is that the increase in the carrying amount of completed projects of the Group during the year was lower than the operating costs carried forward of the properties sold during the year.

Trade and Other Receivables

As at 31 December 2021, the Group's trade and other receivables was RMB2,356.7 million, which increased by RMB39.1 million as compared to that as at 31 December 2020 and representing 11.1% of the total assets.

Trade and other Payables

As at 31 December 2021, the Group's trade and other payables was RMB4,532.3 million, which increased by RMB1,253.1 million as compared to that as at 31 December 2020, primarily due to the increased construction payables as a result of the increased progress in construction.

Liquidity, Financial Resources and Capital Resources

The Group primarily uses cash to pay for construction costs, land costs, infrastructure costs and finance costs incurred in connection with its industrial park developments, to service its indebtedness, and fund its working capital and general recurring expenses. The Group primarily has cash generated through pre-sale and sale of its properties, proceeds from bank loans and other borrowings and proceeds from the Company's issue of short-term notes. For further details of the Group's corporate bonds and borrowings, please refer to notes 26 and 27 to the consolidated financial results of the Group.

In 2021, the Group's net cash inflow from operating activities was RMB155.7 million, which was mainly due to the implementation of our strategies of "responsive customization (敏捷定制)" and organized supply chain financial solutions during the year, which adhered to the Group's bottom-line principle of maintaining a positive operating cash flow.

In 2021, the Group's net cash outflow from financing activities was RMB430.7 million, which was mainly from the proceeds from the Company's issuance of short-term notes and new bank borrowings drawn, of which the cash outflow comprises the repayment of bank borrowings, other borrowings, as well as the payment of interests and dividends.

As at 31 December 2021, the authorized capital of the company was HK$1,000.0 million divided into 10,000,000,000 shares of HK$0.10 each. Movements of the Company's ordinary shares are set out in note 30 to the consolidated financial results of the Group.

KEY FINANCIAL RATIOS

Current Ratio

The current ratio of the Group (being total current assets divided by total current liabilities) increased from 1.27 as at 31 December 2020 to 1.35 as at 31 December 2021, which was primarily because, in 2021, the increase in the Group's current assets was higher than the increase in the Group's current liabilities.

Net Gearing Ratio

The net gearing ratio of the Group (being the rate of interest-bearing debt less total cash to the sum of total equity and net interest-bearing debt, and multiplied by 100%) decreased from 30.1% as at 31 December 2020 to 27.2% as at 31 December 2021. The ratio is still within the range of controllable risk.

Indebtedness

As at 31 December 2021, the Group's total outstanding indebtedness was RMB5,360.1 million, which have decreased by RMB250.1 million as compared to that as at 31 December 2020.

As at 31 December 2021, the Group's unutilized banking facilities amounted to RMB1,458.8 million and unutilized other borrowings amounted to RMB3,750.0 million.

Contingent Liabilities

The Group provides guarantees for its customers' mortgage loans with PRC banks to facilitate their purchases of the Group's pre-sold properties. As at 31 December 2020 and 31 December 2021, the outstanding guarantees for mortgage loans granted to customers of its pre-sold properties were approximately RMB876.9 million and RMB463.4 million, respectively. The Group is comprehensively sorting out its contingent liabilities and urging customers in an orderly manner to apply for property certificates, in order to release its mortgage guarantee risks in time.

Net Current Assets

Current assets of the Group consist primarily of properties under development, completed properties held for sale, trade and other receivables, inventories and contracted work-in progress, short-term deposits with original maturities over three months, restricted assets and cash and cash equivalents. Total current assets of the Group were RMB12,320.9 million as at 31 December 2021, as compared to RMB11,069.4 million as at 31 December 2020. Our current assets remain stable. As at 31 December 2020 and 31 December 2021, aggregate cash and cash equivalents of the Group amounted to RMB2,125.0 million and RMB2,155.1 million, respectively, representing an increase of RMB30.1 million as compared to that of last year, mainly due to the increase of cash flow in the operating activities of the Group.

Current liabilities of the Group consist primarily of trade and other payables, loans and borrowings, the current portion of deferred income and current tax liabilities. Trade and other payables mainly represent costs related to its development activities. Total current liabilities of the Group were RMB9,128.0 million as at 31 December 2021, as compared to RMB8,728.2 million as at 31 December 2020.

As at 31 December 2021, the Group had net current assets of RMB3,192.8 million as compared to RMB2,341.2 million as at 31 December 2020.

Capital Expenditures and Capital Commitments

Capital expenditure of the Group decreased by RMB62.3 million from RMB110.0 million in 2020 to RMB47.7 million in 2021. Capital expenditures of the Group were primarily related to expenditure for purchases of property, plant and equipment and purchases of intangible assets. The Group primarily financed its expenditures through internally generated cash flows, being primarily cash generated through pre-sale and sale of its properties and cash from bank loans and other borrowings.

As at 31 December 2020 and 31 December 2021, the Group's outstanding balances of its commitments related to property development expenditure and investment were RMB982.7 million and RMB885.7 million, respectively.

Major investments in financial assets at fair value through profit or loss

The Group invests in certain financial instruments (including short-term and long-term investments). As of 31 December 2021, the total financial assets at fair value through profit and loss were approximately RMB888.2 million (31 December 2020: approximately RMB617.1 million). As of 31 December 2021, the Group did not have any individual major investments with fair value accounting for 5% or more of the Group's total assets.

Material Acquisitions

For the year ended 31 December 2021, the Group did not have any material acquisition of subsidiaries, associates and joint ventures.

Material Disposals

For the year ended 31 December 2021, the Group did not have any material disposals of subsidiaries, associates and joint ventures.

Significant Events After the End of the Year

There are no significant subsequent events occurred that materially affect the Group's financial condition or operation following the Reporting Period and up to the date of this announcement.

Employees

As at 31 December 2021, the Group had 7,799 full-time employees. The employment cost of the Group was approximately RMB765.1 million for the year ended 31 December 2021. The Group entered into employment contracts with its employees to cover matters such as position, terms of employment, wages, employee benefits and liabilities for breach and grounds for termination. The remuneration package of the employees includes basic salaries, allowances, bonuses and other employee benefits. The Group has implemented measures for assessing employees' performance and promotion and a system of employee compensation and benefits.

The remuneration packages of employees include salaries and bonuses. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority.

Pursuant to the relevant labor rules and regulations in PRC, the Group participates in statutory contribution pension schemes which are administered and operated by the relevant local government authorities. The Group is required to make contributions to such schemes from 16% to 20% of the average salary announced annually by the local municipal government. The local government authorities are responsible for the entire pension payable to retired employees. The Group's contributions to the statutory contribution pension schemes are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in such contributions.

Pledged Assets

As at 31 December 2021, the Group had pledged certain of its assets with a total net book value of RMB5,663.2 million for the purpose of securing outstanding bank borrowings and corporate bonds, including investment properties, properties under development for sale, completed properties held for sale and property, plant and equipment and restricted cash.

Market Risks

The Group, in the normal course of business, is exposed to market risks, primarily credit, liquidity, interest rate and currency risks.

Liquidity Risk

The Group reviews its liquidity position on an ongoing basis, including expected cash flow, sale/presale results of its respective property projects, maturity of loans and the progress of planned property development projects.

Interest Rate Risk

The Group is exposed to interest rate risks, primarily relating to its bank loans and other borrowings, which had an outstanding amount of RMB5,360.1 million as at 31 December 2021. The Group undertakes debt obligations to support its property development and general working capital needs. The interest rate of interest-bearing liabilities has dropped from 5.4% in 2020 to 5.1% in 2021, and the cost of interest rates has been further effectively controlled.

Foreign Exchange Risk

The Group's functional currency is Renminbi and mostly all of the Group's revenue, expenses, cash, deposits and borrowings are denominated in Renminbi. The Group's exposure to currency exchange risks arises from certain of its cash and bank balances which are denominated in Hong Kong dollar. In the event of a depreciation of the Hong Kong dollar against Renminbi, the value of its cash and bank balances in Hong Kong dollar will decline. In addition, if the Group maintains any foreign currency denominated assets or liabilities, including raising any foreign currency-denominated debts, fluctuations in Renminbi exchange rates will have an impact on the value of such assets and liabilities, thus affecting its financial condition and operation performance result. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposure regularly and considers that the Group's exposure to its foreign exchange risk is not significant.

Credit Risk

The Group is exposed to credit risk, primarily attributable to trade and other receivables. With respect to leasing income from its investment properties, the Group believes the deposits held by the Group is sufficient to cover its exposure to potential credit risk. An aging analysis of receivables is performed on a regular basis, which the Group monitors closely to minimise any credit risk associated with these receivables. The Group has no concentration of credit risk in view of its large number of customers. The Group did not record significant bad debt losses during the year.

EVENT AFTER BALANCE SHEET DATE

For the major events that occurred after the balance sheet date, please refer to note 38 to the Consolidated Financial Statements on page 229.

Investor Relations

The Group maintained effective communication with Shareholders and investors as well as information transparency. To enhance communication between investors, following its listing, the Group set up a special institution dedicated to establishing effective communication channels for Shareholders and investors. The Group also set up an information disclosure group that consists of responsible persons from the relevant departments of the Group, with an aim to better strengthen the leadership in information disclosure and improve the transparency and standardization of information disclosure of the Group.

In addition to the publication of interim and annual results, the Group also makes use of other means, such as e-mails, telephone meetings, investor meetings and project on-site visits, to ensure that Shareholders and investors have access to the Group's latest information. In the meantime, we seek to obtain market feedbacks on the Group through communications with investors, which will enhance the Group's managerial decision-making process and allow us to provide better information services to investors.

As of the Latest Practicable Date, the Board consists of nine Directors, including, five non–executive Directors, three independent non-executive Directors and one executive Director.

The following sets forth the profile of the Directors and senior management of the Company during the Reporting Period and up to the Latest Practicable Date:

NON-EXECUTIVE DIRECTORS

Mr. Liu Guilin (劉桂林), aged 50, was appointed as a non-executive Director and the chairman of the Company on 26 November 2020, and was appointed the chairman of the nomination committee of the Company on 22 December 2020. Mr. Liu graduated from Peking University with an Executive Master of Business Administration. Mr. Liu was previously a cadre, deputy director of manager's office, manager of Tianjin company, assistant-to-manger and manager of Tianjin company, assistant-to-manger and manager of Qinhuangdao company, deputy general manager and a member of the Party Committee of Shanxi Coal Imp. & Exp. Group Co., Ltd.* (山西煤炭進出口集團公司), the vice-chairman of the board, a member of the Party Committee and the general manager of Shanxi Commerce and Assets Company* (山西省經貿資產經營公司), the vice-chairman of the board, a member of the Party Committee and the general manager of Shanxi Commerce and Investment Holding Group Co., Ltd* (山西省經貿投資控股集團有限公司), secretary of committee of China Ruida System Equipment Company* (中國瑞達系統裝備公司), the Secretary of the Party Committee, the Secretary of the Party Committee and the vice general manager of China Ruida Investment Development Group Co., Ltd* (中國瑞達投資發展集團有限公司), and Director of Party and Masses' Affairs Department (Party Group Office), director of the General Office and Director of Party Building Department (Party Group Office) of China Electronics* (中國電子).

Mr. Liu currently holds a number of positions within the group of China Electronics* (中國電子), including the chairman of the board and the Secretary of the Party Committee of China Electronics International Information Service Co., Ltd.* (中國中電國際信息服務有限公司). Mr. Liu is also the chairman of the board of directors of Shenzhen SED Industry Co., Ltd.* (深圳市桑達實業股份有限公司) (a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000032)).

Mr. Xiang Qunxiong (向群雄), aged 57, was appointed as a non-executive Director, a member of the audit committee on 26 November 2020 and was appointed as a member of the remuneration committee of the Company on 8 September 2021. Mr. Xiang is currently the chairman of the board and the Secretary of the Party Committee of China Electronics Shenzhen* (深圳中電投資) (an indirect subsidiary of CEC). Mr. Xiang previously held various positions in Shenzhen CEC including the legal consultant, the deputy director-in-charge of the legal affairs department, the head of the general manager's office, the head of legal affairs department, a director, a supervisor and the vice general manager. Mr. Xiang also held various positions in CEIS, including the director of the office of directors and supervisors, the secretary to the board of directors and the principal legal consultant. Mr. Xiang had been a non-executive director from December 2016 to May 2020.

Mr. Xiang was admitted to practise law in the PRC and is a registered corporate lawyer. Mr. Xiang was granted the second class legal consultant title for state-owned companies of the PRC in January 2015 and was appointed as an arbitrator of Shenzhen Court of International Arbitration (also known as the "Shenzhen Arbitration Commission" and the "South China International Economic and Trade Arbitration Commission") in November 2018. Mr. Xiang graduated from Zhongnan University of Economics and Law (formerly known as Zhongnan Institute of Politics and Law) in January 1993 and held a master's degree in law.

Mr. Zhang Jie (張傑), aged 52, is a non-executive Director appointed on 12 June 2014. Mr. Zhang has over 23 years of experience in real estate management. Mr. Zhang is currently the vice general manager of the pension and property centre of Sunshine Insurance Group Corporation Limited* (陽光保險集團股份有限公司), a shareholder of the Company, the chairman of Beijing Sunshine Ronghe Property Company Limited* (北京陽光融和置業有限公司), and the director and general manager of Hainan Sunshine Yihe Development Company Limited* (海南陽光頤和發展有限公司) and Hainan Sunshine Xinhai Development Company Limited* (海南陽光鑫海發展有限公司), both being subsidiaries of Sunshine Insurance Group Corporation Limited. Mr. Zhang worked with COFCO Corporation (中糧集團有限公司) from August 1993 to November 2011, during which he served as the assistant manager of three departments at COFCO Property Development Company Limited* (中糧置業發展有限公司), namely the management department, the technology and equipment department and the director of engineering, assistant to the president and subsequently vice president of Sanya Yalong Development Company Limited* (三亞亞龍灣開發股份有限公司). Mr. Zhang served as the general manager of the property construction and operation centre of Sunshine Insurance Group Corporation Limited*. He was a committee member of the Sanya Municipal Committee of the Fifth Chinese People's Political Consultative Conference from January 2007 to January 2012 and a member of the Standing Committee of the Sanya Municipal Committee of the Sixth Chinese People's Political Consultative Conference from January 2012 to January 2017, and he has been a committee member of the Sanya Municipal Committee of the Seventh Chinese People's Political Consultative Conference since January 2017. Mr. Zhang has also been the vice president of the Sanya Real Estate Association since 2002.

Mr. Zhang graduated from Tsinghua University with a bachelor's degree in engineering in June 1993, and obtained a master's degree in engineering majoring in real estate management from Tsinghua University in May 2004. Mr. Zhang obtained a certificate of national registered real estate appraiser issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China in May 1998, and a certificate of supervising engineer issued by the Beijing Municipal Commission of Housing and Urban-Rural Development in December 1998.

Ms. Sun Ying (孫穎), aged 39, is a non-executive Director appointed on 22 March 2018. Ms. Sun is currently the deputy general manager (副總經理) of Hubei Science & Technology Investment, a shareholder of the Company. Ms. Sun previously worked at the deputy division level (副科級) and division level (正科級) of Wuhan East Lake High-tech Development Zone Development and Reform Bureau* (武漢東湖新技術開發區發展改革局) from April 2010 to September 2016. Ms. Sun is a member of China Zhi Gong Party* (致公黨黨員). Ms. Sun graduated from University of Freiburg (Albert-Ludwigs-Universitat Freiburg im Breisgau) in 2009 with a master's degree in national economics and from Huazhong University of Science and Technology (華中科技大學) in 2015 with a doctor's degree in western economics.

Mr. Hu Bin (胡斌), aged 53, was re-designated as from an executive Director to a non-executive Director and ceased to act as the executive president with effect from 8 September 2021. He is currently a chairman of Hubei Technology Enterprise Accelerator Co., Ltd.* (湖北科技企業加速器有限公司) and Tianjin China Electronics Optics Valley Development Co., Ltd.* (天津中電光谷發展有限公司). Mr. Hu joined the Company in 1997 and was appointed as a Director on 6 March 2014. He is responsible for assisting the president of the Group on the overall business operation and management. He has been a vice general manager of OVU since 1997 and a director of Wuhan OVU since July 2005 (including serving as a vice chairman since May 2011). Mr. Hu has 22 years of experience in business management. Mr. Hu graduated from Hubei University of Economics (湖北經濟學院) (formerly known as Hubei Planning and Management Cadres College (湖北省計劃管理幹部學院)) in the bachelor's program of national economic management and from South-Central University for Nationalities (中南民族大學) in the master's program of China's ethnic economy in June 2003. He obtained the qualification as a senior economist in real estate. Mr. Hu was awarded One of the China Real Estate Top 100* (中國房地產百傑) in 2006 and Medal of May Day Honorable Workers in Wuhan* (武漢五一勞動獎章) in April 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Min (齊民), aged 71, is an independent non-executive Director appointed on 28 March 2014. Mr. Qi is currently a member of the remuneration committee, the audit committee and the nomination committee. Mr. Qi previously worked in Hubei Provincial Bureau of Statistics, general office, research office of Hubei Provincial Government, and served as a director of fiscal office of CPC Hubei Province. He served as a director and a vice general manager of Hubei Qingjiang Hydroelectric Development Co., Ltd.* (湖北清江水電開發有限責任公司), a director and the vice general manager of Wuhan Hi-Tech Holding Group Co., Ltd.* (武漢高科國有控股集團有限公司), the chairman of board of directors of Wuhan Sante Cableway Group Co., Ltd.* (武漢三特索道集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Shenzhen stock code: 002159) and a director of Hubei Taizi Mountain Hunting Culture Co., Ltd* (湖北太子山狩獵文化股份有限公司) (NEEQ: 870746). He was formerly a part-time professor of Huazhong University of Science and Technology* (華中科技大學) (formerly known as Huazhong Univesity of Science* (華中理工大學)). Mr. Qi is also the vice president of Hubei Association of Economics, and a supervisor of Humanwell Healthcare Group Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock code: 600079). Mr. Qi obtained his bachelor's degree in economics from Wuhan University (武漢大學) in August 1982 and obtained his doctor's degree in economics from Huazhong University of Science and Technology (華中科技大學) in June 2002. He was granted the qualification as a senior economist. Mr. Qi was granted the award China's Outstanding Entrepreneur in Technology Companies in November 2002.

Mr. Qiu Hongsheng (邱洪生) (former name: Qiu Hongbin (邱洪賓)), aged 57, is an independent non-executive Director appointed on 10 March 2020. Mr. Qiu is currently the chairman of the audit committee and a member of the nomination committee. Mr. Qiu is an executive director and the general manager of China Consultants of Advisory and Finance Management Co., Ltd (中華財務諮詢有限公司) and a visiting professor of Tianjin University of Finance and Economics (天津財經大學). Mr. Qiu worked in 710 Research Institute of the Ministry of Aerospace Industry of China as an economic analyst for a number of years. Mr. Qiu joined China Consultants of Advisory and Finance Management Co., Ltd, a company directly managed by the Ministry of Finance of the PRC, in 1994 and focuses on management consulting and corporation restructuring transactions. Mr. Qiu possesses a wealth of professional knowledge and practical experiences in corporate finance, mergers and acquisitions, pricing, strategic integration, meticulous management, etc. Mr. Qiu is currently an independent non-executive director of CE Huada Technology (a company listed on the Stock Exchange with stock code: 00085), an independent director of Valiant Co., Ltd. (中節能萬潤股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 002643) and China Greatwall Technology Group CO.,LTD. (a company listed on the Shenzhen Stock Exchange with stock code 000066). Mr. Qiu resigned as an independent director of GRINM Advanced Materials Co., Ltd (有研新材股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code: 600206) on May 2021, resigned as an independent director of AVIC Heavy Machinery Co., Ltd (中航重機股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code 600765) on September 2021, and resigned as an independent director of Wuhan Dameng Database Co., Ltd. (武漢達夢數據庫股份有限公司) in February 2022. Mr. Qiu graduated from the Harbin Institute of Technology (哈爾濱工業大學) with a bachelor's degree in automation control and a master's degree in systems analysis. He is a Certified Public Valuer in the PRC, an International Certified Senior Corporate Risk Manager, a Certified M&A Dealmaker in China, a senior economist and a fund management intermediary.

Ms. Chan Ching Har Eliza (陳清霞), aged 65, JP, SBS, LL.D. (Hon), is an independent non-executive Director and the chairman of the remuneration committee appointed on 8 May 2020. Ms. Chan is presently a Senior Consultant (Founder) of Yang Chan & Jamison and a Senior Advisor of Deloitte China, and a member of the National Committee of the CPPCC, and a Standing Member of the CPPCC Tianjin Committee. Ms. Chan is the Foreign Economic Affairs Legal Counsel to the Tianjin Municipal People's Government, an arbitrator of China International Economic and Trade Arbitration Commission, legal advisor to the Hong Kong Chinese Enterprises Association, and China-Appointed Attesting Officer appointed by Ministry of Justice of the PRC. Ms. Chan was previously the Chairman of the Hong Kong CPPCC (Provincial) Members Association and now serves as its Honorary Chairman.

Ms. Chan was a member of the Selection Committee for the selection of the First Chief Executive of the Hong Kong SAR and a member of the Election Committee for the selection of the Chief Executive of the Hong Kong SAR and the Hong Kong SAR delegates to the National People's Congress. Ms. Chan has held a number of Hong Kong Government appointed positions notably as a member of the Board of Hong Kong Hospital Authority, committee member of Hong Kong Public Service Commission, member of the Board of Education of Hong Kong, member of Hong Kong Examinations and Assessment Authority, Chairman of Hong Kong Kowloon Hospital, Chairman of Hong Kong Eye Hospital, Chairman of Tseung Kwan O Hospital, member of the Medical Council of Hong Kong, Chairman of Pensions Appeal Panel, member of Administrative Appeals Board, an adjudicator of the Hong Kong Immigration Tribunal and a member of the Disciplinary Panel of the Hong Kong Institute of Certified Public Accountants. She has also served as Council Member of The Hong Kong University of Science and Technology and a Board member of Hong Kong Science and Technology Parks Corporation. Ms. Chan was also formerly Chairman and President of The Canadian Chamber of Commerce in Hong Kong.

Ms. Chan was previously a non-executive director of Tianjin Development Holdings Limited (a listed company on the Stock Exchange, Stock Code: 882), an independent non-executive director of Cathay International Holdings Limited, whose shares are listed on the London Stock Exchange. She is currently an independent non-executive director of Tong Ren Tang Technologies Co., Ltd. (a listed company on the Stock Exchange, Stock Code: 1666).

EXECUTIVE DIRECTOR

Mr. Huang Liping (黃立平), aged 60, is an executive Director and the president of the Company. Mr. Huang served as the vice chairman and the president of OVU. Mr. Huang founded Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司) in 2005 with its principal activities of industrial park development and operation. As the chairman and the president, he has changed the name of the listed company to "CEOVU" after leading the listing of Wuhan Optics Valley Union Group Company Limited on the Stock Exchange and introducing China Electronics Corporation Limited* (中國電子信息產業集團有限公司) as the largest shareholder of the listed company. In 2018, Mr. Huang proposed a development strategy of "Industrial Resource Sharing Platform" so as to promote the upgrade of industrial park digitalization by fully implementing the "System Planning Methodology", the "Comprehensive Operation Methodology" and the "Responsive Customization Methodology" for the industrial parks, thereby constructing a business system with industrial park operation as the main body and industrial park development and industrial investment as the two wings.

Mr. Huang has over 26 years of experience in business management. He was one of the founders of Hongtao K Group Company Limited* (紅桃開集團股份有限公司) and served as the vice chairman and an executive director. He also served as the chairman of Wuhan East Lake High Technology* (武漢東湖高新集團有限公司), a public company listed on the Shanghai Stock Exchange (Shanghai Stock Code: 600133), and successively founded high-tech enterprises such as "Kenuo Biotechnology" and "Chopper Biology". Mr. Huang established the first nationally recognized enterprise technology centers; led the development of the earliest themed industrial park which is International Enterprise Center in China; founded Wuhan CEC Energy Conservation Co., Ltd.* (武漢中電節能有限公司) to create a commercial model of regional cooling and heating supply; founded a joint art museum to build a cultural and creative industry service platform integrated with art and design as well as culture and technology.

Mr. Huang obtained his bachelor's degree in vessels and ports electrification from Wuhan University of Technology (武漢理工大學) (formerly known as Wuhan Institute of Water Transportation Engineering (武漢水運工程學院)) in July 1983 and his double bachelor's degree in law from Central China Normal University (華中師範大學) in June 1986. He is qualified as a professor in economics management and a real estate appraiser. Mr Huang was recognized as a professor by Wuhan University in 1996 and has received various honors, awards and recognitions including Wuhan Top 10 Scientific and Technological Innovation Achievement Award* (武漢市十佳科技創新成果獎), Award for Wuhan's Outstanding Entrepreneurial Youth in Technology* (武漢傑出科技青年創業獎), Medal of May First Honorable Workers in Hubei Province* (湖北五一勞動獎章), Hubei Outstanding Entrepreneurs for Year 2002 (Golden Bull Award)* (2002年度湖北省優秀企業家(金牛獎)), Star of Wuhan Charity and Public Interest Affairs* (武漢慈善公益之星), and expert with special allowance of the State Council.

SENIOR MANAGEMENT

Mr. He Haihua (賀海華), aged 59, is the vice president of the Company. Mr. He joined the Company in September 2016 and has been the general manager of Chengdu Chip Valley Industrial Park Development Co. Ltd., and the chairman of Sichuan Zhongdian Zhiyuan Park Operation Management Co. , Ltd.* (四川中電致遠園區運營管理有限公司) and Meishan Zhichuang Future Industrial Park Development Co. , Ltd. * (眉山智創未來產業園發展有限公司). He is responsible for the work of Chengdu Branch of Wuhan Jitian Construction Engineering Company Limited. Mr. He graduated from the School of Economics and Management of Tsinghua University with a master's degree in business administration. He has held the positions of the director of Planning Department and secretary of the Discipline Inspection Committee of the Sixth Research Institute of Electronics Department (the Sixth Electronics Research Institute of the Ministry of Information Industry), the deputy director of the central research institute of Rainbow Group, the general manager of Hua Ke High Technology Company Limited, the general manager of Hua Bei Computer System Engineering Research Institute and the deputy general manager of CE Huada Technology and the general manager of CEC Technology.

Mr. Wang Yuancheng (王元成), aged 57, is the vice president of the Company. Mr. Wang joined the Company in 1996 and serves as the co-president of Wuhan Optics Valley Union, the general manager of Qingdao OVU and the chairman of Hefei OVU, Wuhan Lidao Technology and Hubei Qianbao Design Engineering Co. , Ltd. * (湖北千寶設計工程有限公司). He served as the manager of comprehensive technique department of OVU from 1996 to 2000, the general manager of Wuhan Lidao Technology from 2000 to 2010 and has been the director of Wuhan Lidao Technology since 2000. Mr. Wang received his college diploma in municipal construction engineering from Jianghan University (江漢大學) in August 1986 and obtained his master's degree in business administration from the University of Northern Virginia in July 2008. He is qualified as an engineer. Mr. Wang was awarded the Excellent Enterprise Manager in Wuhan district.

Mr. Chen Tongju (陳同舉), aged 56, is the vice president of the Company and the general manager of human resources centre, office director of the performance and remuneration committee of the Company. He is also the chairman of Wuhan Lidao Property Management, Zhongdian (Wuhan) Network Security Base Operation Co., Ltd.,* (中電(武漢)網安基地運營有限公司), Wuhan Quanpai Catering Management Co., Ltd., Shenzhen Lanyu Intelligent Technology Company Limited* (深圳藍域智能科技有限公司), and Wuhan Chuwei Defense Security Service Co., Ltd.* (武漢楚衛防線保安服務有限公司). He is responsible for the management of the strategic cooperation department, 中電(武漢)網安教育科技有限公司, Xiangyang project working team, Baotou project working team, Wuhan Ziyuan Hotel Management Limited (武漢紫緣酒店管理有限公司). Mr. Chen joined the Group in 1996. He served as a director and supervisor of OVU from 1996 to 2011 and has been an executive director of Wuhan Lidao Property Management and Wuhan Quanpai Catering Management Limited* (武漢全派餐飲管理有限公司), and an executive director and a general manager of Wuhan Ziyuan Hotel Management. Mr. Chen received his bachelor's degree in law from Zhongnan University of Economics and Law (中南財經政法大學) (formerly known as Zhongnan University of Economics (中南財經大學)) in July 1987 and his master's degree in western philosophy from Wuhan University (武漢大學) in July 1993. Mr. Chen was elected as the chairman of Hongshan Area Property Management Association and the vice chairman of Wuhan City Property Management Association in February 2006. Mr. Chen is qualified as a lecturer by Wuhan University and was awarded the Top Ten Talents in Brand Building* (創名牌十大優秀人物) in Wuhan, the Best Leader* (最佳領導人) in property management in Wuhan and the honour of China Property Management Outstanding Contribution Entrepreneurs* (中國物業管理傑出貢獻企業家).

Mr. Yu Xuewen (余學文), aged 52, is the assistant president of the Company and the president of the Northern region. Mr. Yu also serves as the chairman of Nantong Optics Valley Smart Manufacturing Company Limited* (南通光谷智能製造有限公司), the chairman of Shenyang OVU, the chairman and general management of Luoyang China Electronics Optics Valley Information Harbour Co., Ltd.* (洛陽中電光谷信息港實業有限公司) and Wuhan China Electronics Optics Valley Industrial Park Development Co., Ltd.* (武漢中電光谷產業園發展有限公司). He is also responsible for the management of the research institute of industry and economy, Yinchuan CEOVU Technology Industry Development Co. , Ltd.* (銀川中電光谷科技產業發展有限公司), CEOVU (Yan'an) INNOVATION & Development Co. , Ltd.* (中電光谷(延安)創新發展有限公司) and Yulin CEOVU Science and Technology Industry Development Co. , Ltd. * (榆林中電光谷科技產業發展有限公司). Mr. Yu was the technology manager of Wuhan OVU from September 2010 to February 2012, the executive manager of the project department of Biolake from February 2012 to February 2013 and the executive general manager of projects of the Group from February 2013 to June 2014. Before joining the Group, Mr. Yu served as the deputy director of production division of Wuhan Mayinglong Pharmaceutical Co., Ltd.* (武漢馬應龍藥業股份有限公司), and the head of the Engineering Department of Wuhan Hongtaokai Pharmaceutical Co., Ltd.* (武漢紅桃開藥業股份有限公司). Mr. Yu obtained a bachelor's degree in mechanical manufacturing technology and equipment from Hubei Technology Institute (湖北工學院) in 1992.

Mr. Yin Bitao (尹碧濤), aged 41, is the assistant president of the Company the general manager of the planning the development center, office director of project planning auditing committee. He is also the chairman and general manager of China Electronics Optics Valley Architecture Design Institute* (中電光谷建築設計院), the chairman of Wuhan Jitian Construction Engineering Company Limited, Yichang CEOVU Industrial Park Development Co. , Ltd. * (宜昌中電光谷產業園發展有限公司) and Wuhan Digital Industrial Park Development Co. Ltd. and is also responsible for the management of Wuhan OVU Technology Co., Ltd.* (武漢歐微優科技有限公司) and the digital park business department. Mr. Yin was the head of the Development Center of Wuhan OVU from May 2010 to August 2013. From September 2013 to February 2017, he served as the director of engineering and the director of operations of Hefei OVU; he has served as general manager of Planning and Development Center of Wuhan OVU, general manager of China Electronics Optics Valley Architecture Design Institute, and vice president of China Electronics Optics Valley Industry Research Institute since February 2017. Mr. Yin obtained his undergraduate diploma and bachelor's degree in engineering management from Huazhong University of Science and Technology in July 2004. In December 2006, he obtained a master's degree in technical economics and management from Huazhong University of Science and Technology.

Mr. Li Minghui (李明輝), aged 36, is the assistant president of the Company and the president of the Southern region. Mr. Li also serves as the chairman (legal representative) of Fujian CEOVU Technology and Innovation Industry Development Co., Ltd.* (福建中電光谷科創產業發展有限公司), the chairman of Mianyang CEOVU Technology Development Co., Ltd.* (綿陽中電光穀科技發展有限公司), the director of China Electronics Wenzhou Industrial Park Development Company Limited, and the executive director of Chongqing Optic Valley United Technology Development Co., Ltd.* (重慶光谷聯合科技發展有限公司). He is also responsible for the management of industrial cooperation center, Changsha CEOVU Intelligent Industrial Park Development Co., Ltd.* (長沙中電光谷智能產業園發展有限公司), Chongqing CEOVU Technology Industrial Development Co., Ltd.* (重慶中電光谷科技產業發展有限公司), Hunan CEOVU Industrial Park Operation Co., Ltd.* (湖南中電光谷產業園運營有限公司) and Shenzhen CEC i-Valley Operation Co., Ltd.* (深圳中電智谷運營有限公司). Mr. Li joined the Company in 2012 and led the industry cooperation center to work in the development and operation of the themed business parks for a long time. He has extensive experience and resources in the fields of urban economic industry research, regional city-industry development planning, park development and operation, and served as Secretary General and Legal Representative of Chongqing College Town Industrial Technology Innovation Strategic Alliance. Mr. Li obtained his bachelor's degree in engineering from Huazhong University of Science and Technology in June 2008.

Ms. Huang Min (黃敏), aged 47, is the assistant president of the Company, the office director of project development and management office, and is responsible for project management center digitalization center and office affairs. She is also the chairman and general manager of Hubei Zhongchuang Financing Guarantee Co., Ltd.* (湖北中創融資擔保有限公司). Ms. Huang joined the Company in 2002 and served as the general manager of the finance center, the general manager of the project management center and the chief financial officer and other roles of the Company. Before joining the Group, Ms. Huang served as the accountant and chief accountant of Wuhan East Lake High Technology. Ms. Huang received her college diploma in auditing from Hubei College of Finance and Economics (湖北財經高等專科學校) in June 1996 and graduated from Zhongnan University of Economics and Law (中南財經政法大學) in the bachelor's program of accounting (a self-learning course) in June 2001. She received her master's degree in business administration from Wuhan University (武漢大學) in June 2006. Ms. Huang is a member of Hubei Institute of Certified Public Accountants and was qualified as a senior accountant in December 2006 and a first-class constructor (一級建造師) in 2021. Ms. Huang was awarded the first prize of Wuhan Professional Skills Competition* (武漢市技能選拔賽一等獎) and Medal of May Day Honorable Workers in Wuhan* (武漢五一勞動獎章) and the third prize of The Second "Jindie Cup" National Accounting Knowledge Competition* ("金蝶杯"第二屆全國會計知識大賽三等獎).

Mr. Tian Maoming (田茂明), aged 40, is the chief financial director of the Company, the office director of project investment auditing committee, responsible for the financial management of the Company. He is also the chairman of Lingdu Capital* (零度資本). He had served as the accounting officer of Shandong Kuangshan Economic and Trade Co. , Ltd.* (山東匡山經貿有限公司), accounting director of Shandong branch of China National Electronic Equipment Corporation* (中國電子器材總公司), senior manager of China National Electronic Equipment Corporation* (中國電子器材總公司), the financial manager (part-time) of China National Electronic Equipment North China Corp.* (中國電子器材華北公司), the chief financial director, assistant manager of Shen Zhen CESTAR Eletronic Technology Co.,Ltd., chief accountant of Zhuhai Nanfang Software Park Development Co.,Ltd, and general manager of Guangdong CEC Yike Electronic Equipment Co. , Ltd.* (廣東中電億科電子器材有限公司). Mr. Tian holds a master degree in business administration from Peking University HSBC Business School, and has completed the course of higher diploma in accounting from Shandong Business Administration Cadres College (currently named as Shandong Management College). Mr. Tian is a Certified Management Accountant with qualifications of senior accountant, securities practitioners and fund practitioner.

Ms. Zhang Xuelian (張雪蓮), aged 46, is the secretary to the Board and chief of the legal and compliance department of the Company. Ms. Zhang had been a joint company secretary of the Company since 6 March 2014 and became the sole company secretary and authorized representative of the Company on 12 December 2019. Ms. Zhang joined the Group in 2008 and is responsible for the secretariat of the Board and the legal and compliance department of the Company, as well as the work of Hong Kong office. She held various positions within the Company, including the supervisor of Wuhan Financial Harbour Development Co., Ltd. (武漢金融港開發有限公司), the head of the administration center, secretary to the Board and chief of the legal and compliance department of the Company. Before joining the Group, Ms. Zhang served as the secretary, representative of securities matters, general manager of the business solicitation department, chief of the audit and legal compliance department, deputy general economist and supervisor of Wuhan East Lake High Technology. Ms. Zhang received her bachelor's degree in economics law from Zhongnan University of Economics and Law (中南財經政法大學) (formerly known as Zhongnan College of Politics and Law (中南政法學院)) in July 1998. She is qualified as a senior operation specialist, a senior human resources management specialist, and a senior economist. Ms. Zhang attended training programs for company secretary to board, senior management and independent non-executive director of listed companies and received the relevant qualifications by the Shanghai Stock Exchange in June 2001, May 2007 and April 2008, respectively.

COMPANY SECRETARY

Ms. Zhang Xuelian (張雪蓮), aged 46, is the secretary to the Board and chief of the legal and compliance department of the Company. Ms. Zhang had been a joint company secretary of the Company since 6 March 2014 and became the sole company secretary and authorized representative of the Company on 12 December 2019. See the subsection headed "Senior Management" in this section for details of her biography.

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2021.

CORPORATE INFORMATION AND GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 15 July 2013 as an exempted company with limited liability. The Company's shares were listed on the Main Board of the Stock Exchange on 28 March 2014.

PRINCIPAL ACTIVITIES

The Group has established a strategic landscape of "One Body Two Wings (一體兩翼)", with "park operation as the main body, park development as the backbone and industrial investment as the driving force". The Group has the following three segments: (i) industrial park development services; (ii) industrial park operation services (including design and construction services, property management services, leasing services, energy services, digital park (apartment) services, incubator and office sharing services, industrial park financial services as well as group catering and hotel services); and (iii) industrial investment (this segment represents industrial-related industry investment businesses in various theme parks).

The income structure and profit composition in 2021 reflect the outcome of the transformation and reform strategy well. As of 31 December 2021, the Group developed or operated various industrial parks in 41 cities, including Wuhan, Yichang, Xiangyang, Huanggang, Huangshi, Ezhou, Changsha, Chenzhou, Luoyang, Hebi, Xinxiang, Shanghai, Qingdao, Dongying, Hefei, Putian, Wenzhou, Ningbo, Nantong, Huai'an, Chengdu, Mianyang, Meishan, Zigong, Chongqing, Xianyang, Xi'an, Yan'an, Yulin, Yinchuan, Shenzhen, Zhuhai, Foshan, Chengmai, Tianjin, Handan, Taiyuan, Baotou, Shenyang and Harbin.

BUSINESS REVIEW

Details of the business review of the Company are set out on pages 9 to 50 of this annual report and form part of the Directors' Report.

PRINCIPAL RISKS

Details of the principal risks and uncertainties faced by the Company are set out on pages 58 to 59 of this annual report and form part of this Director's Report.

FUTURE DEVELOPMENT

Details of the Company's future business development are set out on page 50 to 51 of this annual report and form part of this Director's Report.

RESULTS AND FINAL DIVIDENDS

The results of the Group for the year ended 31 December 2021 are set out in the consolidated statement of profit or loss on page 132 of this annual report.

According to the calculation based on the 7,574,352,000 issued shares as of the Latest Practicable Date, the Board proposed to declare a final dividend of HK$2.50 cents (equivalent to approximately RMB2.03 cents) per Share, approximately HK$189.4 million in aggregate (equivalent to approximately RMB154.0 million) for the year ended 31 December 2021, which will be payable to shareholders of the Company whose names appear on the register of members of the Company on 5 August 2022 (Friday), subject to Shareholders' approval at the forthcoming annual general meeting of the Company. The final dividend is expected to be paid on or before 31 August 2022 (Wednesday).

DIVIDEND POLICY

The Company has adopted a dividend policy on 13 December 2018. The Company shall maintain sufficient cash reserves to meet its funding needs, future growth and the value of its equity when it proposes or declares dividends. The Company has no pre-determined dividend payout ratio. The Board has the right to declare and distribute dividends to shareholders of the Company in accordance with the Articles of Association, all applicable regulations and various factors.

The Board should also consider the following factors related to the Group when considering the declaration of dividends, including financial results, cash flow positions, business positions and strategies, future operation and revenue, capital requirements and plans for expenses, Shareholders' interests, any restrictions on the declaration of dividends and any other factors that the Board may consider relevant. Depending on the financial positions of the Group and the aforementioned conditions and factors, dividends may be proposed and/or declared by the Board for a financial year or period, and any final dividend will be subject to Shareholders' approval. The Board will review the dividend policy when necessary.

FINANCIAL SUMMARY AND FINANCIAL KEY PERFORMANCE INDICATORS

A summary of the Group's results, assets and liabilities for the last five financial years is set out in page 4 of this annual report. That summary does not form part of the audited consolidated financial statements.

Details of the financial key performance indicators of the Company are set out on pages 52 to 58 of this annual report and form part of the Directors' report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the Group's property, plant and equipment during the year ended 31 December 2021 are set out in note 13 to the consolidated financial statements on pages 196 to 197 of this annual report.

SHARE CAPITAL AND SHARE AWARD SCHEME

Details of changes in the Company's share capital during the year ended 31 December 2021 are set out in note 30 to the consolidated financial statements on pages 219 to 220 of this annual report and form part of the Directors' Report.

On 22 December 2016, the Company adopted a share award scheme, pursuant to which the Company may grant existing Shares to selected participants (namely directors, senior officers and/or employees, whether full-time or part-time, of any member of the Group). The reason for adopting the share award scheme is to recognise the contributions by certain directors, senior officers and/or employees and to incentivise them in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. No new Shares will be granted under the share award scheme. Details of the share award scheme are set out in the Company's announcement dated 22 December 2016.

On 14 December 2021, the Board resolved to extend the share award scheme for 5 years such that the share award scheme will expire on 21 December 2026.

During 2016, the trustee appointed by the Company for the purpose of the share award scheme purchased a total of 152,998,000 Shares at a total consideration of HK$122,928,380 (equivalent to RMB110,105,000) according to the share award scheme. As at 31 December 2021, none of the 152,998,000 Shares has been granted.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the year ended 31 December 2021.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in note 31 to the consolidated financial statements on pages 220 to 221 of this annual report.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution, calculated in accordance with Cayman Islands law, amounted to approximately RMB1,713.0 million as of 31 December 2021.

CORPORATE BONDS, BANK LOANS AND OTHER BORROWINGS

Particulars of corporate bonds issued by the Group as of 31 December 2021 are set out in note 26 to the consolidated financial statements on page 212 of this annual report. Particulars of movements of the bank loans and other borrowings of the Company and the Group as of 31 December 2021 are set out in notes 27 to the consolidated financial statements on pages 213 to 215 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the percentage of turnover attributable to the Group's five largest customers from the sales of properties in their projects was approximately 14%, and the percentage of turnover attributable to its largest customer from the sales of properties in its projects was approximately 5%. The Group's five largest suppliers accounted for less than 26% of the Group's total purchases for the year; and the percentage of purchases attributable to the Group's largest supplier from the total purchases was 16%. None of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers and suppliers.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group has complied with relevant laws and regulations which have material influence on its operation.

MAJOR RELATIONSHIP BETWEEN THE GROUP AND ITS EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHER PARTIES

The Group recognises the importance of employees, customers, suppliers and other parties to its sustainable development.

The Group strives to maintain a close relationship with its employees and to provide quality services to its customers, while enhancing co-operation with suppliers and other parties. Details of the Group's employees are set out on page 58 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Details of the Company's environmental policies and performance will be published separately.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year. According to Article 191 of the Articles of Association, each Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty. The Company has taken out the appropriate directors' and senior officers' liability insurance policy for the directors and senior officers of the Group as a means of security.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors for the year ended 31 December 2021 and up to the Latest Practicable Date were:

Non-Executive Directors

Mr. Liu Guilin *(Chairman)*
Mr. Xiang Qunxiong
Mr. Zhang Jie
Ms. Sun Ying
Mr. Hu Bin *(re-designated from an executive director to a non-executive director and ceased to act as the executive president of the Company with effect from 8 September 2021)*

Independent Non-Executive Directors

Mr. Qi Min
Mr. Qiu Hongsheng
Ms. Chan Ching Har Eliza

Executive Director

Mr. Huang Liping *(President)*

The biographical details of the Directors and senior management are set out under the section headed "Directors and Senior Management" of this annual report.

None of the Directors of the Company entered into any service contract with the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

No transaction, arrangement, or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2021.

NON-COMPETITION UNDERTAKINGS

Each of the Controlling Shareholders has confirmed with the Company that each of them has complied with the non–competition undertakings that were provided to the Company on 14 March 2014. Details of the deed of non-competition are disclosed in the section headed "Relationship with Controlling Shareholders" of the Prospectus. The independent non–executive Directors have reviewed the status of compliance and confirmed that all of these non-competition undertakings have been complied with by the Controlling Shareholders.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and senior management and the five highest paid individuals are set out in notes 8, 37 and 40 to the consolidated financial statements on pages 185 to 186, 227 and 232 to 234 of this annual report, respectively.

The remuneration payable to the Directors and the members of senior management during the Reporting Period fell within the following bands.

Remuneration bands	**Number of individuals**
Above RMB5.0 million	1
RMB4.0 million to 5.0 million	1
RMB3.0 million to 4.0 million	2
RMB2.0 million to 3.0 million	2
RMB1.0 million to 2.0 million	4
Below RMB1.0 million	8

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register kept by the Company pursuant to section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

Name of Director	Nature of Interest	Number of Shares Held (1)	Approximate Percentage of Shareholding (2)
Mr. Huang Liping	Interest in controlled corporation	1,904,188,000 (3)	25.14%
Mr. Hu Bin	Beneficial owner	70,320,000	0.93%

Notes:

(1) All the above Shares were held in long position (as defined under Part XV of the SFO).

(2) The percentages disclosed were calculated based on the total number of issued shares of the Company as at 31 December 2021, i.e. 7,574,352,000.

(3) Mr. Huang Liping held 100% equity interests in each of AAA Finance and Lidao BVI. Under the SFO, Mr. Huang Liping is deemed to be interested in 1,784,188,000 Shares held by AAA Finance and 120,000,000 Shares held by Lidao BVI.

Save as disclosed above, as at 31 December 2021, so far as is known to any Director or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or associated corporations which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate throughout the period from the Listing Date to 31 December 2021.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors had any interest in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the Reporting Period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2021, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares Held (1)	Approximate Percentage of Shareholding (2)
CEIS	Beneficial owner	2,550,000,000	33.67%
CEC	Interest in controlled corporation	2,550,000,000 (3)	33.67%
AAA Finance	Beneficial owner	1,784,188,000 (4)	23.56%
Technology Investment HK	Beneficial owner	479,910,000	6.34%
Hubei Science & Technology Investment	Interest in controlled corporation	479,910,000 (5)	6.34%
China International Capital Corporation Hong Kong Securities Limited	Person having a security interest in shares	382,518,000	5.05%
China International Capital Corporation (Hong Kong) Limited	Interest in controlled corporation	382,518,000 (6)	5.05%
China International Capital Corporation Limited	Interest in controlled corporation	382,518,000 (7)	5.05%

Notes:

(1) All the above Shares were held in long position (as defined under Part XV of the SFO).

(2) The percentages disclosed were calculated based on the total number of issued shares of the Company as at 31 December 2021, i.e., 7,574,352,000.

(3) These Shares were held by CEIS. As CEIS is a wholly-owned subsidiary of China Electronics Co. Ltd.* (中國電子有限公司) which in turn is wholly owned by CEC, CEC was deemed to be interested in all the Shares held by CEIS under the SFO.

(4) AAA Finance was wholly owned by Mr. Huang Liping, executive director. Mr. Huang Liping's interests therein are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in this report.

(5) These Shares were held by Technology Investment HK. Hubei Science & Technology Investment held 100% equity interest in Technology Investment HK. Under the SFO, Hubei Science & Technology Investment was deemed to be interested in all the Shares held by Technology Investment HK.

(6) China International Capital Corporation Hong Kong Securities Limited owned security interest in such shares. China International Capital Corporation (Hong Kong) Limited holds 100% equity interest in China International Capital Corporation Hong Kong Securities Limited. Under the SFO, China International Capital Corporation (Hong Kong) Limited was deemed to be interested in the security interest of Shares held by China International Capital Corporation Hong Kong Securities Limited.

(7) China International Capital Corporation Limited holds 100% equity interest in China International Capital Corporation (Hong Kong) Limited, which in turn holds 100% equity interest in China International Capital Corporation Hong Kong Securities Limited. Under the SFO, China International Capital Corporation Limited was deemed to be interested in the security interest of Shares held by China International Capital Corporation Hong Kong Securities Limited.

Save as disclosed above, as at 31 December 2021, the Company has not been notified by any person (not being the Directors or chief executive of the Company) who had interests or short positions of 5% or more in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

MATERIAL ACQUISITIONS

The Group does not have any material acquisitions of subsidiaries, associates and joint ventures for the year ended 31 December 2021.

MATERIAL DISPOSALS

The Group does not have any material disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2021.

CONNECTED TRANSACTIONS

The details of the connected transactions conducted by the Group for the year ended 31 December 2021 are as follows:

CONTINUING CONNECTED TRANSACTION SUBJECT TO THE REPORTING, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

On 27 September 2017, the Company entered into a financial services agreement (the "Financial Services Agreement") with CEC Finance, pursuant to which CEC Finance has agreed to provide, inter alia, certain deposit services to the Group in accordance with the terms and conditions set out in the Financial Services Agreement. On 13 November 2019, the Company entered into a supplemental agreement to the Financial Services Agreement (the "Supplemental Financial Services Agreement") with CEC Finance, pursuant to which the parties have agreed to revise the original annual caps as set out in the Financial Services Agreement, such that the maximum daily balance of the funds settlement balance (deposit amount) shall be adjusted from RMB120 million to RMB160 million for the period from 27 September 2019 to 26 September 2020.

On 19 May 2020, the Company further entered into a second supplemental financial agreement (the "Second Supplemental Financial Services Agreement") with CEC Finance to revise the annual caps as set out in the Supplemental Financial Services Agreement. In view of the development of the Group's business and the expected increase of idle cash and cash balances within the Group, the Directors estimated that the original annual caps set out in the Supplemental Agreement would no longer be sufficient to meet the Group's increasing need for deposit services for the relevant period. In addition, the deposit services under the Financial Services Agreement (as supplemental by the Supplemental Financial Services Agreement), if not extended, would expire on 26 September 2020. Pursuant to the Second Supplemental Financial Services Agreement, the parties have agreed to revise the original annual caps as set out in the Supplemental Financial Services Agreement, such that the maximum daily balance of the funds settlement balance (deposit amount) shall be adjusted from RMB160 million to RMB650 million for the period from 26 June 2021 to 25 June 2023 (the "New Caps"). The highest daily balance of the funds settlement balance (deposit amount) during the year ended 31 December 2021 was RMB436,589,000.

CEC Finance is a non-banking financial institution established with the approval of the China Banking Regulatory Commission, and a subsidiary of CEC, while CEC indirectly holds 2,550,000,000 Shares of the Company (representing approximately 33.67% of the issued share capital of the Company). Therefore, CEC is a substantial shareholder of the Company and CEC Finance is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the Second Supplemental Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the maximum daily balance of the funds settlement balance (deposit amount) under the Second Supplemental Financial Services Agreement is more than 5% but less than 25%, the matters relating to the deposit services contemplated under the Second Supplemental Financial Services Agreement and the New Caps are subject to the reporting, announcement, annual review, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. On 8 November 2018, Shenzhen i-Valley (a subsidiary in which the Company indirectly holds 60% equity interest) entered into a lease agreement (the "Lease Agreement") with CEIS in respect of certain properties (the "Properties") situated at Futian District, Shenzhen City, the PRC. The annual caps under the lease agreement are: (i) RMB15,600,000 for the period from 11 November 2018 to 10 November 2019; (ii) RMB17,500,000 for the period from 11 November 2019 to 10 November 2020; and (iii) RMB12,700,000 for the period from 11 November 2020 to 25 July 2021, respectively. The actual transaction amount in respect of the Lease Agreement for the year ended 31 December 2021 is RMB9,905,000.

   In view of the historical friendly relationship between CEIS and the Group, and the location of the abovementioned properties of CEIS being in line with the expansion in the operation and business of the Group, the Directors (including the independent non-executive Directors) consider that leasing the abovementioned properties from CEIS under Lease Agreement could expedite the development of the Group's value-innovation business through the renovation of old properties, and in turn establish a benchmark for quality project operations, which is expected to bring a positive impact on the Group's development of cross-regional projects in the future, increase in income from the provision of various services, and promotion of the sustainable development of the Group.

   CEIS is an indirect wholly-owned subsidiary of CEC which is a substantial Shareholder of the Company. Accordingly, CEIS is a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

   On 27 May 2019, Shenzhen i-Valley entered into two supplemental agreements to the Lease Agreement (the "Supplemental Agreements") with CEIS pursuant to which the term of the Lease Agreement shall be extended to 10 November 2023. Pursuant to the Supplemental Agreements, the relevant monthly rental are (i) RMB1,497,842.96 for the period from 11 December 2020 to 10 December 2021; and (ii) RMB1,542,825.97 for the period from 11 December 2021 to 10 December 2022.

   Pursuant to "Huaqiang Shangbu District Industrial Space Supply-side Reform Specific Policy"* (《華強上步片區產業空間供給側改革專項政策》), the Shenzhen Futian government shall grant subsidy to any qualified operating units of the properties located in applicable regions, provided that, among other things, such properties are leased for no less than five years. Shenzhen i-Valley, being the operating unit of the Properties (which are within the applicable regions), will become a qualified operating unit if the period for leasing of the Properties is not less than five years. In light of the aforesaid and in line with the development progress and operating needs for the relevant projects of the Group, Shenzhen i-Valley and CEIS entered into the Supplemental Agreements to extend the term of the Lease Agreement.

   In respect of the lease under the Lease Agreement (prior to the entering into of the Supplemental Agreements) for the period from 11 November 2018 to 25 July 2021 (being a continuing connected transaction), the relevant annual caps shall continue to apply for the said period. Since one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the said annual caps exceed 0.1% but are less than 5%, such continuing connected transaction for the said period will continue to be subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The IFRSs applicable to the Group include IFRS 16 "Leases" (which has come into effect on 1 January 2019), pursuant to which the Group (as lessee) shall recognise a lease as a right-of-use asset and a lease liability in the consolidated statement of the financial position of the Group. Accordingly, under the application of IFRS 16, with respect to the lease under the Lease Agreement (as supplemented by the Supplemental Agreements) for the extended term from 26 July 2021 to 10 November 2023, such transaction for the said period constitutes a connected transaction (instead of a continuing connected transaction) of the Company under Chapter 14A of the Listing Rules.

For information only, since one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Lease Agreement (as supplemented by the Supplemental Agreements) on the basis of the estimated value of right-of-use asset exceed 0.1% but do not exceed 5%, the transactions contemplated under the Lease Agreement (as supplemented by the Supplemental Agreements) are subject to the reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. On 29 October 2021, Wuhan OVU (an indirect wholly-owned subsidiary of the Company) entered into the a facility agreement (the "Facility Agreement") with CEC Finance, pursuant to which CEC Finance has agreed to provide a revolving facility of up to RMB110,000,000 (the "Revolving Facility") to Wuhan OVU for the period from 29 October 2021 to 10 September 2022. Wuhan OVU shall apply in writing to CEC Finance for each drawdown of the Revolving Facility, and shall enter into separate agreements which set out the specific terms and conditions of each drawdown according to the principles laid down by the Facility Agreement.

   The Revolving Facility is secured by two charges and the two relevant security documents were entered into by certain wholly-owned subsidiaries of Wuhan OVU (each as chargor) and CEC Finance (as chargee) on 29 October 2021 in respect of the following properties: (i) 54 units in the office buildings for research and development located in No.185 Jinshan Boulevard, Golden Hill Development Zone, Huangshi, Hubei, the PRC of an aggregate gross floor area of approximately 21,071.71 sq.m.; and (ii) the first and second floor of Exhibition Centre, Phase I of Financial Back-office Service Center Base Construction Project* (金融後台服務中心基地建設項目), 77 Guanggu Avenue, East Lake New Technology Development Zone, Wuhan, Hubei, the PRC, with an aggregate gross floor area of approximately 2,414.06 sq.m..

   The credit limit of RMB110,000,000 under the Facility Agreement is set as the annual caps in respect of the Facility Agreement for each of the period from 29 October 2021 to 31 December 2021 and the period from 1 January 2022 to 10 September 2022. The highest daily balance in respect of the Revolving Facility during the year ended 31 December 2021 is RMB110,000,000.

   Wuhan OVU requires efficient and reliable credit facilities for its daily business operations for the purposes of obtaining the services with regards to acceptance and payment of commercial bills of exchange, issuance of letters of guarantee, discounting of commercial bills of exchange, and other international trade finance services. By entering into the Facility Agreement, the Group is able to secure, through an additional channel, drawdown loans at interest rates not higher than those offered by major commercial banks in the PRC of the same tenure and type, which is expected to enhance the Group's bargaining power for external financings and save its costs of financing overall, as well as to maintain a sufficient level of liquidity and financial flexibility of the Company.

CEC is a substantial shareholder of the Company. CEC Finance, being a subsidiary of CEC, is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the transactions contemplated under the Facility Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Facility Agreement exceeds 0.1% but all of them are less than 5%, the Facility Agreement and the transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

3. On 8 January 2021, Wuhan OVU (an indirect wholly-owned subsidiary of the Company) (as lessee) entered into a lease agreement (the "Lease Agreement") with Wuhan China Electronics Corporation Limited (武漢中原電子集團有限公司,"Wuhan CEC") (as lessor) in respect of the properties situated at Blocks 6#, 7#, 9# and 10#, Wuhan CEC Minpin Park Phase I, 10 Financial Harbour Road Four, East Lake High-Tech Development Zone, Wuhan City, the PRC (the "Lease Properties") for the period from 26 January 2021 to 25 January 2025 (the "Lease Term"). The aggregate rental of the Lease Properties for the Lease Term shall be RMB13,754,162.88 (inclusive of value added tax but exclusive of management service fees and other outgoing charges and expenses).

   The Group intends to hold the Lease Properties for the purpose of renting out to the target customers (such as incubator companies or corporations engaged in digital economy, information technology innovation or optoelectronics). Given the prime location of the Lease Properties and the relatively high occupancy rate in the surrounding area, the Company believes that holding the Lease Properties will provide the Group with the opportunity to gain revenue through sub-letting, thereby broadening the income base of the Group and bringing valuable return for the shareholders.

   CEC (the Company's substantial shareholder) is indirectly interested in approximately 42.18% of the equity interest in Wuhan CEC. Accordingly, Wuhan CEC is an associate of CEC and hence is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. the IFRS applicable to the Group include IFRS 16 "Leases" (which has come into effect on 1 January 2019), pursuant to which the Group (as lessee) shall recognise a lease as a right-of-use asset and a lease liability in the consolidated statement of the financial position of the Group. Under the application of IFRS 16, with respect to the lease under the Lease Agreement, such transaction will be recognised by the Group as an acquisition of right-of-use assets. Accordingly, the transactions contemplated under the Lease Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

   Since the highest applicable percentage ratio stipulated under Rule 14.07 of the Listing Rules in respect of the Lease Agreement on the basis of the estimated value of right-of-use assets in the amount of approximately RMB11.5 million (equivalent to approximately HK$13.8 million) exceeds 0.1% but does not exceed 5%, the transactions contemplated under the Lease Agreement are subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under the Listing Rules.

4. On 25 November 2021, that CE (Luzhou) Industrial Park Development Co., Ltd. (中電(瀘州)產業園發展有限公司, "Industrial Park Subsidiary") (a non-wholly owned subsidiary of the Company), Digital Luzhou Industrial Investment Group Co., Ltd. (數字瀘州產業投資集團有限公司, "Luzhou Co") and China Electronics System Technology Co., Ltd. (中國電子系統技術有限公司, "CESTC"), entered into the articles (the "JV Articles") in respect of the formation of Luzhou Digital Innovative Technology Co., Ltd. (瀘州市數字創新科技有限公司, the "JV Company").

   Pursuant to the JV Articles, Luzhou Co, CESTC and the Industrial Park Subsidiary have formed the JV Company in Luzhou in the Sichuan Province, and Luzhou Co, CESTC and the Industrial Park Subsidiary agreed to make capital contributions to the JV Company in the amount of RMB9,800,000, RMB7,200,000 and RMB3,000,000, representing 49%, 36% and 15% of the total equity interest in the JV Company, respectively. Upon establishment of the JV Company, it will be held as to 15% by the Group and, accordingly, be accounted for as an associate of the Company.

   The Directors believe that through the formation of the JV Company, the Group could integrate its resources and experience in its operation of industrial park with the network of Luzhou Co and the experience of CESTC in developing innovative information system and operating modern digital cities, which would enable the Group to take part and gain further insight in the development of a new digital economy. It is expected that such cooperation could further accelerate the expansion of the Group's operation into the development and operation of modern digital cities, and is therefore in line with the development strategy of the Group in establishing its core capabilities and becoming an industry leader in the area of innovative development process of digital services.

   To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, Luzhou Co and its ultimate beneficial owner(s) were are not connected persons of the Company and are independent of the Company and its connected persons.

   CESTC is a subsidiary of CEC. CEC is a substantial shareholder of the Company, and CESTC, being CEC's associate, is a connected person of the Company under the Listing Rules. Accordingly, the formation of the JV Company constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

   As the highest applicable percentage ratio pursuant to the Listing Rules in respect of the formation of the JV Company was more than 0.1% but all of the ratios were less than 5%, the formation of the JV Company as contemplated under the JV Articles was subject to the announcement and annual review requirements but was exempt from the independent shareholders' approval requirement under the Listing Rules.

The independent non-executive Directors have reviewed the continuing connected transactions and related party transactions set out above and confirmed that the transactions have been entered into (i) in the ordinary and usual course of business of the Company, (ii) on normal commercial terms and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised)"Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Listing Rule 14A.56. The auditor confirms and states in the letter that:

- they have not noticed anything that causes them to believe that the continuing connected transactions disclosed have not been approved by the Board of Directors of the Company;

- for transactions involving the provision of goods or services by the Group, they have not noticed anything that causes them to believe that the transactions were not conducted in accordance with the Group's pricing policy in all material aspects;

- they have not noticed anything that causes them to believe that the transactions were not conducted in accordance with the relevant agreements governing the transactions in all material aspects; and

- in respect of the aggregate transaction amount of the above continuing connected transactions, they have not noticed anything that causes them to believe that the continuing connected transactions disclosed exceeded the relevant annual caps as approved by the Company.

A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the aforesaid continuing connected transactions and connected transactions.

RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group conducted certain transactions with parties deemed as "related parties" under the applicable accounting standard. The details of these transactions are set out in note 37 to the consolidated financial statements on pages 227 to 229 of this annual report. Apart from the connected transaction and the continuing connected transactions disclosed above, the related party transactions as disclosed in note 37 to the consolidated financial statements are either connected transactions under Chapter 14A of the Listing Rules that are exempt from reporting, annual review, announcement and independent shareholders' approval requirement or do not constitute connected transactions under Chapter 14A of the Listing Rules.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2021, the Group had in total 7,799 employees in Hong Kong and the PRC. During the Reporting Period, the staff cost of the Group was approximately RMB765.1 million.

The employees' remuneration policy is determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and each employee's qualifications, position, seniority and performance.

The remuneration package of the employees includes basic salaries, allowances, bonuses and other employee benefits. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary increments, bonuses and promotion.

The Remuneration Committee was set up to develop the Group's emolument policy and remuneration structure of the Directors and senior management of the Group, having regard to the individual contribution and performance of the Directors and senior management of the Group and comparable market practices.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted at the end of the year.

POST BALANCE SHEET EVENTS

Details of post balance sheet events after 31 December 2021 are set out in note 38 to the consolidated financial statements on page 229 of this annual report.

CORPORATE GOVERNANCE

During the Reporting Period, the Company has complied with all code provisions set forth in the Corporate Governance Code and Corporate Governance Report effective for the year ended 31 December 2021 as set out in Appendix 14 to the Listing Rules.

Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 86 to 105 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers each of the existing independent non-executive Directors, namely, Mr. Qi Min, Mr. Qiu Hongsheng and Ms. Chan Ching Har Eliza to be independent during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public.

Based on the information that is publicly available to the Company and to the knowledge of the Directors as of the latest practicable date prior to the issue of this annual report, the Directors confirm that the Company has maintained a sufficient public float as required under the Listing Rules since the Listing Date.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and the external auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2021.

AUDITORS

The consolidated financial statements for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. There has been no change in the auditors of the Company in the preceding three years.

On behalf of the Board
China Electronics Optics Valley Union Holding Company Limited
Liu Guilin
Chairman

Hong Kong, 25 March 2022

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of Shareholders and to enhance the corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the Corporate Governance Code and Corporate Governance Report effective for the year ended 31 December 2021 (the "CG Code") as set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has strictly complied with all code provisions of the CG Code set out in Appendix 14 to the Listing Rules.

SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' and relevant employees' dealings in the securities.

The Company, after making specific inquiries to all Directors and relevant employees, confirmed that all of them have complied with the required standards in the Model Code during the Reporting Period.

THE BOARD OF DIRECTORS

Board Responsibilities

The Board is at the core of the Company's corporate governance structure, and is responsible for the overall strategic leadership and planning of the Company. All important matters of the Company are reserved for the Board's decision and the Board retains the authority of deciding such matters, including formulating and monitoring the Company's long-term strategies and policy matters, reviewing financial results, approving annual budgets, monitoring and reviewing internal control and risk management systems, assuming responsibility for the corporate governance system of the Company, and upholding the core values of the Company. All Directors (including the non-executive Directors and independent non–executive Directors) possess extensive and valuable business experience, knowledge and high level of professionalism, which facilitate the effective and efficient operation of the Board.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

Delegation by the Board

The Board relies on management for the day-to-day operation of the Company's business, and has delegated the authority and responsibility for the daily management, administration and operation of the Group as well as the implementation of the Board's policies and strategies to the senior management of the Group. The Board and senior management fully appreciate their respective responsibilities, and they complement each other in formulating and maintaining higher standards of corporate governance practices of the Company.

BOARD COMPOSITION

The Board is structured with a view to ensuring that it is of high caliber and has a balance of skills and experience which meets the needs of the Company's business. The Board, as at the Latest Practicable Date, consists of nine members, comprising five non-executive Directors, three independent non-executive Directors and one executive Director as set out below.

Non-Executive Directors
Mr. Liu Guilin *(Chairman)*
Mr. Xiang Qunxiong
Mr. Zhang Jie
Ms. Sun Ying
Mr. Hu Bin *(re-designated from an executive Director to a non-executive Director and ceased to act as the executive president of the Company with effect from 8 September 2021)*

Independent Non-Executive Directors
Mr. Qi Min
Mr. Qiu Hongsheng
Ms. Chan Ching Har Eliza

Executive Director
Mr. Huang Liping *(President)*

Further description of the biography of the Board members are set out under the section headed "Directors and Senior Management" in this annual report. A list of the Directors is available on the designated website of the Stock Exchange and the website of the Company.

There is no financial, business, family or other material or relevant relationships among the Directors.

Non-executive Directors

Mr. Zhang Jie has renewed his letter of appointment with the Company for an initial term of three years commencing from 12 June 2020, subject to re-election. Ms. Sun Ying has renewed her letter of appointment with the Company for an initial term of three years commencing from 22 March 2021, subject to re-election.

Each of Mr. Liu Guilin and Mr. Xiang Qunxiong have entered into letters of appointments with the Company for an initial term of three years commencing from 26 November 2020, subject to re-election.

Mr. Hu Bin had been re-designated from an executive Director to a non-executive Director and ceased to act as the executive president of the Company with effect from 8 September 2021. Mr. Hu Bin has signed an appointment letter with the Company for an initial term of three years from 8 September 2021, subject to re-election.

Independent Non-executive Directors

Independent non-executive Directors play an important role in the Board by bringing independent judgment and advice and through scrutinising of the Company's course of performance. During the Reporting Period, the Company has been in compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of them possessing the appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 3.10A of the Listing Rules which requires that independent non-executive Directors appointed must represent at least one-third of the Board.

Mr. Qi Min has renewed his letter of appointment with the Company for a term of three years commencing from 11 March 2020. Mr. Qiu Hongsheng has entered into a letter of appointment with the Company to serve as an independent non-executive Director for an initial term of three years commencing from 10 March 2020. Ms. Chan Ching Har Eliza has entered into a letter of appointment with the Company to serve as an independent non-executive Director for an initial term of three years commencing from 8 May 2020.

Each of the independent non-executive Directors has confirmed his or her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers each of them to be independent according to the criteria set out in Rule 3.13 of the Listing Rules. The Board will review and evaluate whether there are circumstances that are likely to affect the independence of the independent non-executive Directors on an ongoing basis.

Executive Director

Mr. Hu Bin had been re-designated from an executive Director to a non-executive Director and ceased to act as the executive president of the Company with effect from 8 September 2021.

Mr. Huang Liping is an executive Director.

CHAIRMAN AND CHIEF EXECUTIVE

The roles of chairman and president (equivalent to the chairman and chief executive as stated in the CG Code) of the Company are exercised by different individuals. The chairman of the Company is Mr. Liu Guilin and the president of the Company is Mr. Huang Liping.

As the chairman of the Company, Mr. Liu Guilin is responsible for ensuring that the Directors receive adequate information in a timely manner, formulating and following good corporate governance practices, regulating and supervising in accordance with the Company's Articles of Association, advocate the Group to maintain the highest level of integrity, fairness and corporate governance, taking the lead to ensure that all Directors are dedicated to perform their duties and make full and active contribution to the Board's affairs, formulating strategies and policies for the Group and assisting the Group in handling current challenges and opportunities. Mr. Liu Guilin has also took the lead in ensuring that the Board acts in the best interests of the Company, ensuring the strategies and policies agreed by the Board are implemented effectively by the management of the Group, reviewing the performance of the Group according to established goals and objectives, strengthening the development and operation of the Group, and ensuring effective communication with the Shareholders and that their views are communicated to the Board.

As the president of the Company, Mr. Huang Liping is responsible for the overall operation and management of the Company.

APPOINTMENT, RETIREMENT AND RE-ELECTION OF DIRECTORS

The Articles of Association provide that any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

The Nomination Committee is responsible for reviewing the Board's structure, size and composition and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning of Directors.

According to Article 108(A) of the Articles of Association, no director will retire at the annual general meeting to be held in 2022.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors have been provided with relevant training to ensure that they fully understand their responsibilities, duties and obligations as directors of a listed company. All Directors are encouraged to attend relevant training courses at the Company's expense.

Each newly appointed Director will receive a formal, comprehensive and customized induction package upon his or her initial appointment to ensure that he or she has a proper understanding of the business and operations of the Company and is fully informed of his or her duties and responsibilities under the Listing Rules.

The Company provided training through external expert lectures in order to develop and update the Directors' knowledge and skills. The Company also provided all Directors with the latest information and relevant materials regarding the Listing Rules and other applicable regulatory requirements to ensure compliance with good corporate governance practices and enhance their awareness in this regard.

For the year ended 31 December 2021, all of the Directors have received relevant trainings on corporate governance and the relevant training records are as follows:

	Corporate Governance/Updates on Relevant Laws, Rules and Regulations		Accounting/Finance/Management or Other Professional Skills	
Name of Director	**Studied Materials**	**Attended Seminars/Briefings**	**Studied Materials**	**Attended Seminars/Briefings**
Non-executive Directors:				
Mr. Liu Guilin	✓	✓		
Mr. Xiang Qunxiong	✓	✓		
Mr. Zhang Jie	✓	✓		
Ms. Sun Ying	✓	✓		
Mr. Hu Bin (1)	✓	✓		
Independent non-executive Directors:				
Mr. Qi Min	✓	✓		
Mr. Qiu Hongsheng	✓	✓		✓
Ms. Chan Ching Har Eliza	✓	✓	✓	✓
Executive Director:				
Mr. Huang Liping	✓	✓		

Note:

(i) Mr. Hu Bin had been re-designated from an executive director to a non-executive director and ceased to act as the executive president of the Company with effect from 8 September 2021.

The Directors will continue to be updated by the Company on any changes or developments affecting their obligations as directors of a listed company.

BOARD MEETINGS

Notice of regular Board meetings is given to each Director at least 14 days before the meeting. The agenda and the relevant board papers are circulated to each Director at least three days before regular Board meetings to enable them to make informed decisions at the meeting.

Code provision A.1.1 of the CG Code (which has been re-numbered as code provision C.5.1 since 1 January 2022) requires that at least four regular Board meetings be held each year at approximately quarterly intervals, with active participation of a majority of directors entitled to attend the meetings, either in person or through other electronic means of communication. The Board held four regular Board meetings at approximately quarterly intervals during the Reporting Period.

INSURANCE FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and senior management.

BOARD COMMITTEES

The Board has established four Board committees to oversee particular aspects of the Company's affairs, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Financial Control Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. The independent non-executive Directors, as members of the various Board committees, bring their range of experiences and expertise and provide objective perspectives to the Board committees. The Board has provided the Board committees with sufficient resources to discharge their duties, and the Board committees may seek independent professional advice as and when required at the Company's expense.

Audit Committee

As at the Latest Practicable Date, the Audit Committee comprised three members. It was chaired by Mr. Qiu Hongsheng (independent non-executive Director), and its other members were Mr. Qi Min (independent non-executive Director) and Mr. Xiang Qunxiong (non-executive Director). There was an overall majority of independent non-executive Directors.

The primary functions of the Audit Committee include the following:

- making recommendations to the Board on the appointment, reappointment and removal of external auditors, and to approve remuneration and terms of engagement of external auditors;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- discussing with the external auditors the nature and scope of the audit and the relevant reporting obligations before the audit commences;
- developing and implementing policy on engaging external auditors to provide non-audit services;
- monitoring the integrity of the Company's financial statements and annual report and accounts and half-yearly reports, and reviewing significant financial reporting opinions contained in such statements and reports;
- reviewing the Company's financial controls, internal control and risk management systems and discussing the internal control system with management to ensure that management has performed its duty to establish an effective internal control system;
- considering major investigation findings on internal control matters on the Audit Committee's own initiative or as delegated by the Board, as well as management's response to these findings; and
- reviewing the Group's financial and accounting policies and practices.

The terms of reference of the Audit Committee are available on the website of the Company and the designated website of the Stock Exchange. The Audit Committee held 7 meetings during the year ended 31 December 2021 to review the annual results and report for the year ended 31 December 2020 as well as the interim results and report for the six months ended 30 June 2021, and review the effectiveness of the financial control, internal control, risk management system and internal audit function of the Company, and discuss material risks under concern in the audit work and appointment of external auditors.

During the Reporting Period, the Audit Committee held 3 meetings with external auditors.

Remuneration Committee

As at the Latest Practicable Date, the Remuneration Committee comprised three members. It was chaired by Ms. Chan Ching Har Eliza (independent non-executive Director), and its other members were Mr. Qi Min (independent non-executive Director) and Mr. Xiang Qunxiong (appointed as member of the committee on 8 September 2021). Mr. Hu Bin resigned as the member of the committee on 8 September 2021. The Remuneration Committee had an overall majority of independent non-executive Directors.

The primary functions of the Remuneration Committee include the following:

- assessing, reviewing and making recommendations to the Board in respect of the remuneration packages and overall benefits for the Directors and senior management of the Company;

- making recommendations to the Board on the remuneration policy and structure for all Directors and senior management and on the establishment of a formal and transparent procedure for formulating remuneration policy;

- reviewing and approving the management's remuneration proposals with reference to corporate goals and objectives set by the Board;

- determining, with the delegated responsibility, the remuneration packages of individual executive directors and senior management, or making recommendations to the Board on the remuneration packages of individual executive Director and senior management;

- making recommendations to the Board on the remuneration of non-executive Directors; and

- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

The terms of reference of the Remuneration Committee are available on the website of the Company and the designated website of the Stock Exchange. The Remuneration Committee held 4 meetings during the Reporting Period to review the remuneration policies and structures of the Company, the remuneration packages for executive Directors and senior management as well as other relevant matters, assessing the performance of executive Directors, approving the terms of executive Directors' service contracts and make recommendations to the Board in such regard.

Details of the remuneration of the senior management by band are set out in the section headed "Remuneration of Directors and senior management and five individuals with highest emoluments" in the Directors' report on page 74.

Nomination Committee

As at the Latest Practicable Date, the Nomination Committee comprised three members. It was chaired by Mr. Liu Guilin (non-executive Director), and its other members were Mr. Qi Min (independent non-executive Director) and Mr. Qiu Hongsheng (independent non-executive Director). It had an overall majority of independent non-executive Directors.

The primary functions of the Nomination Committee include the following:

- reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; identifying suitably qualified senior management of the Company (Chief Executive Officer, Chief Financial Officer, Secretary to the Board of Directors) and selecting or advising the Board of Directors on the nomination of such individuals for appointment; advising the Board of Directors on the appointment and dismissal of senior management of the Company as determined by the Board of Directors; identifying suitably qualified individuals to serve as members of internal bodies of the Board of Directors and selecting or advising the Board of Directors on the nomination of such individuals for appointment to such bodies;
- assessing the independence of independent non-executive Directors;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession plan for Directors; and
- reviewing the board diversity policy regularly.

The terms of reference of the Nomination Committee are available on the website of the Company and the designated website of the Stock Exchange. The Nomination Committee held 2 meeting during the Reporting Period to review the structure, size and composition of the Board, and provide opinions on the nomination of relevant persons to be Directors to the Board, and review the independence of independent non-executive Directors.

Nomination Policy

The Company has adopted a nomination policy on 13 December 2018. The content of the nomination policy includes selection criteria, nomination procedures, confidentiality clauses, monitoring and reporting as well as policy review sections.

The Nomination Committee shall nominate suitable candidate(s) to the Board for it to consider and make recommendations to Shareholders in respect of the candidates for election as Director(s) at general meetings or appointment as Director(s) to fill casual vacancies. The Nomination Committee would take into account the following factors when evaluating the candidates:

- reputation;
- relevant accomplishment and experience in the fields of rental and sales and operation of industrial thematic parks and industrial investment;
- the available time and interests of relevant sectors; and
- board diversity in various aspects including but not limited to gender, age (aged 18 or above), cultural and educational background, ethnicity, professional expertise, skills, knowledge and length of service.

The above factors are for reference only. They are not intended to cover all factors and are not decisive. The Nomination Committee may decide to nominate any person that it considers appropriate.

The summary of the Directors' nomination procedures is as follows:

- The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members (if any) for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also nominate candidates who have not been nominated by Board members through various channels such as professional headhunting companies, Shareholders, management recommendation or internal promotion.
- For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
- Until the issue of the Shareholder circular in physical form, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
- The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.
- A Shareholder can serve a notice to the Company Secretary within the lodgement period of its intention to propose a resolution to elect a certain person as a nominated director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the Shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.

- Shareholders nominating candidates should take various factors into account such as Shareholders' shareholding ratio, history of the Company and the agreement related to bilateral or multilateral agreements, and there should be an employee representative candidate.

- A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

- The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

Board Diversity Policy

The Company has adopted its board diversity policy on 6 March 2013, and amended it on 13 December 2018. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth. In reviewing and assessing the composition of the Board and nominating Directors, it will consider various factors for the board diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and industry and regional experience. The Nomination Committee will discuss and agree on other measurable objectives for achieving diversity of the Board and make relevant recommendations to the Board. Diversity factors and measurable objectives may be adopted and/or amended by the Board at any time necessary for the requirements of the business of the Company as well as the succession plan of the Board. The Nomination Committee will review the structure, size and composition of the Board annually and make recommendations when appropriate on any proposed changes to the Board to complement the Company's corporate strategy.

Financial Control Committee

The Financial Control Committee comprises three members, namely Mr. Huang Liping (executive Director), Mr. Wang Yuancheng (Vice President) and Mr. Tian Maoming (financial controller, and was appointed as a member on 8 September 2021). Ms. Huang Min resigned as a member on 8 September 2021. The Financial Control Committee is chaired by Mr. Huang Liping. The establishment of the committee is one of the internal measures adopted for further reducing the Company's potential risk in relation to the minimum tax guarantee under the relevant contracts for the Hefei Financial Harbour project.

The primary duties of the Financial Control Committee are to assess the sufficiency of internal funds, obtain the standby banking facilities where necessary, further discuss the Company's potential risks and exposure level, evaluate sufficiency of the existing measures in place to minimize such risks, and formulate new business strategies and follow-up measures where appropriate.

The Financial Control Committee held 1 meeting during the Reporting Period to discuss the potential liabilities and risks in relation to the abovementioned minimum tax guarantee.

ATTENDANCE RECORD OF THE DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board committee meetings of the Company as well as the annual general meeting of the Company held during the Reporting Period is as follows:

	Attendance/Number of Meetings				
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting [1]
Non-executive Directors:					
Mr. Liu Guilin	14/14			2/2 (C)	1/1
Mr. Xiang Qunxiong	14/14	7/7 (M)	2/2 (M)		1/1
Mr. Zhang Jie	13/14				1/1
Ms. Sun Ying	5/14				1/1
Mr. Hu Bin [3]	14/14		2/2 (M)		1/1
Independent non-executive Directors:					
Mr. Qi Min	14/14	7/7 (M)	4/4 (M)	2/2 (M)	1/1
Mr. Qiu Hongsheng	14/14	7/7 (C)		2/2 (M)	1/1
Ms. Chan Ching Har Eliza	12/14		4/4 (C)		1/1
Executive Director:					
Mr. Huang Liping	14/14				1/1

Notes:

(1) The annual general meeting of the Company was held on 18 June 2021.

(2) (C) – Chairman of the committee; (M) – Committee member.

(3) Mr. Hu Bin had been re-designated from an executive director to a non-executive director and ceased to act as the executive president of the Company with effect from 8 September 2021.

During the Reporting Period, the chairman of the Board convened 1 meeting among independent non-executive Directors without the presence of other Directors.

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions are performed by the Board. The primary governance functions include:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring training and professional development of Directors and senior management;
- reviewing and monitoring the Company's compliance with the CG Code and other legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to Directors and employees of the Company; and
- reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of the Company is continuously endeavoring to improve risk management and internal control systems to manage risks in order to safeguard the Shareholders' investment and the asset of the Group.

The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving its objectives, and supervising the management in establishing and maintaining appropriate and effective risk management and internal control systems. The management is responsible for establishing and maintaining effective risk management and internal control systems, and reporting to the Board in respect of the effectiveness of relevant systems.

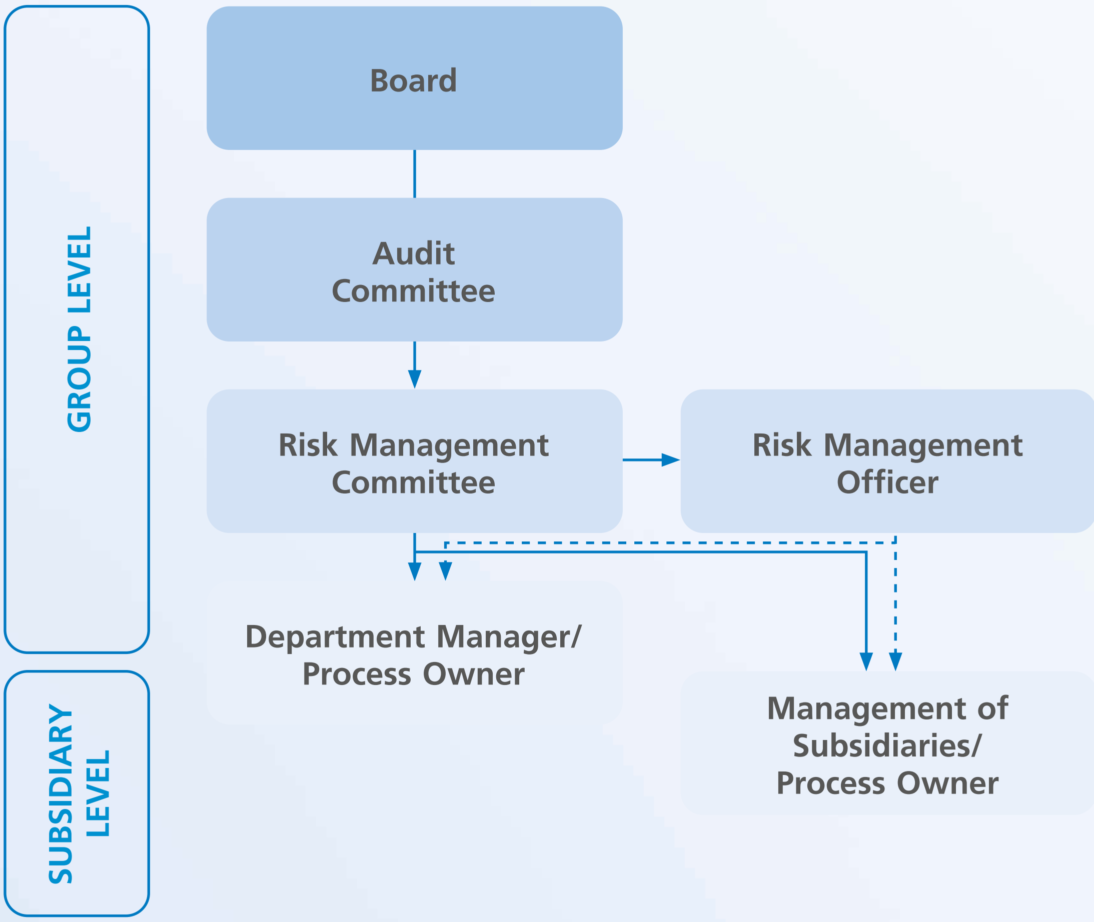
The related risk management system and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

The risk management system of the Group consists of the following important elements: objectives and strategies of risk management, risk management system, risk management structure and duties of each level of management, risk management procedures, nurturing of risk management culture as well as the internal control procedures.

RISK MANAGEMENT STRUCTURE AND RESPONSIBILITIES OF EACH LEVEL OF MANAGEMENT

Risk Management Structure:



Duties of each level of management:

Roles	Main Duties
Board	• determines the general objectives of risk management, risk appetite and risk tolerance • approves the risk management policy • approves risk management recommendations and reports • carries out risk management of material decisions and approves risk management reports of material decisions • strengthens nurturing the culture of corporate risk management
Audit Committee	• reviews the establishment of risk management structure and its roles and responsibilities • authorized by the Board to supervise the implementation of risk management and internal control systems • reviews the effectiveness of the Company's risk management and internal control systems regularly
Risk Management Committee	• promotes the establishment of risk management system, establishes risk management system and defines its roles & responsibilities • reviews and supervises the implementation of relevant risk management policies and procedures of the Company regularly • provides comments from risk management perspective regarding material decisions, reviews and submits risk management reports on material decisions and provides recommendations on risk responses • monitors nurturing the culture of overall risk management • regularly reports to the Audit Committee on risk management works
Risk Management Officer	• organizes and coordinates with various functional departments to carry out material risks identification and assessment works on business level, prepares management reports on material risks on business level and various risk management reports, and reports to the Risk Management Committee • organizes and coordinates with the Risk Management Committee and senior management to identify and assess risks on company level as well as formulates and submits relevant measures to manage material risks on company level • assists, reviews and supervises the risk management works and results carried out by risk management officers • provides relevant training and guidance on risk management
Department Manager/ Process owner/ Management of subsidiaries	• responsible for coordinating with the Risk Management Committee and the risk management officer to carry out specific risk management works • updates the list of risks and carries out risk management related works on a regular basis • assesses risks from the two dimensions: likelihood of occurrence and potential impact • prepares the relevant risk response for the business risks, implements the risk response, and be responsible to push forward specific risk management measures • monitors various risks and timely reports to the risk management officers on risk information

RISK MANAGEMENT PROCEDURE

Three Steps for Risk Management Procedure:

Step 1: Risk Identification:

- Identify the matrix for measuring risks (to be defined in accordance with different level of the impact and the possibility of occurrence);

- Conduct interviews with senior management and persons-in-charge of business procedures to identify the current risk exposure on company level and business level. Currently, the top five risks on which the Group is required to focus are strategic execution risk, talent and business matchmaking risk, government relation transition risk, industrial park integrated operation industry competition risk, industrial park collaboration risk.

Step 2: Risk Analysis and Countermeasure:

- Analyze risks and assess the level of risk based on two criteria, namely: the potential impact and the possibility of occurrence;

- Identify and assess the current risk responses and comment the current risk management measures;

- Analyze and determine if it is necessary to formulate additional risk management measures to manage risks at an acceptable level.

Step 3: Risk Report:

- Summarize the result of the risk management analysis, formulate a plan of action and report to the Risk Management Committee;

- Prepare a Risk Management Report, which should include a summary of the results of risk assessment, the highlights on significant risks, and the action plans, etc.;

- Submit the Risk Management Report to the Board for its approval.

INTERNAL CONTROL

The Group establishes the internal control system in referencing with the three lines of defense model.

STRUCTURE AND DUTIES OF THE THREE LINES OF DEFENSE

- First Defense Line: the management formulates appropriate policies and procedures and internal control measures for daily business operation

- Second Defense Line: the risk management, compliance departments and other departments responsible for policy formulation monitor the first defense line on a daily basis, and conduct regular reviews on risk and compliance

- Third Defense Line: the internal audit department carries out reviews and audits with an independent view from the management on a continuous basis

INTERNAL AUDIT

In 2021, the Group continued to implement the existing "Three in One" (enhancing internal control, preventing risks and promoting compliance) internal control system and the internal control responsibility system of the Audit Committee under the leadership of the Board: continued to strengthen its audit supervision function and specifically implemented the Group's internal audit under the leadership of the Audit Committee.

The Audit and Supervision Office carries out continuous special internal audits in accordance with the annual audit plan approved by the Audit Committee every year. For the internal control deficiency identified, the Company will address it by communicating with management and ordering the remediation to be taken. Any material deficiency identified in controls or procedures will be directly reported to the Board for communication and discussion.

ANTI-CORRUPTION

In 2021, through setting up related policies under the guidance of the "three-in-one" work system, the Group established a channel for group staff and the external third parties to report any fraud or breach of ethical conduct, and established a separate mechanism for monitoring and reporting to make sure all the investigations and processing results are in strict confidentiality. On the other hand, the Group focused on the publicity and training for anti-corruption, integrity and ethical values and strictly required compliance with the discipline and laws by the Group's employees in order to create an atmosphere of integrity and self-discipline in the Group and reduce the risk of fraud.

MANAGEMENT OF INSIDE INFORMATION

The Group formulated information disclosure policies such as "Information Disclosure System" and "Measures for the Administration on Inside Information Disclosure", to provide general guidelines for Directors and senior management of the Group in handling the inside information disclosure, in accordance with the Listing Rules and the SFO. The Directors and senior management of the Group have been provided the brief introduction and information relevant to information disclosure system.

THE EFFECTIVENESS OF THE RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEMS FOR YEAR 2021

The Board acknowledges that it is responsible for the risk management and internal control systems, and also responsible for conducting an overall review annually on the effectiveness of the risk management and internal control systems of the Group.

In 2021, the Group continued to improve the risk management and internal control systems through performing annual risk assessment, reviewing the internal audit functions, and carrying out special internal audits in order to further enhance the company's risk management standards and risk defense capabilities.

With regard to corporate governance and risk management, the Board and the Audit Committee have reviewed compliance records such as the corporate governance report of the Company, the trainings received by the Directors and senior management, and equity trading records. Meanwhile, the Company has also engaged professional institutions to carry out risk assessment and internal control review works, and issued the "2021 Internal Control Review Report (《2021年度內控審閱報告》)" and "2021 Risk Assessment Report (《2021年度風險評估報告》)". During the assessment, the Board and the Audit Committee have reviewed the findings, exchanged opinions with professional institutions, and made relevant audit opinions on important matters. Through the review of the effectiveness of the risk management and the internal control systems in 2021, the Board is of the opinion that the risk management and internal control systems of the Group are basically effective for the year ended 31 December 2021. The Board and the Audit Committee also reviewed the resources for accounting, internal audit and financial reporting functions, the qualification and experience of the staff and the training courses that the staff takes and its related budgets, and they are of the opinion that the above functions are adequate.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the Reporting Period, presenting a balanced, clear and comprehensible assessment of the Company's performance, position and prospects, and ensuring that the financial reports are prepared in accordance with applicable statutory requirements and accounting standards. To the best knowledge, information and belief of the Directors, the Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The management of the Company has provided the Board with such explanation and information necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

Auditor's Statement

The statement of the Company's independent external auditor, PricewaterhouseCoopers, on its reporting responsibilities in respect of the consolidated financial statements of the Group during the Reporting Period is set out on pages 125 to 131 of this annual report.

Auditor's Remuneration

For the year ended 31 December 2021, the remuneration payable to PricewaterhouseCoopers by the Company (excluding tax) is set out below:

Services provided by the auditor	**Remuneration** (RMB'000)
Audit services	2,200
Non-audit services	
– Interim review	800
– Other (environmental, social and governance report)	279
Total	3,279

COMPANY SECRETARY

Ms. Zhang Xuelian, the company secretary, is responsible for advising the Board on corporate governance matters and ensuring that the Board's policy and procedures and applicable laws, rules and regulations are followed.

The Company will provide funds for Ms. Zhang Xuelian for her to take not less than 15 hours of appropriate continuous professional training in each financial year as required under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meeting and putting forward proposals

Pursuant to Article 64 of the Articles of Association, one or more Shareholders holding not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings may request the Board to convene an extraordinary general meeting. Such requisition shall be made in writing to the Board or the company secretary and the business to be dealt with shall be specified in such requisition.

Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene extraordinary general meeting shall be reimbursed to the requisitionist(s) by the Company.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, no amendment was made to the constitutional documents of the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board recognizes that it is accountable to its Shareholders, and values the importance of communications with Shareholders. The Company is dedicated to maintaining an open dialogue with its Shareholders, and it will continually improve its communications with Shareholders to obtain their feedback.

The Company has established a shareholder communication policy to ensure effective communication with its Shareholders. The Company's corporate website also serves as a channel for Shareholders to access information about the Group. Shareholders can obtain access to the Group's key corporate governance policies and documents, including the terms of reference of the various Board committees, as well as all communications for Shareholders including the Group's financial reports and announcements on the website.

Shareholders are welcome to send their requests for convening extraordinary general meetings or putting forward proposed resolutions, or enquiries to the Board, to the primary contact person of the Company as follows:

China Electronics Optics Valley Union Holding Company Limited
Unit 1916, 19/F
Cheung Kong Center
2 Queen's Road Central
Central, Hong Kong
Attention: Ms. Zhang Xuelian
Email: ovuIR@ovuni.com

The Company will not normally deal with verbal or anonymous enquiries.

Major Properties Information

The following table sets forth an overview of the business park projects and residential projects held by the Group and its joint venture companies as of 31 December 2021.

No.	Project	Project Company	Location	Interest Attributed to the Group	A Total GFA[2] (sq.m.)
I.	**Completed Properties**				
	Industrial Parks				
1	Optics Valley Software Park (Phase I–IV)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	508,826
2	Optics Valley Software Park (Phase V)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	238,893
3	Optics Valley Software Park (Phase VI)	Wuhan Optics Valley Software Park	1 Guanshan Avenue, Wuhan, Hubei Province	100%	100,106
4	Optics Valley Software Park Exhibition Center (Phase I)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	1,570
5	Optics Valley Software Park Exhibition Center (Phase II)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	26,319
6	Financial Harbour (Phase I)	OV Financial Harbour Development	77 Guanggu Avenue, Wuhan, Hubei Province	100%	275,913
7	Financial Harbour (Phase II)	Wuhan OVU	77 Guanggu Avenue, Wuhan, Hubei Province	100%	512,367
8	Creative Capital	Wuhan OVU	16 Yezhihu West Road, Hongshan District, Wuhan, Hubei Province	100%	386,956
9	Wuhan Research Innovation Center (Phase I) – Minghong	Wuhan Minghong	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	42,740
10	Wuhan Research Innovation Center (Phase I) – Huisheng	Hubei Huisheng	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	18,091
11	Wuhan Research Innovation Center (Phase II) – Huisheng	Hubei Huisheng	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	52,625
12	Qingdao OVU Software Park Area 1.1-1.6	Qingdao OVU	396 Emeishan Road, Qingdao, Shandong Province	100%	317,209
13	Stage 1, Qingdao CEC Information Harbour	Qingdao OVU	396 Emeishan Road, Qingdao, Shandong Province	100%	82,897

B	C		D	G	E			F
					GFA Available for Sale[6]			
GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground [3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
457,360	508,826		1,495	51,466	455,324		541	
183,098	238,893		3,421	55,794	174,913			4,765
80,290	100,106		19,225	19,817	61,065			
1,570	1,570						1,570	
20,717	26,319	165		5,602				20,552
256,098	275,913	5,319	4,104	19,815	224,266		2,706	19,704
397,557	517,573		11,096	114,810	380,240		3,518	2,702
308,686	384,532	15,620	8,731	78,270	186,948		42,627	54,760
40,854	42,740		753	1,887	17,470		1,519	21,111
17,681	18,091		548	410	9,536		4,558	3,039
42,592	52,625	3,035		10,033	13,301		4,284	21,971
252,222	300,703		1,940	64,987	183,100		44,174	23,008
47,861				35,036			45,050	2,811

No.	Project	Project Company	Location	Interest Attributed to the Group	A Total GFA[2] (sq.m.)
14	Qingdao Research and Innovation Center	Qingdao OVU	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	100%	102,720
15	Qingdao Innocenter Public Housing	Qingdao OVU	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	100%	25,656
16	Qingdao Ocean Science and Technology Park (Phase I)	Qingdao OVU	South of Changjiang West Road, West of Jiangshan South Road, North of Binhai Avenue, Qingdao Economic & Technical Development Zone, Qingdao, Shandong Province"	100%	78,704
17	Shenyang Science and Technology City	Shenyang OVU	Intersection of Sheng Jing Da Jie and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	80,754
18	Shenyang CEOVU Information Harbour	Shenyang OVU	Intersection of Sheng Jing Da Jie and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	166,080
19	Shenyang Maker Corporation	Shenyang OVU	Intersection of Sheng Jing Da Jie and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	47,615
20	Ezhou OVU Science and Technology City Phase I (CD Zone/B2B3B8B9B10)	Hubei Technology Accelerator	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	80%	374,259
21	Hefei Financial Harbour	Heifei OVU	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	100%	646,751
22	Huangshi OVU Science Technology City (Phase I)	Huangshi OVU	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	100%	58,672
23	Huanggang OVU Science and Technology City (Phase I.I / Phase II.I / Phase III.I-III.III)	Huanggang OVU	Junction of Zhonghuan Road and Xingang North Road, Huangzhou District, Huanggang, Hubei Province	70%	125,758

B	C		D	G	E			F
					GFA Available for Sale[6]			
GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground [3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
86,986	102,720			15,734	61,064		2,316	23,607
22,099	25,655			3,557				22,099
61,920				16,784	39,725		22,195	
79,892	80,754	1,715	2,660	862	75,517			
165,061	166,080	1,224	160	1,019	130,904		32,773	
36,877	47,615			10,738	5,375		21,992	9,510
373,451	374,259			808	277,546		95,904	
473,540	477,226	8,399	5,120	173,211	333,651		86,273	40,097
58,672	58,672				19,069		32,740	6,864
125,758	125,758	274	1,131		86,696		27,526	10,131

No.	Project	Project Company	Location	Interest Attributed to the Group	A Total GFA[2] (sq.m.)
24	Xi'an CEC Information Harbour	CEC Xi'an Industrial Park Development Co., Ltd.	West of Caotan Tenth Road, North of Shangji Road, Xi'an, Shaanxi Province	73.91%	191,845
25	China (Changsha) Information Security Industrial Park (Zone A/B1 / Zone C)	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	201,591
26	Chengdu Chip Valley (Lot 6#/8#/Lot 9 Lot 1)	Chengdu Chip Valley Industrial Park Development Co. Ltd.	No.1 Fengle District, Dongsheng street, No. 7 Guangrong District, Pengzhen, Chengdu City, Sichuan Province	80%	154,747
27	China Electronics (Wenzhou) Information Harbour (B28)	China Electronics Wenzhou Industrial Park	Jinhai Park, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Province	95%	136,819
28	Luoyang CEOVU Information Harbour	Luoyang CEC Optical Valley Information Port Industrial Co., Ltd.	Intersection of Guanlin Road and Longshan Line, Luolong District, Luoyang, Henan Province	70%	62,673
29	China Electronics Western Zhigu (Phase I.I)	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.	No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	100,029
30	CEOVU Digital Industrial Park (Phase I & II)	Wuhan Digital Industrial Park Development Co. Ltd.	Changfu Industrial Park, Caidian District, Wuhan	100%	37,153
	Sub-total				**5,156,339**

B	C		D	G	E			F
					GFA Available for Sale[6]			
GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground [3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
161,548	191,845	3,000		30,297	98,325		16,910	43,313
148,343	201,591			53,248	145,218			3,126
119,909	154,747			34,838	37,493		21,071	61,344
134,816	136,819	3,671		2,003	85,647		15,285	30,214
62,673					41,349		11,714	9,610
100,029	100,029	2,581	617		92,885		3,946	
37,153	37,153				34,673		2,481	
4,355,314	**4,748,814**	**45,003**	**61,001**	**801,025**	**3,271,300**		**543,672**	**434,339**

No.	Project	Project Company	Location	Interest Attributed to the Group	A Total GFA[2] (sq.m.)
	Residential Properties				
31	Lido Top View	Huangshi OVU	76 Hangzhou West Road, Huangshi Development Zone, Hubei Province	100%	148,271
32	Lido 2046	Wuhan OVU	175 Xiongchu Avenue, Wuhan, Hubei Province	100%	126,629
33	Up Mason	Wuhan Mason	No. 318 Minzu Avenue, Wuhan, Hubei Province	100%	153,437
	Sub-total				**428,336**
	Investment properties				
34	Lido Garden	Optics Valley Union Holding	1 Luoshi Road, Wuhan, Hubei Provinc	100%	198,119
35[10]	North Harbour Industrial Park (Lido Property)	Lidao Property	38 Shucheng Road, Wuhan, Hubei Province	100%	3,546
36	Lido Garden	Optics Valley Union Holding	1 Luoshi Road, Wuhan, Hubei Province	100%	1,122
37	North Harbour Industrial Park (Lido Technology)	Lidao Technology	38 Shucheng Road, Wuhan, Hubei Province	100%	3,683
	Sub-total				**206,471**
	Sub-total				**5,791,146**
38[11]	Hainan Resort Software Community (Land Plots A, B, E, D and C) (Phase I)	Hainan Resort Software Community	Southern section situated 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	20%	590,854
38[11]	Hotel and Car Park of Phase V Project situated at land plot C of Hainan Resort Software Community	Hainan Resort Software Community	Southern section situated 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	20%	61,622

B	C		D	G	E			F
					GFA Available for Sale[6]			
GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground [3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
148,271	148,271		1,189		130,620	164	543	15,755
114,860	125,510		1,444	11,769	112,956		461	
130,260	151,090		1,363	23,177	128,896			
393,390	**424,870**		**3,997**	**34,946**	**372,472**	**164**	**1,004**	**15,755**
198,119	198,119				191,197			6,922
3,546	3,546							3,546
1,122	1,122						1,122	
3,683	3,683				784			2,899
206,471	**206,471**				**191,982**		**1,122**	**13,367**
4,955,175	**5,380,155**	**45,003**	**64,998**	**835,971**	**3,835,753**	**164**	**545,797**	**463,460**
590,854	590,854	32,686			409,882		29,589	118,697
53,581	53,581	53,581		8,042				

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Completion Date[(2)] (month/year)
II	**Projects under Development**				
	Industrial Parks				
1	Huangshi OVU Science Technology City (Phase I)	Huangshi OVU	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	100%	1/6/2023
2	Qingdao CEC Information Harbour Section II	Qingdao OVU	396 Emeishan Road, Qingdao, Shandong Province	100%	1/12/2022
3	China (Changsha) Information Security Industrial Park (Zone D)	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	30/6/2022
4	China (Changsha) Information Security Industrial Park Phase II (Expansion Project)	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	1/4/2023
5	Chengdu Chip Valley (Lot 9 No. 2 Bid / Lot 11 No. 1 Bid / Lot 11 No. 2 Bid / Lot 12 No. 1 Bid)	Chengdu Chip Valley Industrial Park Development Co. Ltd	No.1 Fengle District, Dongsheng street, Chengdu, Sichuan Province No. 1. No. 7 Guangrong District, Pengzhen	80%	1/4/2022
6	China Electronics Wenzhou Information Harbour (B29)	China Electronics Wenzhou Industrial Park	Jinhai Park, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Province	95%	1/6/2022
7	Shanghai CEC Information Harbour	Shanghai Huayue Investment and Development Co., Ltd.	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District	100%	1/1/2023
8	CEC Optics Valley Digital Industrial Park (Phase I)	Wuhan Digital Industrial Park Development Co. Ltd.	Changfu Industrial Park, Caidian Zone, Wuhan	100%	31/5/2022
9	China Electronics Western Zhigu (Phase I.II-I.III)	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.	No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	1/3/2023
10	Wuhan CEC Information Harbour – Minghong	Wuhan Minghong	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	1/5/2023

A	B		C	D	G	E			F
						GFA Available for Sale(6)			
Total GFA(3) (sq.m.)	GFA with Land Use Rights Obtained (sq.m.)	GFA Completed(3) (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA(4) (sq.m.)	GFA Underground (3)(9) (sq.m.)	GFA Sold(5) (sq.m.)	GFA Presold(5)(8) (sq.m.)	GFA Available for Sale(5)(7) (sq.m.)	Leasable GFA(5)(6) (sq.m.)
38,404	37,710				694			37,710	
102,828	83,713			9,712	19,116			74,001	
148,760	120,055				28,705	39,926		53,274	26,856
145,117	111,344			11,465	33,773			54,082	
159,934	115,611				44,323			93,505	22,106
138,740	136,155				2,585			90,948	45,207
190,747	134,793				55,955	29,031		78,861	26,901
52,744	52,744			585				52,159	
68,390	68,390							68,390	
43,562	34,589				8,972			34,589	

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Completion Date[(2)] (month/year)
11	Tianjin China Electronics Technological Innovation City	Tianjin China Electronics Optics Valley Development Co., Ltd.	Huayuan Technological City, High-Tech Zone, Tianjin	80%	30/5/2023
12	Ezhou OVU Science and Technology City (B7)	Hubei Technology Accelerator	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	80%	1/9/2022
13	China Electronics Eastern Zhigu	Nantong Optics Valley Smart Manufacturing Co., Ltd.	No. 217, Xinsheng Road, Chongchuan District, Nantong City, Jiangsu Province	70%	30/6/2023
14	CEOVU Manufacturing Center	Wuhan China Electronics Optics Valley Industrial Park Development Co., Ltd.	No. 9, Wuyi Avenue, Zhengyang Economic Development Zone, Xinzhou, Wuhan	100%	1/12/2022
15	Chongqing CEOVU Technology City	Chongqing CEOVU Technology City	Xiyong AJ Group, Shapingba District, Chongqing	100%	30/3/2024
	Sub-total				
16	Ningbo Hangzhouwan Blue Coast	Excellence Ningbo Optics Valley Real Estate Co., Ltd.	North of Binhai sixth Road and East of Zhong Xing First Road, Hangzhou Bay New District, Zhejiang Province	31%	30/8/2022
17	Heng Qin Zhi Shu Cloud	Heng Qin Zhi Shu Cloud Computing Industry Research Institute Co., Ltd.	East of Fubang Road, Hengqin New District, Zhuhai City, Guangdong Province	30%	1/3/2023

Relationship among marked columns:

(A)=(C)+(D)+(E)+(F)+(G)

(B)=(C)+(D)+(E)+(F)

A	B		C	D	G	E			F
						GFA Available for Sale[6]			
Total GFA[3] (sq.m.)	GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground [3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Presold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
160,400	111,755		1,800		48,645			87,564	22,391
27,700	27,700							27,700	
80,006	77,652				2,354			77,652	
95,757	95,757		704	289				94,764	
49,851	49,102				749	632		48,470	
1,502,940	**1,257,069**		**2,504**	**22,050**	**245,871**	**69,588**		**973,668**	**189,259**
755,889	602,831			37,282	153,058	180,320	63,202	322,027	
76,371	53,618			700	22,753			52,918	

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Completion Date[2] (month/year)
III	**Projects Planned for Future Development**				
	Industrial Parks				
1	Wuhan CEC Information Harbour – Huisheng	Hubei Huisheng	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	1/5/2022
2	Qingdao Ocean Science and Technology Park (Phase II)	Qingdao OVU	South of Changjiang West Road, West of Jiangshan South Road, North of Binhai Avenue, Qingdao Economic & Technical Development Zone, Qingdao, Shandong Province	100%	1/12/2023
3	Ezhou Optics Valley Science and Technology Union City Phase I (Land Plot B)	Hubei Technology Accelerator	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	80%	1/9/2022
4	Huangshi Science Technology Union City (Phase I)	Huangshi OVU	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	100%	1/12/2022
5	Huanggang OVU Science and Technology City	Huanggang OVU	Junction of Zhonghuan Road and Xingang North Road, Huangzhou District, Huanggang, Hubei Province	70%	1/6/2024
6	Xi'an CEC Information Harbour	CEC Xi'an Industrial Park	West of Caotanshi Road, North of Shangji Road, Xi'an, Shaanxi Province	73.91%	1/12/2022
7	China (Changsha) Information Security Industrial Park	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	30/6/2022
8	Shanghai CEC Information Harbour	Shanghai Huayue Investment and Development Co., Ltd.	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District	100%	30/6/2023
9	Chengdu Chip Valley (Land Plots 12#/13#/14#)	Chengdu Chip Valley Industrial Park Development Co. Ltd.	No.1 Fengle District, Dongsheng street, Chengdu, Sichuan Province No. 1. No. 7 Guangrong District, Pengzhen	80%	30/11/2024
10	China Electronics Western Zhigu Park (Phase I.IV)	Xiangyang China Electronics Western Zhigu industrial Co. Ltd.	No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	1/12/2022

A	B		C	D	G	E			F
						GFA Available for Sale[6]			
Total GFA[2] (sq.m.)	GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground[3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Presold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
61,460	48,000				13,460			48,000	
118,346	105,130		6,800		13,216			98,330	
118,922	113,494				5,428			113,494	
93,524	93,524							93,524	
70,385	70,385							70,385	
9,070	9,070							9,070	
124,954	104,258			2,058	20,696				102,200
85,607	72,507				13,099			72,507	
398,075	312,797				85,278			283,479	29,318
18,860	18,860							18,860	

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Completion Date(2) (month/year)
11	CEOVU Digital Industrial Park (Phase III and Phase IV)	Wuhan Digital Industrial Park Development Co. Ltd.	Changfu Industrial Park, Caidian Zone, Wuhan	100%	1/7/2023
12	CEOVU Manufacturing Center	Wuhan CEC Optics Valley Industrial Parks Development Co., Ltd.	About 100m to the West of the Intersection of Jingdong Avenue and Wuyi South Road, Xinzhou District, Wuhan City, Hubei Province	100%	1/11/2024
13	Changsha Xingsha Digital Intelligence Community	Changsha CEOVU Technology Intelligence Industrial Park Development Co., Ltd.	East of Huangxing Avenue and South of Screwtree Road, Changsha Economic and Technological Development Zone	60%	5/3/2024
14	Chongqing CEOVU Technology City	Chongqing CEOVU Technology City Development Co, Ltd.	Xiyong AJ Group, Shapingba District, Chongqing	100%	30/3/2027
15	Luoyang China Electronics Optics Valley Information Harbour	Luoyang CEC Optical Valley Information Port Industrial Co., Ltd.	Intersection of Guanlin Road and Longshan Line, Luolong District, Luoyang, Henan	70%	31/12/2022
16	China Electronics Eastern Zhigu	Nantong Optics Valley Smart Manufacturing Co., Ltd.	No. 217, Xinsheng Road, Chongchuan District, Nantong City, Jiangsu Province	70%	31/12/2024
17	China Electronics Western Smart Creation Park	Chongqing Optic Valley United Technology Development Co., Ltd.	Caijiagang, Beibei District, Chongqing	100%	31/5/2025
18	Mianyang CEC Optics Valley Technology City	Mianyang CEC Optics Valley Technology Development Co., Ltd.	Mianyang National High-Tech Industrial Development Zone	100%	31/8/2027

A	B		C	D	G	E			F
						GFA Available for Sale[6]			
Total GFA[2] (sq.m.)	GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground[3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Presold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
67,783	67,302			228	481			67,074	
121,808	118,988			322	2,820			118,666	
100,400	82,600				17,800			82,600	
52,206	52,206							52,206	
35,364	28,834		8,887	7,176	6,530			12,771	
227,707	213,877				13,831			213,877	
65,600	65,600							65,600	
135,958	134,551			202	1,408			134,349	

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Completion Date[2] (month/year)
19	Shenyang CEOVU Technology City	Shenyang Optic Valley United Development Co., Ltd.	Intersection of Shengjing Avenue and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	25/12/2023
	Sub-total				
20[11]	Hainan Resort Software Community (Land Plot A, C, E, G)	Hainan Resort Software Community	Southern section situated 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	20%	1/10/2022
21	Hainan Yunhai Wuxiang	Hainan Resort Software Community	Phase II, Hainan Free Trade Resort Software Community, Chengmai County Old Town Economic Development Zone, Hainan Province	20%	30/6/2024
22	Ningbo Hangzhouwan Blue Coast	Ningbo Excellence Optics Valley Real Estate Co., Ltd.	North of Binhai sixth Road and East of Zhong Xing First Road, Hangzhou Bay New District, Zhejiang Province	31%	10/01/2023
	I to III Total				

A	B		C	D	G	E			F
						GFA Available for Sale[6]			
Total GFA[2] (sq.m.)	GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground[3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Presold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
81,291	80,312			75	979			80,237	
1,987,320	**1,792,294**		**15,687**	**10,061**	**195,026**			**1,635,029**	**131,518**
439,067	439,067							439,067	
423,300	423,300							213,300	210,000
670,553	426,290			19,864	244,263			406,425	
12,299,062	**10,594,079**	**6,024,590**	**149,461**	**154,955**	**1,704,983**	**4,495,544**	**63,365**	**4,617,820**	**1,112,934**

Notes:

1 The estimated completion date of a project reflects the Group's best estimate based on its current development plan for the projects.

2 "Total GFA" in respect of each completed property is based on figures provided in the record of acceptance examination upon project completion in respect of the project for which the Group has obtained the permit, or in some case, its internal records and estimates based on an independent report. "Total GFA" in respect of each project under development is based on figures provided in (i) the construction works commencement permit in respect of the project for which the Group has obtained the permit but not yet obtained the record of acceptance examination upon project completion, (ii) the planning permit for construction works (建設工程規劃許可證) in respect of the project for which the Group has obtained the planning permit for construction works but not yet obtained the construction works commencement permit, or (iii) the Group's internal records and estimates. It includes attributable value of amenities.

3 "GFA Completed" is based on figures provided in real property certificates, construction and planning permits, surveying reports or records for the acceptance examination upon project completion (竣工驗收備案證明) by the relevant government departments.

4 "Non-Saleable and Non-Leasable GFA" of properties includes the GFA of certain area above ground used as public car parking spaces and other ancillary facilities.

5 The following figures are based on the Group's internal records and estimates: (a) "GFA Sold", (b) "GFA Pre-sold", (c) "GFA Available for Sale", (d) "Leasable GFA" and (e) "Underground GFA".

6 "Leasable GFA" represents the total GFA of investment properties in each project which the Group holds and leases for recurring rental income.

7 "Saleable GFA" in respect of each completed project represents the GFA designated by the Group for sale but has not been sold; "Saleable GFA" in respect of each project under development represents estimated GFA that is designated by us for sale, being among the GFA that is leasable or saleable according to the pre-sale permit (預售許可證) or, where the pre-sale permit is not yet available, the Group's internal records and estimates.

8 Figures for "GFA Pre-sold" are based on the Group's internal records. A property is pre-sold when a binding sales agreement has been executed.

9 "Underground GFA" of properties includes the GFA of certain underground areas used as car parking spaces and other ancillary facilities (including storage rooms, equipment facilities and power supply stations). Save for Lido Garden, Xi'an CEC Information Harbour and Hefei Financial Harbour, we have no property rights or land use rights of the underground car parking spaces in respect of its projects other than those entitlement to use them in accordance with the relevant construction and planning permits and the local general practice of the projects. We have title to the underground car parking spaces in Lido Garden, Xi'an CEC Information Harbour and Hefei Financial Harbour.

10 The total GFA of 3,083 sq.m. excludes the construction of insulation structure for fire prevention. With the total GFA of that structure included, the total GFA would be 3,546 sq.m..

11 During the Reporting Period, as only 20% of the equity interest of the Project Company was attributed to the Group, its financial information has not included in our Consolidated Financial Statements.

Relationship among marked columns:

(A)=(C)+(D)+(E)+(F)+(G)

(B)=(C)+(D)+(E)+(F)

pwc 羅兵咸永道

To the Shareholders of China Electronics Optics Valley Union Holding Company Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of China Electronics Optics Valley Union Holding Company Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 132 to 234, comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Recognition of revenue from sales of properties over time
- Valuation of investment properties

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of revenue from sales of properties over time Refer to Note 2.26 'Revenue recognition', Note 4 'Critical accounting estimates and judgments' and Note 5 'Revenue and segment information' to the consolidated financial statements. Revenue from sales of properties is recognised over time or at a point in time when the buyer obtains control of the completed properties, depending on the terms of the sales contract. For the year ended 31 December 2021, revenue of the Group from sales of properties was RMB2,568.3 million, of which RMB521.8 million was recognised over time.	To address this key audit matter, we performed audit procedures as follows: In assessing the appropriateness of management's judgments as to whether the Group has the enforceable right to payment in those sales contracts recognised over time, we have: (i) Understood and evaluated management's procedures in identifying and classifying sales contracts with or without right to payment. (ii) Reviewed the key terms of a sample of sales contracts to assess the presence of right to payment based on the contract terms. (iii) Obtained and reviewed the opinion of the Group's internal lawyer, in particular, the internal lawyer's interpretation of the applicable laws and its implication on the assessment of the enforceability of the right to payment. (iv) Compared to the industry practices.

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract. Such determination requires significant judgments. Management uses judgments, based on its internal lawyer's interpretation and making reference to industry practices, to classify sales contracts into those with right to payment and those without the right. For the revenue from sales of properties recognised over time, the Group recognises revenue by measuring the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each property unit in the contract. The Group calculated the cost allocation based on type of properties, gross and saleable floor areas. Significant judgments and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. Given the involvement of significant judgments and estimations, recognition of revenue from sales of properties over time is considered a key audit matter.	In respect of the completeness of the estimated total contract costs and the accuracy of progress towards complete satisfaction of the performance obligation, we have: (i) Compared the actual development costs of completed projects to management's prior estimations of total development costs to assess management's experience and capability on making cost estimates. (ii) Understood, evaluated and validated the internal controls over the generation of cost data of the property unit. (iii) Assessed the reasonableness of the basis for cost allocation. (iv) Tested the completeness of the estimated total development costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date, by performing procedures below on a sample basis: • Compared the estimated total development costs of the project and property unit to the budget approved by management. • Tested the development costs incurred by tracing to the supporting documents and the reports from external supervising engineers, where applicable. • Checked the mathematical accuracy of the computation of cost allocation and progress of the property unit. We found that the significant judgments and estimations used in determining whether the Group has the enforceable right to payment, and the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date were supportable by available evidence.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties Refer to Note 4 "Critical accounting estimates and judgements" and Note 15 "Investment properties" to the consolidated financial statements. The Group's investment properties are measured at fair value model and carried at approximately RMB5,091.6 million as at 31 December 2021 and fair value gains of approximately RMB51.1 million were recognised for the year then ended. The fair values of investment properties are determined by the Group based on the valuations performed by an external valuer engaged by the Group. The Group's investment property portfolio includes completed investment properties, investment properties under construction and the associated right-of-use assets for property leases which had been or planned to be subleased out under operating lease. • For completed investment properties: the valuations of these properties are derived at the average of the investment approach and the direct comparison method. For the investment approach, the relevant key assumptions include term yield, reversionary yield and market monthly rental rate. For the direct comparison method, the relevant key assumption is estimated price per square meter, with reference to recent transactions of comparable properties and adjusting for differences in key attributes such as but not limited to location and property size. • For investment properties under construction: the valuations of these properties are derived using the residual method. The relevant key assumptions include term yield, reversionary yield, market monthly rental rate, and estimated price per square meter, development costs to completion and developer's profit margin. • For the associated right-of-use assets for property leases which had been or planned to be subleased out under operating lease: the valuations of these properties are derived using the income approach. For the income approach, the relevant key assumptions include term yield, reversionary yield and market monthly rental rate. All the relevant key assumptions are influenced by the prevailing market conditions and the characteristics of each property of the Group. We focus on this area due to the financial significance of investment properties to the consolidated financial statements and the relevant key assumptions applied in valuation involving significant judgements and estimates.	Our audit procedures included: (i) We assessed the competence, capabilities and objectivity of the external valuer engaged by the Group. (ii) We obtained the valuation report of each property and assessed the appropriateness of the valuation methods applied. (iii) We assessed the reasonableness of relevant key assumptions used in the valuations including term yield, reversionary yield, market rental rate, estimated price per square meter and developer's profit margin of the selected properties by independently gathering and analysing the data of comparable properties in the market with similar characteristics such as but not limited to location and property size. (iv) We checked the key assumption, estimated development costs to completion, of the selected investment properties under construction with the approved budget, of which the reasonableness was assessed by comparison with the actual costs of completed investment properties of the Group. In light of the above, we found the significant judgements and estimates made by management on relevant key assumptions were supportable by available evidences.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pang Ho Yin.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2022

Consolidated Statement of Profit or Loss

	Note	2021 RMB'000	2020 RMB'000
		Year ended 31 December	
Revenue	5	**4,530,568**	3,048,618
Cost of sales	7	**(3,232,603)**	(2,110,808)
Gross profit		**1,297,965**	937,810
Other income and gains – net	6	**485,272**	268,248
Selling and distribution expenses	7	**(129,577)**	(113,638)
Administrative expenses	7	**(450,097)**	(310,296)
Net impairment losses on financial and contract assets	7	**(76,119)**	(21,117)
Fair value gains on investment properties	15	**51,081**	85,726
Operating profit		**1,178,525**	846,733
Finance income	9	**77,462**	78,334
Finance costs	9	**(271,096)**	(240,484)
Net finance costs		**(193,634)**	(162,150)
Share of profits of associates	10(b)	**76,158**	124,818
Share of profits of joint ventures	10(b)	**23,834**	7,512
Profit before income tax		**1,084,883**	816,913
Income tax expense	11	**(472,273)**	(276,445)
Profit for the year		**612,610**	540,468
Profit for the year attributable to:			
– Owners of the Company		**640,203**	464,340
– Non-controlling interests		**(27,593)**	76,128
Profit for the year		**612,610**	540,468
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted (RMB cents)	12	**8.45**	6.13

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

	Year ended 31 December	
	2021	2020
	RMB'000	RMB'000
Profit for the year	**612,610**	540,468
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
– Currency translation differences	**(2,695)**	(23,402)
Other comprehensive income for the year, net of tax	**(2,695)**	(23,402)
Total comprehensive income for the year	**609,915**	517,066
Total comprehensive income for the year is attributable to:		
– Owners of the Company	**637,508**	440,938
– Non-controlling interests	**(27,593)**	76,128
Total comprehensive income for the year	**609,915**	517,066

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	At 31 December 2021 RMB'000	2020 RMB'000
Non-current assets			
Property, plant and equipment	13	426,200	435,971
Right-of-use assets	14	98,063	67,478
Investment properties	15	5,091,625	4,697,854
Intangible assets	16	57,442	57,342
Investments in associates	10(b)	1,963,666	1,883,044
Investments in joint ventures	10(b)	161,956	190,103
Financial assets at fair value through profit or loss	18	693,237	572,006
Trade and other receivables	22	414,731	380,593
Deferred income tax assets	28	79,927	72,258
		8,986,847	8,356,649
Current assets			
Properties under development	19	3,904,555	2,796,527
Completed properties held for sale	20	2,707,251	3,198,710
Inventories and contracting work-in-progress	21	91,187	71,540
Trade and other receivables	22	1,941,971	1,936,993
Current income tax assets		111,867	45,919
Financial assets at fair value through profit or loss	18	194,974	45,095
Contract assets	5(d)	920,085	639,670
Deposits in banks with original maturities over three months		56,300	21,516
Restricted cash	23	237,547	188,460
Cash and cash equivalents	24	2,155,136	2,124,958
		12,320,873	11,069,388
Current liabilities			
Contract liabilities	5(e)	507,875	382,995
Trade and other payables	25	4,532,253	3,279,130
Corporate bonds	26	258,097	1,334,501
Bank and other borrowings	27	3,117,511	3,061,350
Lease liabilities	14	82,992	81,518
Current income tax liabilities		551,338	526,125
Current portion of deferred income	29	77,983	62,566
		9,128,049	8,728,185
Net current assets		3,192,824	2,341,203
Total assets less current liabilities		12,179,671	10,697,852

	Note	At 31 December 2021 RMB'000	2020 RMB'000
Non-current liabilities			
Bank and other borrowings	27	1,984,469	1,214,345
Lease liabilities	14	479,399	458,148
Deferred income tax liabilities	28	508,633	462,467
Non-current portion of deferred income	29	701,847	563,096
		3,674,348	2,698,056
Net assets		8,505,323	7,999,796
Equity			
Share capital	30	623,048	623,048
Treasury shares	30	(121,056)	(121,056)
Reserves	31	2,947,927	2,963,354
Retained earnings	32	3,941,505	3,415,452
Total equity attributable to owners of the Company		7,391,424	6,880,798
Non-controlling interests		1,113,899	1,118,998
Total equity		8,505,323	7,999,796
Total equity and non-current liabilities		12,179,671	10,697,852

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 132 to 139 were approved by the Board of Directors on 25 March 2022 and were signed on its behalf.

Huang Liping **Hu Bin**

Consolidated Statement of Changes in Equity

		Attributable to owners of the Company											
	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Property Revaluation reserve RMB'000	Statutory reserve RMB'000	Other reserves RMB'000	Total reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2021		623,048	(121,056)	1,855,942	17,915	49,772	502,521	537,204	2,963,354	3,415,452	6,880,798	1,118,998	7,999,796
Total comprehensive income for the year		–	–	–	(2,695)	–	–	–	(2,695)	640,203	637,508	(27,593)	609,915
Transactions with owners, recognised directly in equity													
Appropriation to statutory reserve		–	–	–	–	–	114,150	–	114,150	(114,150)	–	–	–
Capital injection from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	55,734	55,734
Transaction with non-controlling interests		–	–	–	–	–	–	(1,249)	(1,249)	–	(1,249)	(21,395)	(22,644)
Dividends	33	–	–	(125,633)	–	–	–	–	(125,633)	–	(125,633)	(10,600)	(136,233)
Liquidation of certain subsidiaries		–	–	–	–	–	–	–	–	–	–	(1,245)	(1,245)
Total transactions with owners, recognised directly in equity		–	–	(125,633)	–	–	114,150	(1,249)	(12,732)	(114,150)	(126,882)	22,494	(104,388)
Balance at 31 December 2021		623,048	(121,056)	1,730,309	15,220	49,772	616,671	535,955	2,947,927	3,941,505	7,391,424	1,113,899	8,505,323

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Property Revaluation reserve RMB'000	Statutory reserve RMB'000	Other reserves RMB'000	Total reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non–controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the Company											
Balance at 1 January 2020		623,048	(121,056)	1,855,942	41,317	49,772	413,432	537,270	2,897,733	3,208,519	6,608,244	984,047	7,592,291
Total comprehensive income for the year		–	–	–	(23,402)	–	–	–	(23,402)	464,340	440,938	76,128	517,066
Transactions with owners, recognised directly in equity													
Appropriation to statutory reserve		–	–	–	–	–	89,089	–	89,089	(89,089)	–	–	–
Non-controlling interests arising on business combination		–	–	–	–	–	–	–	–	–	–	4,669	4,669
Capital injection from non-controlling shareholders		–	–	–	–	–	–	(66)	(66)	–	(66)	65,524	65,458
Transaction with non-controlling interests		–	–	–	–	–	–	–	–	–	–	(4,170)	(4,170)
Dividends	33	–	–	–	–	–	–	–	–	(168,318)	(168,318)	(7,200)	(175,518)
Total transactions with owners, recognised directly in equity		–	–	–	–	–	89,089	(66)	89,023	(257,407)	(168,384)	58,823	(109,561)
Balance at 31 December 2020		623,048	(121,056)	1,855,942	17,915	49,772	502,521	537,204	2,963,354	3,415,452	6,880,798	1,118,998	7,999,796

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement Of Cash Flows

	Note	Year ended 31 December 2021 RMB'000	2020 RMB'000
Cash flows from operating activities			
Cash generated from operations	34(a)	347,248	252,668
Income tax paid		(191,568)	(153,975)
Cash flows generated from operating activities		155,680	98,693
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash received		–	1,377
Proceeds from disposal of a subsidiary, net of cash received		–	148
Interest received		71,304	78,334
Proceeds from disposal of investment properties		132,290	81,644
Proceeds from disposal of property, plant and equipment		19,380	266
Proceeds from disposal of financial assets at fair value through profit or loss	18	1,244,316	676,350
Purchase of financial assets at fair value through profit or loss	18	(1,102,643)	(866,565)
Investments in associates	10(b)	(122,670)	(277,080)
Investments in joint ventures	10(b)	(10,918)	–
Proceeds from disposal of associates		76,360	96,511
Proceeds from disposal of joint ventures	10(b)	60,000	–
Purchase of property, plant and equipment		(43,419)	(21,653)
Purchase of intangible assets		(4,271)	(19,194)
(Increase)/decrease in deposits in banks with original maturities over three months		(34,784)	19,710
Loans to related parties and third parties		(37,323)	(48,153)
Loans repaid from related parties and third parties		58,175	209,089
Cash flows generated from/(used in) investing activities		305,797	(69,216)

		Year ended 31 December	
	Note	2021 RMB'000	2020 RMB'000
Cash flows from financing activities			
Proceeds from bank and other borrowings	34(b)	4,447,458	4,220,334
Repayment of bank and other borrowings	34(b)	(3,621,173)	(3,379,780)
Proceeds from issue of corporate bonds	34(b)	350,000	1,300,000
Repayment of corporate bonds	34(b)	(1,457,315)	(1,250,000)
Increase in restricted cash		9,031	194,381
Repayment of loans due to related parties	34(b)	(1,515)	(40,000)
Receipt from loans due to related parties	34(b)	20,000	–
Receipt from loans due to third parites	34(b)	346,280	–
Interest paid		(308,458)	(365,438)
Dividends paid to the owners of the Company	33	(125,633)	(168,318)
Dividends paid to non-controlling interests		(10,600)	(7,200)
Capital injection by non-controlling interests		55,734	65,458
Consideration paid for acquisition further equity interests in subsidiaries from non-controlling interests		(22,644)	(4,170)
Principal elements of lease payments	34(b)	(111,841)	(105,128)
Cash flows (used in)/generated from financing activities		(430,676)	460,139
Net increase in cash and cash equivalents		30,801	489,616
Cash and cash equivalents at beginning of the year		2,124,958	1,653,463
Effect of foreign exchange rate changes		(623)	(18,121)
Cash and cash equivalents at end of the year		2,155,136	2,124,958

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

China Electronics Optics Valley Union Holding Company Limited (the "Company", formerly known as "Optics Valley Union Holding Company Limited") and its subsidiaries (together, the "Group") are principally engaged in development of theme industrial parks and related businesses, provision of business operation services to park customers and leasing business of investment properties. The Group has operations mainly in the mainland China.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 25 March 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 Compliance with IFRS and HKCO

The consolidated financial statements of the Group has been prepared in accordance with International Financial Reporting Standards ("IFRSs") and requirements of the Hong Kong Companies Ordinance Cap. 622.

2.1.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets at fair value through profit or loss and investment properties, which are carried at fair value.

2.1.3 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.4 New and amended standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
IFRS 17	Insurance Contracts (new standard)	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 37	Onerous contracts – costs of fulfilling a contract	1 January 2022
Amendments to IFRS 3	Update reference to the conceptual framework	1 January 2022
Amendments to IFRS 16	Proceeds before intended use	1 January 2022
Annual Improvements	Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Principles of consolidation and equity accounting*

2.2.1 *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2.2.2 *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 2.2.4 below), after initially being recognised at cost.

2.2.3 *Joint arrangements*

Under IFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Interests in joint ventures are accounted for using the equity method (see Note 2.2.4 below), after initially being recognised at cost in the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.4 Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2.2.5 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.5 Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Business combinations (continued)

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's most senior executive management that makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's functional currency is Hong Kong Dollar ("HK$"). The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. The Group determine to present its financial statements in RMB (unless otherwise stated).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income or expenses'. All other foreign exchange gains and losses are presented in statement of profit or loss within 'Other income and gains/(losses) – net'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- All resulting currency translation differences are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20-30 years
Machines	3-10 years
Motor vehicles	5-10 years
Furniture, office equipment and others	3-10 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 *Property, plant and equipment (continued)*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Construction in progress represents the direct costs of construction incurred in property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time that the relevant assets are completed and available for use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

2.8 *Investment property*

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the statement of profit or loss as part of a valuation gain or loss in 'fair value gains on investment properties'. If an item of properties under development or completed properties held for sale becomes an investment property because its use has changed, any difference between the fair value of the property at that date and its previous carrying amount is recognised in statement of profit or loss as part of a valuation gain or loss in 'fair value gains on investment properties'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Intangible assets

2.9.1 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.9.2 Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software development costs recognised as assets are amortised over their estimated useful lives, which is 3-10 years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 *Impairment of non-financial assets*

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 *Investments and other financial assets*

2.11.1 *Classification*

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.11.2 *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Investments and other financial assets (continued)*

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Loss allowances are presented as separate line item in the statement of profit or loss.

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Investments and other financial assets (continued)*

2.11.3 *Measurement (continued)*

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the statement of profit or loss as applicable. Loss allowances (and reversal of loss allowances) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

2.11.4 *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.12 *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 *Properties under development*

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Development cost of property comprises cost of land use rights, construction costs, depreciation of machinery and equipment, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets when the construction of the relevant properties commences unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

2.14 *Completed properties held for sale*

Completed properties remaining unsold at year ended are stated at the lower of cost and net realisable value. Cost comprises costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 *Trade receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 3 to 12 months and therefore are classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 22 for further information about the Group's accounting for trade receivables and Note 4.1 for a description of the Group's impairment policies.

2.17 *Contract assets and contract liabilities*

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

The Group recognises the incremental costs incurred to obtain contracts with a customer as contract acquisition cost within contract assets if the Group expects to recover those costs.

2.18 *Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the financial position.

2.19 *Share capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Treasury shares

The consideration paid by the Company for repurchasing the its shares from the market for cancellation purpose, including any directly attributable incremental cost, is presented as "Treasury Shares" and deducted from total equity.

The Company also set up a share scheme trust ("Share Scheme Trust") for the purpose of purchasing the Company's shares from the market and awarding to employee in the future ("Share award scheme"). The consideration paid by the Share Scheme Trust for purchasing the Company's shares from the market, including any directly attributable incremental cost, is presented as "Treasury Shares" and deducted from total equity.

2.21 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 *Borrowing costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.24 *Current and deferred income tax*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.25 Employee benefits

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For the defined contribution plan, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 *Employee benefits (continued)*

(b) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.26 *Revenue recognition*

(1) Sales of properties and construction services

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Revenue from sales of properties is recognised over time when the Group's performance under a sales contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determing the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. The Group does not adjust any of the transaction prices for the time value of money.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Revenue recognition (continued)

(1) Sales of properties and construction services (continued)

For construction services, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(2) Energy supply initial fee

Fees received for energy supply initial fee are deferred and recognised over the expected service period. The Group recognised revenue overtime because the customer receives and uses the benefits simultaneously.

(3) Service fee income

Service fee income in relation to design and development management services, property management service, advertising service and other ancillary services is recognised in the accounting period in which the services are rendered. Main service fee income is recognised overtime because the Group performance provides all of the benefits received and consumed simultaneously by the customer.

2.27 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.28 Leases

Leases are recognised as a right-of-use asset (for self-occupation), an investment property (for operatingly subleased-out), a receivable (for financingly subleased-out) and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Leases (continued)

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Leases (continued)

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

The Amendment to IFRS 16-Covid-19-Related Rent Concessions provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The Group has applied the practical expedient to all qualifying COVID-19-related rent concessions.

2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.30 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of assets are deducted from costs of the assets and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.31 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 *Earnings per share* (continued)

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.32 *Interest income*

Interest income from loans provided to related parties, interest income from sublease and interest income from financial assets at fair value through profit or loss is included in the statement of profit or loss within 'finance income or expenses'.

Interest income is included in the statement of profit or loss within 'finance income or expenses' where it is earned from financial assets that are held for cash management purposes.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3 FINANCIAL RISK MANAGEMENT

3.1 *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group, which includes the executive directors of the Group.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk

(i) Foreign exchange risk

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. As at 31 December 2021 and 2020, the group companies had no significant foreign currency denominated monetary assets and monetary liabilities with respect to their respective functional currencies, therefore the directors of the Company consider that the Group has no significant exposure to foreign exchange risk.

(ii) Interest rate risk

The Group's interest rate risk arises from cash and cash equivalents, restricted cash, deposits in banks with original maturities over three months, investments in wealth management products recorded in financial assets at fair value through profit or loss and borrowings issued at variable rates.

The Group does not anticipate significant impact to cash and cash equivalents, restricted cash, deposits in banks with original maturities over three months and investments in wealth management products recorded in financial assets at fair value through profit or loss because the interest rates of these assets are not expected to change significantly.

The interest rates and terms of repayment of bank loans and other borrowings of the Group are disclosed in Note 27. The Group does not carry out any hedging activities to manage its interest rate exposure.

At 31 December 2021, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been RMB5,094,000 (2020: RMB4,861,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. The sensitivity analysis has not excluded the financial impact of capitalised interest expense.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 *Financial risk factors* (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The exposure of the Group's total borrowings (Note 26 and Note 27) to interest rate changes and the contractual maturity dates of the total borrowings at the end of the year are as follows:

	2021 RMB'000	2020 RMB'000
Variable rate borrowings	**2,568,469**	2,302,695
Other borrowings – maturity dates:		
1 year or less	**2,664,993**	3,307,501
1 – 2 years	**126,615**	–
	5,360,077	5,610,196

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, deposits in banks with original maturities over three months, investments in wealth management products recorded in financial assets at fair value through profit or loss, contract assets, trade and other receivables and guarantees given to banks for mortgage facilities. The carrying amounts of the above assets represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, cash and cash equivalents, restricted cash, deposits in banks with original maturities over three months and investments in wealth management products recorded in financial assets at fair value through profit or loss are substantially deposited at state-owned banks and other medium or large size listed financial institutions. Management does not expect that there will be any significant losses from non-performance by these counterparties. Regular review and follow-up actions are carried out on overdue amounts of instalments receivable from sale of properties and receivable from construction contracts, which enable management to assess their recoverability and to minimise exposure to credit risk. In respect of rental income from leasing properties, sufficient rental deposits are held to cover potential exposure to credit risk.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Impairment losses on trade receivables, contract assets and other receivables are presented as 'net impairment losses on financial and contract assets' within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, current trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. On that basis, the loss allowance was determined as follows for trade receivables.

RMB'000	Up to 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	over 1 year	Total
At 31 December 2021						
Expected loss rate	**–**	**2.11%**	**4.03%**	**7.67%**	**22.31%**	**–**
Gross carrying amount	**540,145**	**58,710**	**11,642**	**22,957**	**322,198**	**955,652**
Loss allowance provision	**–**	**1,236**	**469**	**1,760**	**71,869**	**75,334**

RMB'000	Up to 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	over 1 year	Total
At 31 December 2020						
Expected loss rate	–	1.50%	3.00%	4.50%	10.00%	–
Gross carrying amount	442,416	66,406	71,673	9,912	352,112	942,519
Loss allowance provision	–	996	2,150	446	35,211	38,803

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 *Financial risk factors* (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Expected loss rate of contract assets is assessed to be 5.81% and 4.12% as at 31 December 2021 and 2020, and the loss of allowance provision of contract assets amounted to RMB 30,617,000 and RMB27,466,000 as at 31 December 2021 and 2020, respectively.

(ii) Other financial assets carried at amortised cost

Other financial assets at amortised cost mainly include loans to third parties, loans to related parties and other receivables (excluding prepayments).

The loss allowance increased by RMB36,437,000 to RMB81,510,000 for other receivables during the current reporting period.

(iii) Loss allowance movement during the year

The loss allowance for financial assets as at 31 December 2021 are analysed as follows:

	Contract assets RMB'000	Trade receivables RMB'000	Other receivables RMB'000	Total RMB'000
At 1 January	**27,466**	**38,803**	**45,073**	**111,342**
Increase in loss allowance recognised in profit or loss during the year	**3,151**	**36,531**	**36,437**	**76,119**
At 31 December	**30,617**	**75,334**	**81,510**	**187,461**

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

For the year ended 31 December 2021

	Carrying amount RMB'000	Contractual cash flow RMB'000	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
Bank and other borrowings	5,101,980	5,838,356	3,322,464	943,535	554,967	1,017,390
Corporate bonds	258,097	260,236	260,236	–	–	–
Lease liabilities	562,391	741,345	112,503	103,528	184,204	341,110
Trade and other payables, excluding accrual payroll, other taxes payables and advances from tenants	4,199,299	4,218,390	4,218,390	–	–	–
	10,121,767	11,058,327	7,913,593	1,047,063	739,171	1,358,500

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

For the year ended 31 December 2020

	Carrying amount RMB'000	Contractual cash flow RMB'000	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
Bank and other borrowings	4,275,695	4,738,481	3,246,118	534,237	562,174	395,952
Corporate bonds	1,334,501	1,350,894	1,350,894	–	–	–
Lease liabilities	539,666	982,748	107,925	106,948	220,530	547,345
Trade and other payables, excluding accrual payroll, other taxes payables and advances from tenants	3,200,623	3,233,915	3,233,915	–	–	–
	9,350,485	10,306,038	7,938,852	641,185	782,704	943,297

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' and 'corporate bonds' as shown in the consolidated statement of financial position), 'interests payable' shown in 'trade and other payables' in the consolidated statement of financial position, less cash and cash equivalents and restricted cash used for financing purpose. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 *Capital management (continued)*

The gearing ratios at 31 December 2021 and 2020 were as follows:

	2021 RMB'000	2020 RMB'000
Net debt (Note 34(b))	**3,177,159**	3,446,534
Total equity	**8,505,323**	7,999,796
Total capital	**11,682,482**	11,446,330
Gearing ratio	**27.20%**	30.11%

3.3 *Fair value estimation*

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2021 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

See Note 15 for disclosures of the investment properties that are measured at fair value.

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31 December 2021:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
– Equity securities	–	–	693,237	693,237
– Trust plan products	–	–	129,974	129,974
– Wealth management products	–	–	65,000	65,000
	–	–	888,211	888,211

The following table presents the Group's financial assets that are measured at fair value at 31 December 2020:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
– Equity securities	–	–	271,886	271,886
– Trust plan products	–	–	300,120	300,120
– Wealth management products	–	–	45,095	45,095
	–	–	617,101	617,101

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Valuation techniques used to derive level 2 fair values

For Level 2 financial assets at fair value through profit or loss, fair values are generally obtained through the use of valuation methodologies with observable market inputs or by reference to recent completed transaction prices.

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(c) Financial instruments in level 3

The following table presents the changes in level 3 instruments for the years ended 31 December 2021 and 2020:

	Financial assets at fair value through profit or loss	
	2021 **RMB'000**	2020 RMB'000
Opening balance at 1 January	**617,101**	382,926
Transfer from investment in an associate	**129,673**	–
Net gain from transfer from investment in an associate	**276,659**	–
Fair value changes	**6,451**	43,960
Other additions	**1,102,643**	866,565
Disposals	**(1,244,316)**	(676,350)
Closing balance at 31 December	**888,211**	617,101
Recognised gains for the year included in 'other income and gains-net' (Note 6)	**283,110**	43,960

As at 31 December 2021, the fair values of level 3 financial assets at fair value through profit or loss are determined based on cash flow discounted using the expected return based on management's judgment.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Revenue recognition from sales of properties

Revenue from sales of properties in the PRC is recognised over time when the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group cannot change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract. Such determination requires significant judgments. Management uses judgments, based on its internal lawyer's interpretation and making reference to industry practice, to classify sales contracts into those with right to payment and those without the right. Management will reassess their judgments on a regular basis to identify and evaluate the existence of any circumstances that could affect the Group's enforceable right to payment and the implication on the accounting for sales contracts.

The Group recognises property development revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each property unit in the contract. The Group allocates common costs based on type of properties, gross and saleable floor areas. Significant judgments and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. Changes in cost estimates in future periods can have effect on the Group's revenue recognised. In making the above estimations, the Group relies on past experience and work of contractors and, if appropriate, surveyors.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 *Critical accounting estimates and assumptions (continued)*

(b) Revenue recognition for construction design and management contracts

Pursuant to construction design and management arrangements signed between the Group and the third party customers, the Group's responsibilities in design and managing projects vary for each contracts. The determination of whether to record these revenues using gross or net basis is based on an assessment of various factors, including but not limited to whether the Group (i) is the primary obligor to the customers in the arrangements; (ii) has latitude in establishing the contract price; (iii) changes the products or performs part of the services; (iv) has involvement in the determination of product and service specifications; and (v) has the rights to directs other party(ies) to provide the specified service to the customer.

The Group recognises construction design and management revenue according to the progress towards complete satisfaction of performance obligation of the individual contract of construction design and management works. The progress is determined by the entity's efforts or inputs to the satisfaction of performance obligations (for example, resources consumed, labour hours expended and cost incurred) relative to the total expected inputs to the satisfaction of that performance obligation. Management's estimation of the cost incurred to date and the budgeted cost is primarily based on construction design and management budget and actual cost report prepared by internal quantity surveyors, where applicable. Corresponding revenue from contract work is also estimated by management based on the progress and budgeted revenue. The Group regularly reviews and revises the estimation of both construction design and management revenue and cost in the budget prepared for each construction design and management contract as the contract progresses.

(c) Expected credit loss for receivables

The loss allowance provisions for trade and other receivables and contract assets are based on assumptions about the expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 3.1(b). Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statements of profit or loss.

(d) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. The relevant key assumptions applied in valuation involves significant judgement and estimates. Details of the judgements and assumptions have been disclosed in Note 15.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 *Critical accounting estimates and assumptions (continued)*

(e) Write-down of inventories for property development

As explained in Note 2.13 and 2.14, the Group's properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject property, the Group makes estimates of the selling price, the costs of completion in case for properties under development, and the costs to be incurred in selling the properties.

If there is an increase in costs to completion or a decrease in net realisable value, provision for completed properties held for sale and properties under development for sale may be resulted. Such provision requires the use of judgment and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

Given the volatility of the PRC property market and the distinctive nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

Based on management's best estimates, there was no impairment for completed properties held for sale and properties under development as at 31 December 2021 and 2020.

(f) Recognition of deferred tax assets

Deferred tax assets are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

(g) Provision for PRC land appreciation tax ("LAT")

As explained in Note 11, the Group has estimated, made and included in tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated. Significant judgment is required in determining the level of provision, as the calculation of which depends on the ultimate tax determination. Given the uncertainties of the calculation basis of LAT as interpreted by the local tax bureau, the actual outcomes may be higher or lower than those estimated at the end of the reporting period. Any increase or decrease in the actual outcomes/estimates will impact the income tax provision in the period in which such determination is made.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 Critical accounting estimates and assumptions (continued)

(h) Income tax

The Group is subject to income tax in different jurisdictions. Estimation and judgment is required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact on the income tax and deferred tax provisions in the period in which such determination is made.

5 REVENUE AND SEGMENT INFORMATION

The Group manages its businesses by business lines (products and services). The Group had identified three segments, namely industrial park operation services, industrial park development services and industrial investment.

At 31 December 2021, the Group has the following three segments:

- Industrial park operation services: this segment provides services relating to the construction of a number of office and residential buildings for some of the Group's customers, design and construction service for the certain projects under construction, property management service, energy service, financing service and other services for industrial parks. It also includes leasing park properties to generate rental income and capital gains from the appreciation in the properties' values in the long term.

- Industrial park development services: this segment develops and sells industrial parks and ancillary residential properties.

- Industrial investment: this segment represents the Group's industrial-related strategic investments in certain start-up companies. Management considers this segment not reportable for the year ended 31 December 2021 according to IFRS 8.

5 REVENUE AND SEGMENT INFORMATION (continued)

(a) *Segment results*

The measure used for assessing the performance of the operating segments is operating profit as adjusted by excluding fair value gains on investment properties. The Group's most senior executive management does not assess the assets and liabilities of the operating segments.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below.

For the year ended 31 December 2021

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Revenue from contracts with customers	3,219,088	2,568,288	–	5,787,376
– Recognition at point in time	114,037	2,046,459	–	2,160,496
– Recognition over time	3,105,051	521,829	–	3,626,880
Revenue from other source – Rental income	343,542	–	–	343,542
Segment revenue	3,562,630	2,568,288	–	6,130,918
Inter-segment revenue	(1,413,173)	(187,177)	–	(1,600,350)
Revenue from external customers	2,149,457	2,381,111	–	4,530,568
Segment results	274,947	605,372	331,741	1,212,060
Depreciation and amortisation	(56,657)	(27,435)	(524)	(84,616)

5 REVENUE AND SEGMENT INFORMATION (continued)

(a) Segment results (continued)

For the year ended 31 December 2020

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Revenue from contracts with customers	2,126,199	1,450,669	–	3,576,868
– Recognition at point in time	124,736	1,255,826	–	1,380,562
– Recognition over time	2,001,463	194,843	–	2,196,306
Revenue from other source				
– Rental income	219,326	–	–	219,326
Segment revenue	2,345,525	1,450,669	–	3,796,194
Inter-segment revenue	(747,576)	–	–	(747,576)
Revenue from external customers	1,597,949	1,450,669	–	3,048,618
Segment results	209,308	571,307	89,037	869,652
Depreciation and amortisation	(67,983)	(40,392)	(270)	(108,645)

5 REVENUE AND SEGMENT INFORMATION (continued)

(b) Reconciliation of segment results to profit for the year

	2021 RMB'000	2020 RMB'000
Segment results	**1,212,060**	869,652
Fair value gains on investment properties	**51,081**	85,726
Share of profits of joint ventures	**23,834**	7,512
Share of profits of associates	**76,158**	124,818
Finance income	**77,462**	78,334
Finance costs	**(271,096)**	(240,484)
Depreciation and amortisation	**(84,616)**	(108,645)
Income tax expense	**(472,273)**	(276,445)
Profit for the year	**612,610**	540,468

5 REVENUE AND SEGMENT INFORMATION (continued)

(c) *Information regarding the Group's revenue by nature:*

	2021 RMB'000	2020 RMB'000
Industrial park operation services		
Property management services	759,455	623,435
Design and construction services	726,704	440,544
Industrial park property leasing	290,731	219,326
Energy services	120,298	85,363
Group catering and hotel services	104,501	79,027
Others	147,768	150,254
	2,149,457	1,597,949
Industrial park development services		
Sales of industrial park and ancillary properties	2,381,111	1,450,669
	2,381,111	1,450,669
Total	4,530,568	3,048,618

The Group's entire revenue is attributable to the market in Mainland China and over 99% of the Group's non-current assets other than financial instruments and deferred income tax assets are located in Mainland China. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

5 REVENUE AND SEGMENT INFORMATION (continued)

(d) Contract assets

The Group has recognised the following assets related to contracts with customers:

	Notes	31 December 2021 RMB'000	31 December 2020 RMB'000
Current contract assets relating to construction services		**644,791**	546,828
Current contract assets relating to sales of properties		**305,526**	119,354
Current asset recognised for costs incurred to obtain contracts		**385**	954
Less: allowance provisions	3.1(b)	**(30,617)**	(27,466)
Total contract assets		**920,085**	639,670

(e) Contract liabilities

For the year ended 31 December 2021, the Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties.

Out of the contract liabilities amounting to RMB382,995,000 (2020: RMB337,243,000) at the beginning of the year of 2021, RMB253,420,000 (2020: RMB223,147,000) was recognised as revenue in the current reporting period relates to carried-forward contract liabilities.

Unsatisfied contracts are analysed as follows:

	31 December 2021 RMB'000	31 December 2020 RMB'000
Revenue expected to be recognised within one year	**272,533**	205,521
Revenue expected to be recognised after one year	**235,342**	177,474
Total transaction price allocated to the unsatisfied contracts	**507,875**	382,995

6 OTHER INCOME AND GAINS – NET

	2021 RMB'000	2020 RMB'000
Government grants	**117,642**	121,322
Gain on partial disposal of associates (a)	**37,433**	36,223
Gain from deemed partial disposals (b)	**50,394**	9,919
Net gain on transfer from investment in an associate to financial assets at fair value through profit or loss (b)	**276,659**	–
Fair value gains on financial assets at fair value through profit of loss	**6,451**	43,960
Net gain on disposal of property, plant and equipment	**884**	93
Gain on COVID-19-related rent concessions	**–**	9,685
(Loss)/gain on liquidation of subsidiaries	**(224)**	128
Loss on liquidation of a joint venture	**(2,899)**	–
(Loss)/gain on disposal of investment properties	**(7,772)**	40,917
Others	**6,704**	6,001
	485,272	268,248

(a) In February 2021, the Group entered into an agreement with certain independent buyers, pursuant to which the Group disposed approximately RMB25.49 million registered capital of Shenzhen Huada Beidou Technology Company Limited ("Huada Beidou") at an aggregate consideration of approximately RMB65.0 million. Upon the completion of the transaction, the Group's equity interest in Huada Beidou was decreased from 17.86% to 13.53%.

Gain on the partial disposal amounting to RMB37,426,000 was therefore recognised by the Group, which constituted the major part of 'Gain on partial disposal of associates'.

(b) In May 2021, Huada Beidou enlarged its registered capital from RMB588.59 million to RMB785.45 million. The new registered capital was contributed by certain independent investors by cash. Upon the completion of the transaction, the Group's equity interest in Huada Beidou was diluted from 13.53% to 10.14%, while the Group still has the right to appoint a director and retains significant influence in Huada Beidou. Gains from deemed partial disposals arising from the reduced equity interest in Huada Beidou amounting to RMB39,478,000 was therefore recognised by the Group.

In December 2021, Huada Beidou further enlarged its registered capital from RMB785.45 million to RMB813.92 million. The new registered capital was contributed by certain independent investors by cash. Upon the completion of the transaction, the Group's equity interest in Huada Beidou was diluted from 10.14% to 9.78%. Gains from deemed partial disposals arising from the reduced equity interest in Huada Beidou amounting to RMB9,814,000 was therefore recognised by the Group.

6 OTHER INCOME AND GAINS – NET (continued)

(b) (continued)

These constitute the major part of 'Gains from deemed partial disposals'.

The Group lost its right to appoint a director at Huada Beidou. The directors of the Company considered that the Group cannot exercise significant influence over Huada Beidou as at 31 December 2021 based on the consideration of the totality of facts. Accordingly, the Group's remaining 9.78% equity interests in Huada Beidou was transferred from investment in an associate to financial assets at fair value through profit or loss. The fair value of the financial assets, amounting to RMB4,154,728,000 was determined with reference to the valuation determined by the latest round of external financing raised by Huada Beidou during the year ended 31 December 2021. The excess of the fair value of the financial assets over the carrying amount of the Group's investment in Huada Beidou, amounting to RMB276,659,000, was recognised as a gain in the consolidated statement of profit or loss.

7 EXPENSES BY NATURE

	2021 RMB'000	2020 RMB'000
Cost of properties sold	**1,556,392**	824,087
Employee benefit expenses (Note 8)	**765,126**	541,859
Outsourcing costs for industrial park operation	**660,164**	579,922
Cost of construction services	**594,722**	371,266
Depreciation (Note 13 and 14)	**78,356**	104,250
Net impairment losses on financial and contract assets	**76,119**	21,117
Other professional service fees	**33,497**	29,701
Advertising costs	**19,455**	16,889
Amortisation (Note 16)	**6,260**	4,395
Auditors' remuneration		
– Audit services	**2,200**	2,000
– Non-audit services	**1,079**	1,445
Other expenses	**95,026**	58,928
Total cost of sales, selling and distribution expenses, administrative expenses and net impairment losses on financial and contract assets	**3,888,396**	2,555,859

8 EMPLOYEE BENEFIT EXPENSE

	2021 RMB'000	2020 RMB'000
Salaries, wages and other benefits	**727,793**	533,683
Contributions to defined contribution retirement schemes	**37,333**	8,176
	765,126	541,859

(a) *Defined contribution retirement schemes*

As stipulated by the Government regulations in the PRC, the Group is required to contribute to the state-sponsored retirement scheme for all of its employees in the PRC at 16% to 20% (2020: 18% to 20%) of the eligible salary of its employees on a monthly basis. The state-sponsored retirement scheme is responsible for the entire pension obligations payable to all retired employees and the Group has no further obligations for the actual pension payments or post-retirement benefits

Forfeited contributions is nil (2020: nil) were utilised during the year.

(b) *Five highest paid individuals*

The five individuals whose emoluments were the highest in the Group for the year include nil (2020: nil) directors whose emoluments are reflected in the analysis shown in Note 40. The emoluments payable to those five (2020: five) individuals during the year are as follows:

	2021 RMB'000	2020 RMB'000
Salaries and other emoluments	**19,187**	19,013
Retirement schemes contribution	**124**	–
	19,311	19,013

8 EMPLOYEE BENEFIT EXPENSE (continued)

(b) Five highest paid individuals (continued)

The emoluments of these five individuals with the highest emoluments fell within the following bands:

	2021	2020
HK$3,500,001 to HK$4,000,000	**2**	1
HK$4,000,001 to HK$4,500,000	**1**	3
HK$5,000,001 to HK$5,500,000	**1**	–
HK$5,500,001 to HK$6,000,000	**-**	1
HK$6,000,001 to HK$6,500,000	**1**	–
	5	5

9 FINANCE INCOME AND COSTS

	2021 RMB'000	2020 RMB'000
Interest expenses of bank and other borrowings	**(355,460)**	(350,459)
Capitalised interest expenses	**118,266**	143,904
Interest expenses on leasing liabilities (Note 14)	**(32,017)**	(32,910)
Net foreign exchange losses	**(1,885)**	(1,019)
Finance costs	**(271,096)**	(240,484)
Interest income from deposits	**63,583**	67,549
Interest income from sublease (Note 14)	**6,158**	5,044
Income from wealth management products	**5,506**	3,509
Interest income from loans provided to related parties (Note 37(b))	**2,215**	2,232
Finance income	**77,462**	78,334
Net finance costs	**(193,634)**	(162,150)

Borrowing costs arising on financing specifically arranged for the construction of properties were capitalised using the rates ranged from 4.05% to 5.70% (2020:4.66% to 5.94%) per annum, and other borrowing costs were capitalised using an average interest rate of 5.14% (2020: 5.43%) per annum.

10(A) SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2021:

Name of company	Place of incorporation and kind of legal entity	Paid-in/ registered capital	Effective interest held by the Company		Principal activities and place of operation
			Direct	Indirect	
Optics Valley Union Holding Company Limited. 光谷聯合控股有限公司*	The PRC limited liability company	RMB1,560,000,000/ RMB2,150,000,000	–	100%	Property development in the PRC
China Electronics Technology Development Co., Ltd. ("CEC Technology") 中國電子科技開發有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	50%	Investment holding in the PRC
Wuhan OVU. 武漢光穀聯合集團有限公司*	The PRClimited liability company	RMB1,940,000,000/ RMB2,500,000,000	–	100%	Property development in the PRC
Huangshi Optics Valley Union Development Co., Ltd. 黃石光穀聯合發展有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	100%	Property development in the PRC
Qingdao Optics Valley Union Development Co., Ltd. 青島光穀聯合發展有限公司*	The PRC limited liability company	RMB200,000,000/ RMB200,000,000	–	100%	Property development in the PRC
Hubei Huisheng Technology Development Co., Ltd. 湖北匯盛科技發展有限公司*	The PRC limited liability company	RMB21,000,000/ RMB21,000,000	–	100%	Property development in the PRC
Wuhan Minghong Technology Development Co., Ltd. 武漢鳴鴻科技發展有限公司*	The PRC limited liability company	RMB30,000,000/ RMB30,000,000	–	100%	Property development in the PRC
Wuhan Lido Technology Company Limited 武漢麗島科技有限公司*	The PRC limited liability company	RMB110,000,000/ RMB110,000,000	–	100%	Construction services in the PRC
Wuhan Jitian Construction Co., Ltd. 武漢吉天建設工程有限公司*	The PRC limited liability company	RMB110,000,000/ RMB110,000,000	–	100%	Construction services in the PRC
Wuhan CEC Energy Conservation Co., Ltd. 武漢中電節能有限公司*	The PRC limited liability company	RMB66,000,000/ RMB66,000,000	–	79%	Energy-saving technique development in the PRC
Wuhan Lido Property Management Co., Ltd. 武漢麗島物業管理有限公司*	The PRC limited liability company	RMB110,000,000/ RMB110,000,000	–	100%	Property management services in the PRC
Shenyang Optics Valley Union Development Co., Ltd. 瀋陽光谷聯合發展有限公司*	The PRC limited liability company	RMB150,000,000/ RMB150,000,000	–	100%	Property development in the PRC

10(A)SUBSIDIARIES (continued)

Name of company	Place of incorporation and kind of legal entity	Paid-in/registered capital	Effective interest held by the Company Direct	Effective interest held by the Company Indirect	Principal activities and place of operation
Hubei Technology Enterprise Accelerator Co., Ltd. 湖北科技企業加速器有限公司*	The PRC limited liability company	RMB150,000,000/ RMB150,000,000	-	80%	Property development in the PRC
Hefei Optics Valley Union Development Co., Ltd 合肥光穀聯合發展有限公司*	The PRC limited liability company	RMB180,000,000/ RMB180,000,000	-	100%	Property development in the PRC
Huanggang Optics Valley Union Development Co Ltd. 黃岡光穀聯合發展有限公司*	The PRC limited liability company	RMB200,000,000/ RMB200,000,000	-	70%	Property development in the PRC
Wuhan Ziyuantang Art Co., Ltd 武漢紫緣堂藝術品有限公司*	The PRC limited liability company	RMB58,100,000/ RMB100,000,000	-	100%	Exhibition related service in the PRC
Chengdu xingu industrial park development co. LTD 成都芯穀產業園發展有限公司*	The PRC limited liability company	RMB500,000,000/ RMB500,000,000	-	80%	Property development in the PRC
Wuhan Optics Valley Union Properties Investment Fund Limited Partnership 武漢光穀聯合產業投資基金合夥企業(有限合夥)*	The PRC Limited Partnership	RMB99,000,000/ RMB100,000,000	-	100%	Investment fund in the PRC
China Electronics Wenzhou Industrial Park Development Co., Ltd. ("CEC Wenzhou Industrial Park) 中國電子溫州產業園發展有限公司*	The PRC limited liability company	RMB500,000,000/ RMB500,000,000	-	95%	Property development in the PRC
China Electronics Xi'an Industrial Park Development Co., Ltd. 中國電子西安產業園發展有限公司*	The PRC limited liability company	RMB103,500,000/ RMB103,500,000	-	73.91%	Property development in the PRC
Wenzhou China Electronics United municipal infrastructure Co., Ltd. 溫州中電聯合市政基礎設施有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	-	100%	Construction services in the PRC
Wuhan Yudatong Venture Investment Fund Limited Partnership 武漢譽達通創業投資基金合夥企業(有限合夥)*	The PRC Limited Partnership	RMB100,000,000/ RMB100,000,000	-	60%	Investment fund in the PRC
CEC Optics Valley Architecture Design Institute Co., Ltd. 中電光谷建築設計院有限公司*	The PRC limited liability company	RMB52,500,000/ RMB300,000,000	-	100%	Construction services in the PRC
CEC Optics Valley (Shenzhen) Industry Development Co., Ltd. 中電光谷(深圳)產業發展有限公司*	The PRC limited liability company	RMB500,000,000/ RMB500,000,000	-	100%	Investment fund in the PRC

10(A)SUBSIDIARIES (continued)

Name of company	Place of incorporation and kind of legal entity	Paid-in/registered capital	Effective interest held by the Company		Principal activities and place of operation
			Direct	Indirect	
Luoyang CEC Optical Valley Information Port Industrial Co., Ltd. 洛陽中電光谷信息港實業有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	-	70%	Property development in the PRC
Hubei Han Bo Yuan Thermal Equipment Company Limited 湖北瀚博源熱力設備有限公司*	The PRC limited liability company	RMB22,450,000/ RMB22,450,000	-	51%	Energy-saving technique development in the PRC
Hubei zhongchuang financing guarantee co. LTD 湖北中創融資擔保有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	-	80%	Investment fund in the PRC
Shenzhen Jia Xin Growth Investment Co., Ltd. 深圳嘉信成長投資有限公司*	The PRC limited liability company	RMB20,000,000/ RMB20,000,000	-	100%	Investment fund in the PRC
Changsha CEC Industrial Park Development Co., Ltd. 長沙中電產業園發展有限公司*	The PRC limited liability company	RMB300,000,000/ RMB300,000,000	-	100%	Property development in the PRC
Shanghai huayue investment and development co. LTD 上海華悅投資發展有限公司*	The PRC limited liability company	RMB390,000,000/ RMB390,000,000	-	100%	Property development in the PRC
Xianyang CEC Company 咸陽中電西部智谷實業有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	-	50%	Property development in the PRC
Nantong Optical Valley Intelligent Manufacturing Co., Ltd 南通光穀智能製造有限公司*	The PRC limited liability company	RMB70,000,000/ RMB200,000,000	-	70%	Property management services in the PRC
Wuhan Optics Valley Software Park Co., Ltd. 武漢光穀軟件園有限公司*	The PRC limited liability company	RMB10,000,000/ RMB10,000,000	-	100%	Property management services in the PRC
Wuhan Optics Valley Energy Conservation Engineering Co., Ltd 武漢光穀節能能源服務有限公司*	The PRC limited liability company	RMB5,000,000/ RMB5,000,000	-	100%	Energy-saving technique development in the PRC
Wuhan Meisheng Real Estate Co., Ltd 武漢美生置業有限公司*	The PRC limited liability company	RMB5,000,000/ RMB5,000,000	-	100%	Property management services in the PRC
Chongqing China Electricity Optical Valley Technology Industry Development Co., Ltd 重慶中電光穀科技產業發展有限公司*	The PRC limited liability company	RMB25,000,000/ RMB100,000,000	-	60%	Property management services in the PRC

10(A) SUBSIDIARIES (continued)

Name of company	Place of incorporation and kind of legal entity	Paid-in/registered capital	Effective interest held by the Company		Principal activities and place of operation
			Direct	Indirect	
Wuhan China Electricity Fenggong Energy Saving Engineering Technology Co., Ltd 武漢中電豐功節能技術有限公司*	The PRC limited liability company	RMB15,000,000/ RMB50,000,000	–	100%	Energy-saving technique development in the PRC
Tianjin China Electricity Optical Valley Development Co., Ltd 天津中電光穀發展有限公司*	The PRC limited liability company	RMB200,000,000/ RMB200,000,000	–	80%	Property development in the PRC
Shanghai China Electricity Optical Valley Energy Saving Technology Co., Ltd 上海中電光穀節能科技有限公司*	The PRC limited liability company	RMB2,000,000/ RMB10,000,000	–	100%	Energy-saving technique development in the PRC
Fujian China Electricity Optical Valley Kechuang Industry Development Co., Ltd 福建中電光穀科創產業發展有限公司*	The PRC limited liability company	RMB10,000,000/ RMB100,000,000	–	80%	Property management services in the PRC
Wuhan Digital Industrial Park Development Co., Ltd 武漢數字產業園發展有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	100%	Property development in the PRC
Wuhan China Electricity Optical Valley Industrial Park Development Co., Ltd 武漢中電光穀產業園發展有限公司*	The PRC limited liability company	RMB100,000,000/ RMB200,000,000	–	100%	Property development in the PRC
Mianyang China Electricity Optical Valley Technology Development Co., Ltd 綿陽中電光穀科技產業發展有限公司*	The PRC limited liability company	RMB50,000,000/ RMB50,000,000	–	100%	Property development in the PRC
Chongqing Optical Valley United Technology Development Co., Ltd 重慶光穀聯合科技發展有限公司*	The PRC limited liability company	RMB44,000,000/ RMB50,000,000	–	100%	Property development in the PRC
Chongqing China Electricity Optical Valley Technology City Development Co., Ltd 重慶中電光穀科技城開發有限公司*	The PRC limited liability company	RMB91,000,000/ RMB100,000,000	–	100%	Property development in the PRC

* These entities are all PRC companies. The English translation of the company names is for reference only. The official names of these entities are in Chinese.

As at 31 December 2021 and 2020, none of the non-controlling interest of the non-wholly owned subsidiaries was material to the Group.

10(B) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated statements of financial position are as follows:

	2021 RMB'000	2020 RMB'000
Associates	**1,963,666**	1,883,044
Joint ventures	**161,956**	190,103
At 31 December	**2,125,622**	2,073,147

The amounts recognised in the consolidated statement of profit or loss as share of profits are as follows:

	2021 RMB'000	2020 RMB'000
Associates	**76,158**	124,818
Joint ventures	**23,834**	7,512
For the year ended 31 December	**99,992**	132,330

Investments in associates

	2021 RMB'000	2020 RMB'000
At 1 January	**1,883,044**	1,554,483
Additions	**122,670**	277,080
Share of profits	**76,158**	124,818
Gain from deemed partial disposals (Note 6)	**50,394**	9,919
Disposals	**(38,927)**	(83,108)
Transfer to financial assets at fair value through profit or loss (Note 18)	**(129,673)**	–
Others	**–**	(148)
At 31 December	**1,963,666**	1,883,044

10(B) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Investment in associates (continued)

List of material associate as at 31 December 2021 is as follows:

Name	Place of establishment and type of legal entity	Principal place of operation and activities	Registered and paid-in capital	Interest held
Hainan Resort Software Community Group Co., Ltd ("Hainan Software Community")	PRC, limited liability company	PRC, development and management of electronic information technology industrial parks	RMB1,600,000,000	20.00%

In the opinion of the directors, Hainan Software Community is a material associate to the Group. Hainan Software Community is a private company and there is no quoted market price available for its shares. The financial information of Hainan Software Community, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements, which is accounted for using the equity method, is shown as below:

	As at 31 December 2021 RMB'000	As at 31 December 2020 RMB'000
Identifiable current assets and liabilities assumed		
Assets	**12,061,268**	11,329,513
Liabilities	**(5,249,311)**	(4,020,125)
Identifiable net current assets	**6,811,957**	7,309,388
Identifiable non-current assets and liabilities assumed		
Assets	**4,525,273**	3,820,909
Liabilities	**(6,197,053)**	(6,093,588)
Identifiable net non-current liabilities	**(1,671,780)**	(2,272,679)
Identifiable net assets	**5,140,177**	5,036,709
Identifiable net assets attributable to owners of the associate	**5,117,178**	5,004,568
Interest held by the Group	**20%**	20%
Carrying amount	**1,023,436**	1,000,914

10(B) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Investment in associates (continued)

	2021 RMB'000	2020 RMB'000
Revenue	840,986	257,393
Profit after income tax	92,523	405,886
Total comprehensive income	92,523	405,886

Investment in joint ventures

	2021 RMB'000	2020 RMB'000
At 1 January	190,103	182,591
Share of income	23,834	7,512
Additions	10,918	–
Disposals	(60,000)	–
Others	2,899	–
At 31 December	161,956	190,103

In the opinion of the directors, none of the joint ventures is material to the Group.

11 INCOME TAX EXPENSE

	2021 RMB'000	2020 RMB'000
Current tax:		
PRC Corporate Income Tax ("CIT")	249,039	162,815
Land Appreciation Tax ("LAT")	161,812	106,437
Total current tax	410,851	269,252
Deferred tax (Note 28):		
– Origination and reversal of temporary differences	53,722	848
– Withholding income tax	7,700	6,345
Income tax expense	472,273	276,445

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2021 RMB'000	2020 RMB'000
Profit before tax	1,084,883	816,913
Tax calculated at domestic statutory tax rate of 25% (Note (i) (ii) (iii))	271,221	204,228
Tax effects of:		
– Share of results of associates and joint ventures	(24,998)	(33,083)
– Income not subject to income tax	832	–
– Expenses not deductible for tax purposes	6,765	4,489
– Adopting prescribed tax calculation method by PRC subsidiaries (Note (iii))	(4,893)	5,003
–Tax losses for which no deferred income tax asset was recognized (Note 28)	94,287	9,635
LAT in relation to properties sold (Note (iv))	161,812	106,437
Tax effects of LAT	(40,453)	(26,609)
Withholding income tax on profit distributed across borders	7,700	6,345
Income tax expense	472,273	276,445

11 INCOME TAX EXPENSE (continued)

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

(ii) No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong in 2021.

(iii) The corporate income tax rate applicable to the group entities located in Mainland China is 25% (2020: 25%) according to the Corporate Income Tax Law of the PRC.

Certain of the Group's subsidiaries obtain the Certificate of High and New Technology Enterprise are entitled a preferential corporate income tax rate of 15%, while certain of the Group's subsidiaries enjoy the preferential income tax rate of 2.5% or 10% as Small and Micro Enterprises.

(iv) LAT is levied on properties developed by the Group in the PRC for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures (including lease charges of land use right, borrowing costs and all qualified property development expenditures).

12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares repurchased by the Group (Note 30).

	2021	2020
Profit attributable to owners of the Company (RMB'000)	**640,203**	464,340
Weighted average number of ordinary shares in issue (thousands)	**7,574,352**	7,574,352
Basic earnings per share (RMB cents)	**8.45**	6.13

There were no potential dilutive ordinary shares in 2021 and 2020, diluted earnings per share therefore equals to basic earnings per share.

13 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machines RMB'000	Motor vehicles RMB'000	Furniture, office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2021						
Opening net book amount	333,503	62,486	7,040	22,085	10,857	435,971
Other additions	3,861	10,368	4,760	23,093	24,311	66,393
Transfer from construction in progress	–	1,628	–	206	(1,834)	–
Transfer from completed properties held for sale	65,475	–	–	–	–	65,475
Transfer to investment properties (Note 15)	(6,660)	–	–	–	–	(6,660)
Transfer to completed properties held for sale	(38,117)	–	–	–	–	(38,117)
Depreciation charges	(33,502)	(14,744)	(3,205)	(21,502)	–	(72,953)
Other disposals	(12,090)	(1,331)	(6,486)	(4,002)	–	(23,909)
Closing net book amount	312,470	58,407	2,109	19,880	33,334	426,200
At 31 December 2021						
Cost	470,412	165,289	49,632	175,413	33,334	894,080
Accumulated depreciation	(157,942)	(106,882)	(47,533)	(155,533)	–	(467,880)
Net book amount	312,470	58,407	2,109	19,880	33,334	426,200

	Buildings RMB'000	Machines RMB'000	Motor vehicles RMB'000	Furniture, office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2020						
Opening net book amount	274,042	73,675	13,943	54,984	24,318	440,962
Additions from acquisition of subsidiaries	–	–	–	16	–	16
Other additions	–	3,731	987	1,004	15,931	21,653
Transfer from construction in progress	29,392	–	–	–	(29,392)	–
Transfer from completed properties held for sale	69,118	–	–	–	–	69,118
Depreciation charges (Note 7)	(39,049)	(14,913)	(7,849)	(33,794)	–	(95,605)
Other disposals	–	(7)	(41)	(125)	–	(173)
Closing net book amount	333,503	62,486	7,040	22,085	10,857	435,971
At 31 December 2020						
Cost	457,943	154,624	51,358	156,116	10,857	830,898
Accumulated depreciation	(124,440)	(92,138)	(44,318)	(134,031)	–	(394,927)
Net book amount	333,503	62,486	7,040	22,085	10,857	435,971

13 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation charges were included in the following categories in the profit or loss:

	2021 RMB'000	2020 RMB'000
Cost of sales	59,259	83,538
Administrative expenses	12,194	10,521
Selling and distribution expenses	1,500	1,546
	72,953	95,605

14 LEASES

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2021 RMB'000	31 December 2020 RMB'000
Right-of-use assets		
- Properties	98,063	67,478
Lease liabilities		
Current	82,992	81,518
Non-current	479,399	458,148
	562,391	539,666

14 LEASES (continued)

(i) Amounts recognised in the balance sheet (continued)

The following table presents the changes of right-of-use assets for the year ended 31 December 2021:

	2021 RMB'000
Balance at 31 December 2020	67,478
Additions	35,988
Depreciation/amortisation	(5,403)
Closing net book amount	98,063

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2021 RMB'000	2020 RMB'000
Depreciation charge of right-of-use assets		
Properties	5,403	8,645
Interest expense (included in finance cost) (Note 9)	(32,017)	(32,910)
Interest income (included in finance income) (Note 9)	6,158	5,044

The total cash outflow for leases in 2021 was RMB111,841,000.

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties. Rental contracts are typically made for fixed periods of 3 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

15 INVESTMENT PROPERTIES

	2021 RMB'000	2020 RMB'000
Opening balance at 1 January	**4,697,854**	3,651,261
Transfer from properties under development and completed properties held for sale	**316,705**	378,166
Transfer from Property, plant and equipment (Note 13)	**6,660**	–
Other additions	**355,438**	673,398
Fair value changes	**51,081**	85,726
Transfer to completed properties held for sale	**(175,942)**	–
Disposals	**(160,171)**	(90,697)
Closing balance at 31 December	**5,091,625**	4,697,854

Amounts recognised in profit and loss for investment properties

	2021 RMB'000	2020 RMB'000
Rental income from self-owned properties	**221,490**	175,365
Rental income from subleasing	**69,241**	41,800
Direct operating expenses from property that generated rental income	**45,709**	22,620

As at 31 December 2021, the Group had no contractual obligations for future repairs and maintenance (2020: nil).

Investment properties with an aggregate carrying value of RMB1,458,660,000 (2020: RMB1,406,600,000) as at 31 December 2021 were pledged for certain bank loans granted to the Group (Note 27).

15 INVESTMENT PROPERTIES (continued)

Investment properties comprise a number of commercial and residential properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 1 year to 17 years.

As at 31 December 2021, title certificates of certain investment properties of the Group with carrying value of RMB1,431,570,000 (2020: RMB1,026,810,000) were in progress of being obtained.

The Group's investment properties are leased to tenants under operating leases with rentals payable quarterly in general. There are no variable lease payments that depend on an index or rate.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

For minimum lease payments receivable on leases of investment properties, refer to Note 36(b).

Fair value measurements using significant unobservable inputs (Level 3)

	Investment properties	
	2021 **RMB'000**	**2020** RMB'000
Opening balance at 1 January	**4,697,854**	3,651,261
Transfer from properties under development and completed properties held for sale	**316,705**	378,166
Transfer from Property, plant and equipment	**6,660**	–
Other additions	**355,438**	673,398
Fair value changes	**51,081**	85,726
Transfer to completed properties held for sale	**(175,942)**	–
Disposals	**(160,171)**	(90,697)
Closing balance at 31 December	**5,091,625**	4,697,854
Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	**51,081**	85,726

15 INVESTMENT PROPERTIES (continued)

Valuation processes of the Group

The Group's investment properties were valued at transfer dates and at 31 December 2021 and 2020 by Cushman & Wakefield International properties Advisers ("C&W"), which have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. During 2021, a total gain of RMB51,081,000 (2020: RMB85,726,000), and deferred tax thereon of RMB12,770,250 (2020: RMB21,431,500), were recognised in the consolidated statement of profit or loss.

The Group's management will review the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the management and valuers at least on a semi-annual basis, in line with the Group's interim and annual reporting dates.

At each financial year end the finance department:

- Verifies all major inputs to the independent valuation reports;
- Assess property valuations movements when compared to the prior year valuation reports;
- Holds discussions with the independent valuers.

Valuation techniques

Valuations are based on:

(i) Direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as locations and property size; and/or

(ii) Investment approach taking into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield are then applied respectively to derive the market value of the property; or

(iii) Residual method of valuation which is commonly used in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees, contingency, marketing and legal cost, and interest payments to be incurred, anticipated developer's profits, as well as land acquisition costs, interest payment and profit on land.

There were no changes to the valuation techniques during the year.

15 INVESTMENT PROPERTIES (continued)

Valuation techniques (continued)

Information about fair value measurements using significant unobservable inputs (level 3):

Description	Fair value at 31 Dec 2021 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Completed investment properties (including investment properties used for sublease)	4,307,825	Direct comparison	Adjusted market price (RMB/sq.m)	8,020 – 32,696	The higher the direct comparison price, the higher the fair value.
		Income capitalisation method	Market monthly rental rate (RMB/sq.m)	15 – 153	The higher the market monthly rental rate, the higher the fair value.
			Term yield	3.25% – 8.50%	The higher the term yield, the lower the fair value.
			Reversionary rate	3.75% – 9.00%	The higher the reversionary rate, the lower the fair value.
Investment properties under construction	783,800	Direct comparison	Adjusted market price (RMB/sq.m)	1,810 – 6,503	The higher the direct comparison price, the higher the fair value.
		Residual method	Residential unit rates (RMB/sq.m)	4,313 – 10,955	The higher the residential unit rates, the higher the fair value.
			Budgeted construction costs to be	100,719 – 193,497	The higher the budgeted construction cost, the higher the fair value.
			Remaining percentage to completion	3.00% – 91.89%	The higher the remaining percentage to completion, the lower the fair value.
			Anticipated developer's profit margin	5.00%-10.00%	The higher the anticipated developer's profit, the higher the fair value.

Description	Fair value at 31 Dec 2020 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Completed investment properties (including investment properties used for sublease)	4,162,854	Direct comparison	Adjusted market price (RMB/sq.m)	40,781	The higher the direct comparison price, the higher the fair value.
		Income capitalisation method	Market monthly rental rate (RMB/sq.m)	21- 240	The higher the market monthly rental rate, the higher the fair value.
			Term yield	3.25% – 8.50%	The higher the term yield, the lower the fair value.
			Reversionary rate	3.75% – 9.00%	The higher the reversionary rate, the lower the fair value.
Investment properties under construction	535,000	Direct comparison	Adjusted market price (RMB/sq.m)	1,238 – 6,083	The higher the direct comparison price, the higher the fair value.
		Residual method	Residential unit rates (RMB/sq.m)	3,827 – 11,307	The higher the residential unit rates, the higher the fair value.
			Budgeted construction costs to be	90,302 -150,560	The higher the budgeted construction cost, the higher the fair value.
			Remaining percentage to completion	1.30% – 30.15%	The higher the remaining percentage to completion, the lower the fair value.
			Anticipated developer's profit margin	10.00% – 20.00%	The higher the anticipated developer's profit, the higher the fair value.

There were no significant inter-relationships between unobservable inputs that materially affect fair values, except for those stated in these financial statements.

16 INTANGIBLE ASSETS

	Goodwill RMB'000	Software RMB'000	Total RMB'000
Year ended 31 December 2021			
Opening net book amount	8,528	48,814	57,342
Additions	–	6,360	6,360
Amortisation charge	–	(6,260)	(6,260)
Closing net book amount	8,528	48,914	57,442
At 31 December 2021			
Cost	8,528	67,259	75,787
Accumulated amortisation and impairment	–	(18,345)	(18,345)
Net book amount	8,528	48,914	57,442

	Goodwill RMB'000	Software RMB'000	Total RMB'000
Year ended 31 December 2020			
Opening net book amount	1,819	34,015	35,834
Additions	6,709	19,194	25,903
Amortisation charge	–	(4,395)	(4,395)
Closing net book amount	8,528	48,814	57,342
At 31 December 2020			
Cost	8,528	60,899	69,427
Accumulated amortisation and impairment	–	(12,085)	(12,085)
Net book amount	8,528	48,814	57,342

Amortisation of RMB6,260,000 (2020: RMB4,395,000) is included in the 'administrative expenses' the consolidated statement of profit or loss.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	At amortised cost RMB'000	At fair value RMB'000	Total RMB'000
Assets			
At 31 December 2021			
Cash and cash equivalents	**2,155,136**	**–**	**2,155,136**
Trade and other receivables excluding prepayments	**1,946,834**	**–**	**1,946,834**
Restricted cash	**237,547**	**–**	**237,547**
Deposits in banks with original maturities over three months	**56,300**	**–**	**56,300**
Financial assets at fair value through profit or loss	**–**	**888,211**	**888,211**
Total	**4,395,817**	**888,211**	**5,284,028**
Assets			
At 31 December 2020			
Trade and other receivables excluding prepayments	2,164,161	–	2,164,161
Cash and cash equivalents	2,124,958	–	2,124,958
Restricted cash	188,460	–	188,460
Deposits in banks with original maturities over three months	21,516	–	21,516
Financial assets at fair value through profit or loss	–	617,101	617,101
Total	4,499,095	617,101	5,116,196

17 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

	At amortised cost RMB'000
Liabilities	
At 31 December 2021	
Bank and other borrowings	5,101,980
Trade and other payables excluding non-financial liabilities	4,199,299
Lease liabilities	562,391
Corporate bonds	258,097
Total	10,121,767
Liabilities	
At 31 December 2020	
Bank and other borrowings	4,275,695
Trade and other payables excluding non-financial liabilities	3,200,623
Corporate bonds	1,334,501
Lease liabilities	539,666
Total	9,350,485

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss

	2021 RMB'000	2020 RMB'000
At 1 January	617,101	382,926
Additions	1,102,643	866,565
Transfer from investment in associates (Note 10(b))	129,673	–
Net gain from transfer from investment in associates (Note 6)	276,659	–
Fair value gains on financial assets at fair value through profit of loss (Note 6)	6,451	43,960
Disposals	(1,244,316)	(676,350)
At 31 December	888,211	617,101
Less: non-current portion	(693,237)	(572,006)
Current portion	194,974	45,095

Financial assets at fair value through profit or loss include the following:

	2021 RMB'000	2020 RMB'000
Unlisted securities – PRC (i)	693,237	271,886
Trust plan products (ii)	129,974	300,120
Wealth management products (iii)	65,000	45,095
	888,211	617,101

(i) As at 31 December 2021, the investments mainly represent equity investments in certain companies. The fair values of these investments were determined mainly based on direct comparison approach by making reference to its recent transaction prices, the fair value measurement is categorised within level 3 of the fair value hierarchy.

(ii) As at 31 December 2021, these trust plan products were issued by certain financial institutions in the PRC with certain expected annual. The returns on all of these products are not guaranteed, therefore the Group designated them as financial assets at fair value through profit or loss. The fair values are determined based on cash flow discounted using the expected return based on management's judgment and are within level 3 of the fair value hierarchy. The fair values of these investments approximated their carrying values as at 31 December 2021.

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Financial assets at fair value through profit or loss (continued)

(iii) As at 31 December 2021, these wealth management products were issued by banks in the PRC with expected annual return at 2.15%-4.88% (2020: 1.60%-3.50%). The returns on all of these products are not guaranteed, therefore the Group designated them as financial assets at fair value through profit or loss. The fair values are determined based on cash flow discounted using the expected return based on management's judgment and are within level 3 of the fair value hierarchy. The fair values of these investments approximated their carrying values as at 31 December 2021.

None of these financial assets is either past due or impaired.

19 PROPERTIES UNDER DEVELOPMENT

Properties under development in the consolidated statement of financial position comprise:

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Expected to be completed for sale within one year		
Properties under development for sale	**1,337,458**	390,961
Expected to be completed for sale after more than one year		
Properties under development for sale	**2,567,097**	2,405,566
	3,904,555	2,796,527

All properties under development are located in the PRC are stated at the lower of cost and net realisable value.

Properties under development with an aggregate carrying value of RMB3,247,351,000 (2020: RMB1,561,107,000) as at 31 December 2021 were pledged for certain bank loans granted to the Group (Note 27).

20 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in the PRC are stated at the lower of cost and net relisable value.

Completed properties held for sale with an aggregate carrying value of RMB934,840,000 (2020: RMB433,304,000) as at 31 December 2021 were pledged for certain bank loans granted to the Group (Note 27).

21 INVENTORIES

	At 31 December	
	2021 RMB'000	2020 RMB'000
Raw materials	2,297	1,397
Work in progress	19,477	4,645
Finished goods	69,413	65,498
	91,187	71,540

22 TRADE AND OTHER RECEIVABLES

	At 31 December	
	2021 RMB'000	2020 RMB'000
Current portion		
Trade receivables (a)	955,652	942,519
Loans to third parties	549,649	569,350
Prepayments for construction cost and raw materials	269,684	117,356
Prepaid turnover tax and other taxes	140,184	119,945
Notes receivables	32,146	24,586
Deposits receivable	30,984	21,617
Loans to related parties (Note 37(c))	8,490	20,762
Consideration receivable on disposal of an associate	–	22,820
Others	112,026	181,914
	2,098,815	2,020,869
Non-current portion		
Trade receivables (a)	369,774	325,877
Receivables from finance leases	40,716	50,367
Loans to related parties (Note 37(c))	4,162	4,275
Loans to a third party	79	74
	414,731	380,593
Less: allowance provisions	(156,844)	(83,876)
Total	2,356,702	2,317,586

22 TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivable are generally due within 1 to 3 months from the date of billing. The non-current trade receivables are due and payable within eight years from the end of the reporting period. As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable, based on the invoice date (or date of revenue recognition, if earlier), is as follows:

	At 31 December	
	2021 RMB'000	2020 RMB'000
Within 1 month	398,980	246,908
1 to 3 months	141,165	195,187
3 to 6 months	58,710	66,386
Over 6 months	726,571	759,915
	1,325,426	1,268,396

Trade receivables are primarily related to the sale of properties. Proceeds from the sale of properties are made in one-off payments upfront or paid by instalments in accordance with the terms of the corresponding sale and purchase agreements. If payment is made in one-off payment upfront, settlement is normally required by date of signing the sales contract. If payments are made in instalments, settlement is in accordance with the contract terms.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. The loss allowance increased by a further RMB36,531,000 to RMB75,334,000 for trade receivables.

The loss allowance increased by RMB36,437,000 to RMB81,510,000 for other receivables during the current reporting period.

As at 31 December 2020 and 2021, the fair value of trade and other receivables approximated their carrying amounts.

23 RESTRICTED CASH

	At 31 December 2021 RMB'000	At 31 December 2020 RMB'000
Pledged for:		
– Supervised accounts for construction of pre-sale properties	**160,012**	101,894
– Mortgage deposits	**37,475**	19,896
– Interest-bearing loans deposits	**22,319**	27,202
– Letter of guarantee	**10,841**	39,468
– Others	**6,900**	–
Total	**237,547**	188,460

24 CASH AND CASH EQUIVALENTS

	At 31 December 2021 RMB'000	At 31 December 2020 RMB'000
Cash in hand	**163**	165
Cash at bank	**1,852,316**	1,837,616
Other cash deposited in a related party's financial institutions (Note 37(c))	**302,657**	287,177
Cash and cash equivalents	**2,155,136**	2,124,958

25 TRADE AND OTHER PAYABLES

	At 31 December	
	2021 RMB'000	2020 RMB'000
Trade creditors and bills payable	2,684,881	2,243,560
Loans due to third parties	631,445	269,445
Other taxes payables	203,235	272,683
Construction guaranteed deposits payable	187,378	153,145
Loans due to related parties (Note 37(c))	110,579	92,094
Accrued payroll	87,496	61,382
Interests payable	49,753	40,085
Interests payable to related parties (Note 37(c))	–	7,777
Other payables and accruals	577,486	138,959
Total	4,532,253	3,279,130

As at 31 December 2021, the ageing analysis of trade creditors and bills payables, based on the invoice date, is as follows:

	At 31 December	
	2021 RMB'000	2020 RMB'000
Within 1 month	1,692,998	1,230,706
1 to 12 months	500,748	581,654
Over 12 months	491,135	431,200
	2,684,881	2,243,560

As at 31 December 2020 and 2021, the fair value of trade and other payables approximated their carrying amounts.

26 CORPORATE BONDS

	2021 RMB'000	2020 RMB'000
As at 1 January	**1,334,501**	1,280,239
Net proceeds from bonds issued	**350,000**	1,300,000
Interest expenses	**30,911**	72,838
Principal paid during the year	**(1,400,000)**	(1,250,000)
Coupon interest paid	**(57,315)**	(68,576)
As at 31 December	**258,097**	1,334,501
Representing:		
Current portion	**258,097**	1,334,501
Non-current portion	**–**	–

In January 2021, the Group issued short-term notes with maturity of 332 days with face value of RMB100,000,000 bearing annual interest rate of 5.60%. The actual proceeds received by the Group was approximately RMB100,000,000. This note is denominated in RMB and issued at par. Interest was payable and principal was repaid when the notes fell due. The annual effective interest rates of this note is 5.60%. As at 31 December 2021, interest payable for this note is nil.

In May 2021, the Group issued short-term notes with maturity of 270 days with face value of RMB250,000,000 bearing annual interest rate of 5.50%. The actual proceeds received by the Group was approximately RMB250,000,000. This note is denominated in RMB and issued at par. Interest was payable and principal was repaid when the notes fell due. The annual effective interest rates of this note is 5.50%. As at 31 December 2021, interest payable for this note amounted to approximately RMB8,097,000.

The fair value of corporate bond approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 5.50%~5.60%(2020: 5.30%~5.50%) and are within level 2 of the fair value hierarchy.

27 BANK AND OTHER BORROWINGS

	At 31 December	
	2021 RMB'000	2020 RMB'000
Current		
Secured		
– Bank and other borrowings	681,000	365,000
– Current portion of non-current bank and other borrowings	542,482	905,030
	1,223,482	1,270,030
Unsecured		
– Bank and other borrowings	1,730,897	1,768,000
– Current portion of non-current bank and other borrowings	163,132	23,320
	1,894,029	1,791,320
	3,117,511	3,061,350

	At 31 December	
	2021 RMB'000	2020 RMB'000
Non-current		
Secured		
– Bank and other borrowings	2,233,430	1,958,336
Less: Current portion of non-current bank and other borrowings	(542,482)	(905,030)
	1,690,948	1,053,306
Unsecured		
– Bank and other borrowings	456,653	184,359
Less: Current portion of non-current bank and other borrowings	(163,132)	(23,320)
	293,521	161,039
	1,984,469	1,214,345

27 BANK AND OTHER BORROWINGS (continued)

The bank and other borrowings bear interest ranging from 2.50% to 6.00% per annum for year ended 31 December 2021 (2020: from 2.50% to 6.30%).

The Group's borrowings were repayable as follows:

	At 31 December 2021 RMB'000	At 31 December 2020 RMB'000
Within 1 year or on demand	**3,117,511**	3,061,350
After 1 year but within 2 years	**849,980**	471,276
After 2 years but within 5 years	**366,667**	448,006
After 5 years	**767,822**	295,063
	5,101,980	4,275,695

The bank loans were secured by the following assets with book values of:

	At 31 December 2021 RMB'000	At 31 December 2020 RMB'000
Properties under development (Note 19)	**3,247,351**	1,561,107
Investment properties (Note 15)	**1,458,660**	1,406,600
Completed properties held for sale (Note 20)	**934,840**	433,304
Restricted cash (Note 23)	**22,319**	27,202
	5,663,170	3,428,213

The fair value of borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 5.07% (2020: 5.12%) and are within level 2 of the fair value hierarchy.

27 BANK AND OTHER BORROWINGS (continued)

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2021, none of the covenants relating to drawn down facilities had been breached (2020: nil).

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 3.1(a)(ii).

28 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	At 31 December	
	2021 **RMB'000**	2020 RMB'000
Before offsetting		
Deferred tax assets:	**180,086**	142,745
Deferred tax liabilities:	**(608,792)**	(532,954)
After offsetting		
Deferred tax assets	**79,927**	72,258
Deferred tax liabilities	**(508,633)**	(462,467)

28 DEFERRED INCOME TAX (continued)

The gross movement on the deferred income tax account is as follows:

	2021 RMB'000	2020 RMB'000
At 1 January	(390,209)	(383,016)
Charged to statement of profit or loss (Note 11)	(61,422)	(7,193)
Withholding tax paid	22,925	–
At 31 December	(428,706)	(390,209)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Temporary differences arising from LAT provision RMB'000	Unused tax losses RMB'000	Unrealised profit resulting from inter-group transactions RMB'000	Allowance on doubtful debts RMB'000	Others RMB'000	Total RMB'000
At 1 January 2020	42,701	3,050	40,823	20,769	10,494	117,837
Recognised in profit or loss	12,449	(608)	9,448	5,280	(1,661)	24,908
At 31 December 2020	55,150	2,442	50,271	26,049	8,833	142,745
Recognised in profit or loss	23,165	12,888	9,493	(5,680)	(2,525)	37,341
At 31 December 2021	78,315	15,330	59,764	20,369	6,308	180,086

Note: In assessing the realisability of deferred tax assets in respect of the Group's subsidiaries which suffered tax losses in current or preceding period, management considers the projected future taxable income of these subsidiaries. Accordingly, the Group has recognised deferred tax assets of RMB15,330,000 (2020: RMB2,442,000) as at 31 December 2021 as the Group estimates that these subsidiaries have properties development projects which are probable to generate sufficient future taxable profits to support their utilisation.

28 DEFERRED INCOME TAX (continued)

Deferred income tax assets (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB131,846,000 (2020: RMB48,492,000) in respect of losses amounting to RMB527,384,000 (2020: RMB193,969,000) that can be carried forward against future taxable income.

The unrecognised tax losses will expire in the following years:

	At 31 December	
	2021	2020
	RMB'000	RMB'000
2021	**–**	31,125
2022	**29,032**	41,640
2023	**53,816**	53,816
2024	**28,848**	28,848
2025	**38,540**	38,540
2026	**377,148**	–
	527,384	193,969

28 DEFERRED INCOME TAX (continued)

Deferred income tax liabilities

	Revaluation of investment properties RMB'000	Revaluation arising from business combination RMB'000	Recognition of revenue over time RMB'000	Revaluation of financial assets at fair value through profit of loss RMB'000	Withholding income tax on profit tax on be distributed in future RMB'000	Others RMB'000	Total RMB'000
At 1 January 2020	(385,491)	(4,700)	(50,792)	(40,463)	(8,880)	(10,527)	(500,853)
Recognised in profit or loss	(16,892)	4,611	(9,966)	–	(6,345)	(3,509)	(32,101)
At 31 December 2020	(402,383)	(89)	(60,758)	(40,463)	(15,225)	(14,036)	(532,954)
Recognised in profit or loss	(13,027)	6	3,571	(82,089)	(7,700)	476	(98,763)
Withholding tax paid	–	–	–	–	22,925	–	22,925
At 31 December 2021	**(415,410)**	**(83)**	**(57,187)**	**(122,552)**	**–**	**(13,560)**	**(608,792)**

Pursuant to the PRC tax law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those foreign invested subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

At 31 December 2021, the Company controls the dividend policy of these subsidiaries and it has been determined that these profits will not be distributed in the foreseeable future.

29 DEFERRED INCOME

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Deferred government grants	**715,356**	589,046
Service fees received in advance (a)	**64,474**	36,616
Less: Current portion	**(77,983)**	(62,566)
	701,847	563,096

(a) The deferred income primarily represents the prepaid service fees from customers for energy supply service in the industrial parks.

30 SHARE CAPITAL AND TREASURY SHARES

Movements of the Company's ordinary shares are set out below:

	At 31 December 2021 and 2020		
	No. of Shares		**Treasury shares**
	('000)	RMB'000	RMB'000
Ordinary shares, issued and fully paid:			
At the end of the year	7,574,352	623,048	(121,056)

30 SHARE CAPITAL AND TREASURY SHARES (continued)

(a) During the year ended 31 December 2021 and 2020, movement of the Company's treasury shares are analysed as follows:

	Shares repurchased for the purpose of		
	Share award	Cancellation	Total
	('000)	('000)	('000)
Year ended 31 December 2021 and 2020			
Opening and closing No. of shares	152,998	–	152,998

31 RESERVES

	Share premium	Exchange reserve	Property Revaluation reserve	Statutory reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021	**1,855,942**	**17,915**	**49,772**	**502,521**	**537,204**	**2,963,354**
Appropriation from retained earnings	**–**	**–**	**–**	**114,150**	**–**	**114,150**
Currency translation differences	**–**	**(2,695)**	**–**	**–**	**–**	**(2,695)**
Dividends paid (Note 33)	**(125,633)**	**–**	**–**	**–**	**–**	**(125,633)**
Transaction with non-controlling interests	**–**	**–**	**–**	**–**	**(1,249)**	**(1,249)**
Balance at 31 December 2021	**1,730,309**	**15,220**	**49,772**	**616,671**	**535,955**	**2,947,927**
Balance at 1 January 2020	1,855,942	41,317	49,772	413,432	537,270	2,897,733
Appropriation from retained earnings	–	–	–	89,089	–	89,089
Currency translation differences	–	(23,402)	–	–	–	(23,402)
Capital injection from non-controlling interests	–	–	–	–	(66)	(66)
Balance at 31 December 2020	1,855,942	17,915	49,772	502,521	537,204	2,963,354

31 RESERVES (continued)

(a) PRC statutory reserve

Pursuant to the Articles of Association of the PRC subsidiaries now comprising the Group, appropriations to the general reserve fund were made at a certain percentage of profit after taxation determined in accordance with the accounting rules and regulations of the PRC. The percentage for this appropriation was decided by the directors of the respective subsidiaries. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the subsidiaries and is non-distributable other than in liquidation.

(b) Exchange reserve

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB. The reserve is dealt with in accordance with the accounting policy set out in Note 2.6.

(c) Other reserves

Other reserves are resulted from transactions with owners in their capacity as equity holders. The balances comprise capital reserve surplus/deficit arising from difference between disposal/acquisition consideration and its net assets at the respective date of disposal/acquisition.

Transaction with non-controlling interests during the year ended 31 December 2021 was:

The Group previously held 60% equity interests in Hubei Zhongchuang Financing Guarantee Co. Ltd ("Hubei Zhongchuang"), a partially owned subsidiary. On 8 Feberary 2021, the Group acquired another 20% of the equity interests in Hubei zhongchuang from a non-controlling shareholder with a consideration of RMB22,644,000. The excess of the consideration over the carrying amount of the 20% equity interests in Hubei zhongchuang, amounting to RMB1,249,000 was debited to capital reserves.

32 RETAINED EARNINGS

	2021 RMB'000	2020 RMB'000
At 1 January	**3,415,452**	3,208,519
Dividends paid	–	(168,318)
Profit for the year	**640,203**	464,340
Appropriation to statutory reserve	**(114,150)**	(89,089)
At 31 December	**3,941,505**	3,415,452

33 DIVIDENDS

	2021 RMB'000	2020 RMB'000
Ordinary shares		
Final dividend for the year ended 31 December 2020 of HK$2.00 cents per fully paid share (2019: HK$2.50)	**125,633**	168,318
Dividends not recognised at the end of the reporting date		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of HK$2.50 cents per fully paid share (2020: HK$2.00 cents). The aggregate amount of the proposed dividend expected to be paid in August 2022 out of share premium account of the Company at 31 December 20201 but not recognised as a liability at year end, is	**153,950**	126,900

34 CASH FLOW INFORMATION

(a) Cash generated from operations

	2021 RMB'000	2020 RMB'000
Profit before income tax	**1,084,883**	816,913
Adjustments for:		
Finance costs	**269,211**	239,465
Depreciation (Note 7)	**78,356**	104,250
Net impairment losses on financial and contract assets	**76,119**	21,117
Loss/(gain) on disposal of investment properties (Note 6)	**7,772**	(40,917)
Amortisation (Note 7)	**6,260**	4,395
Loss on liquidation of a joint venture (Note 6)	**2,899**	–
Loss/(gain) on liquidation of subsidiaries (Note 6)	**224**	(128)
Gains on disposal of property, plant and equipment (Note 6)	**(884)**	(93)
Fair value gains on financial assets at fair value through profit or loss (Note 6)	**(6,451)**	(43,960)
Share of profits of joint ventures (Note 10(b))	**(23,834)**	(7,512)
Gains on disposal of associates (Note 6)	**(37,433)**	(36,223)
Gains from deemed partially disposals (Note 6)	**(50,394)**	(9,919)
Fair value gains on investment properties (Note 15)	**(51,081)**	(85,726)
Share of profits of associates (Note 10(b))	**(76,158)**	(124,818)
Finance income (Note 9)	**(77,462)**	(78,334)
Gains on transfer an associate to financial assets at fair value through profit or loss (Note 6)	**(276,659)**	–
Changes in working capital		
– Contract liabilities, deferred income and trade and other payables	**899,795**	446,195
– Restricted cash	**(58,118)**	(33,695)
– Contract assets and trade and other receivables	**(386,433)**	415,502
– Properties under development, completed properties held for sale and inventories	**(1,033,364)**	(1,333,844)
Cash generated from operations	**347,248**	252,668

34 CASH FLOW INFORMATION (continued)

(b) Net debt reconciliation

	2021 RMB'000	2020 RMB'000
Cash and cash equivalents	**2,155,136**	2,124,958
Restricted cash	**77,535**	86,566
Interests payable	**(49,753)**	(47,862)
Corporate bonds	**(258,097)**	(1,334,501)
Bank and other borrowings	**(5,101,980)**	(4,275,695)
Net debt	**(3,177,159)**	(3,446,534)

	Liabilities from financing activities					
	Corporate bonds RMB'000 (Note 26)	Bank and other borrowings RMB'000 (Note 27)	Lease liabilities RMB'000 (Note 14)	Loans due to related parties RMB'000 (Note 25)	Loans due to third parties RMB'000 (Note 25)	Total RMB'000
Net debt as at 1 January 2020	(1,280,239)	(3,449,500)	(566,668)	(135,233)	(269,445)	(5,701,085)
Cash (inflows)/outflows	(50,000)	(840,554)	105,128	40,000	–	(745,426)
Foreign exchanges adjustments	–	14,359	–	–	–	14,359
Others	(4,262)	–	(78,126)	3,139	–	(79,249)
Net debt as at 31 December 2020	(1,334,501)	(4,275,695)	(539,666)	(92,094)	(269,445)	(6,511,401)
Cash (inflows)/outflows	**1,107,315**	**(826,285)**	**111,841**	**(18,485)**	**(346,280)**	**28,106**
Others	**(30,911)**	**–**	**(134,566)**	**–**	**(15,720)**	**(181,197)**
Net debt as at 31 December 2021	**(258,097)**	**(5,101,980)**	**(562,391)**	**(110,579)**	**(631,445)**	**(6,664,492)**

35 CONTINGENCIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owned by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the time when the buyer has obtained the individual property ownership certificate and the mortgage loan has been fully settled by the buyer.

The maximum amount of guarantees given to banks for mortgage facilities granted to the purchasers of the Group's properties at the end of the reporting period is as follows:

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**463,397**	876,870

The directors consider that Group does not sustain a significant loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

36 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted but not provided for mainly represents properties development at the end of the year but not yet incurred is as follows:

	At 31 December	
	2021	2020
	RMB'000	RMB'000
Contracted but not provided for		
-Properties development expenditure	**885,665**	982,748

(b) Operating lease commitments – Group as lessor

The Group leases out a number of building facilities under non-cancellable operating lease agreements. Minimum lease payments receivables on leases of investment properties are as follows:

	At 31 December	
	2021	2020
	RMB'000	RMB'000
No later than 1 year	**296,790**	251,789
Later than 1 year and no later than 5 years	**531,750**	523,480
Later than 5 years	**115,996**	132,960
	944,536	908,229

37 RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel is as follows:

	2021 RMB'000	2020 RMB'000
Wages, salaries and other benefits	44,033	45,199
Retirement scheme contributions	310	–
	44,343	45,199

The above remuneration to key management personnel is included in 'staff costs' (Note 8).

(b) Transactions with related parties

Save as disclosed in above, the following is a summary of the significant transactions carried out between the Group and its related parties during the period.

	2021 RMB'000	2020 RMB'000
(i) Joint ventures		
Design and construction services	2,296	1,066
Energy services	917	–
Industrial park financial services	185	–
Others	2,738	–
(ii) Associates		
Management consultation services	9,622	–
Interest income from loans provided to related parties	2,215	2,232
Industrial park property leasing	62	3,105
Property management services	31	–
Payment of salary	–	937
Interest expense of other borrowings	–	562
Others	8	2,830

37 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties (continued)

	2021 RMB'000	2020 RMB'000
(iii) Major shareholders		
Accumulated amount of cash deposited in major shareholder's financial institution	**2,402,745**	2,030,270
Repayment of borrowing from major shareholder's financial institution	**1,020,000**	1,330,000
Borrowing from major shareholder's financial institution	**1,010,000**	2,040,000
Interest expense of other borrowings	**42,251**	32,778
Operating lease paid	**3,981**	566
Interest income from deposits	**328**	541
Design and construction services	**250**	–

The prices for the above sales of construction materials and service fees were determined in accordance with the terms of the underlying agreements.

37 RELATED PARTY TRANSACTIONS (continued)

(c) *Balances with related parties*

	At 31 December 2021 RMB'000	At 31 December 2020 RMB'000
(i) Joint ventures		
Loans to related parties – current portion	**599**	20,718
(ii) Associates		
Loans due to related parties	**71,340**	51,646
Loans to related parties – current portion	**7,888**	–
(iii) Major shareholder		
Borrowing	**900,000**	910,000
Cash deposited in major shareholder's financial institution	**302,657**	287,177
Lease liabilities	**66,255**	86,627
Loan due to related parties	**39,239**	40,448
Loans to related parties – non-current portion	**4,162**	4,275
Loans to related parties – current portion	**3**	44
Interest payable	**–**	7,777

38 EVENTS AFTER THE REPORTING PERIOD

(a) Please refer to Note 33 for the final dividend recommended by the directors, which is expected to be paid on or before August 2022.

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	Note	At 31 December 2021 RMB'000	2020 RMB'000
Non-current assets			
Property, plant and equipment		1	3
Investments in subsidiaries		3,100,155	3,191,309
		3,100,156	3,191,312
Current assets			
Cash and cash equivalents		16,876	23,617
Other receivables		370,782	381,684
		387,658	405,301
Current liabilities			
Payables to subsidiaries		1,069,091	1,041,922
		1,069,091	1,041,922
Net current liabilities		(681,433)	(636,621)
Total assets less current liabilities		2,418,723	2,554,691
Net assets		2,418,723	2,554,691
Equity			
Capital and reserves			
Share capital	30	623,048	623,048
Treasury shares	30	(121,056)	(121,056)
Reserves	(a)	2,269,422	2,332,920
Accumulated losses	(b)	(352,691)	(280,221)
Total equity		2,418,723	2,554,691

The balance sheet of the Company was approved by the Board of Directors on 25 March 2022 and was signed on its behalf:

Huang Liping Hu Bin

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

Balance sheet of the Company (continued)

Note:

(a) Reserve movement of the Company

	Share premium RMB'000	Exchange reserve RMB'000	Total RMB'000
Balance at 1 January 2021	1,855,942	476,978	2,332,920
Currency translation differences	–	62,135	62,135
Dividends paid	(125,633)	–	(125,633)
Balance at 31 December 2021	1,730,309	539,113	2,269,422
Balance at 1 January 2020	1,855,942	491,860	2,347,802
Currency translation differences	–	(14,882)	(14,882)
Balance at 31 December 2020	1,855,942	476,978	2,332,920

(b) Accumulated losses movement of the Company

	2021 RMB'000	2020 RMB'000
At 1 January	(280,221)	(90,128)
Loss for the year	(72,470)	(21,775)
Dividends paid	–	(168,318)
At 31 December	(352,691)	(280,221)

40 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors and chief executive's emoluments

For the year ended 31 December 2021:

Name	Fees RMB'000	Salaries, allowances and Welfare benefits RMB'000	Discretionary bonuses RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Chief executive and executive Directors:					
Huang Liping	–	516	1,344	26	1,886
Hu Bin (i)	–	344	655	17	1,016
Non-executive Directors:					
Hu Bin (i)	–	172	327	9	508
Liu Guilin (Chairman)	–	–	–	–	–
Sun Ying	–	–	–	–	–
Zhang Jie	–	–	–	–	–
Xiang Qunxiong	–	–	–	–	–
Independent non-executive Directors:					
Qi Min	200	–	–	–	200
Chan Ching Har Eliza	245	–	–	–	245
Qiu Hongshen	200	–	–	–	200
Total	645	1,032	2,326	52	4,055

(i) Mr. Hu Bin was re-designated from an executive Director to a non-executive Director and ceased to act as the executive president of the Company with effect from 8 September 2021.

40 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(a) *Directors and chief executive's emoluments (continued)*

For the year ended 31 December 2020:

Name	Fees RMB'000	Salaries, allowances and welfare benefits RMB'000	Discretionary bonuses RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Chief executive and executive Directors:					
Huang Liping	–	956	771	–	1,727
Hu Bin	–	956	921	–	1,877
Xie Qinghua	–	1,410	630	–	2,040
Non-executive Directors:					
Liu Guilin (Chairman)	–	–	–	–	–
Sun Ying	–	–	–	–	–
Zhang Jie	–	–	–	–	–
Wang Qiuju	–	–	–	–	–
Xiang Qunxiong	–	–	–	–	–
Independent non-executive Directors:					
Qi Min	200	–	–	–	200
Chan Ching Har Eliza	168	–	–	–	168
Qiu Hongshen	144	–	–	–	144
Leung Man Kit	–	–	–	–	–
Zhang Shuqin	–	–	–	–	–
Total	512	3,322	2,322	–	6,156

No emoluments was paid or receivable in respect of directors' other services in connection with the management of the Company or its subsidiaries undertaking during the year.

During the years ended 31 December 2021 and 2020, no director waived any emoluments. Neither incentive payment for joining the Group nor compensation for loss of office was paid or payable to any directors during the years ended 31 December 2021 and 2020.

40 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(b) Directors' retirement benefits

No retirement benefits was paid to or receivable by directors during the year by defined benefit pension plans operated by the Group.

(c) Directors' termination benefits

No director's termination benefit subsisted at the end of the year or at any time during the year.

(d) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available directors' services subsisted at the end of the year or at any time during the year.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the ends of the year or at any time during the year.

"Company", "we", "us", "our" or "CEOVU"	China Electronics Optics Valley Union Holding Company Limited (中電光谷聯合控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2013 under the Cayman Islands Companies Law
"Group"	the Company and its subsidiaries
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"connected persons"	has the meaning ascribed to it under the Listing Rules
"associates" or "close associates"	has the meaning ascribed to it under the Listing Rules
"Articles of Association"	the amended and restated articles of association of the Company
"Board"or "Board of Directors"	the board of directors of the Company
"Director(s)"	director(s) of the Company
"Audit Committee"	the audit committee of the Company
"Nomination Committee"	the nomination committee of the Company
"Remuneration Committee"	the remuneration committee of the Company
"Financial Control Committee"	the financial control committee of the Company
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"BVI"	the British Virgin Islands
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Renminbi" or "RMB"	the lawful currency of China

"Reporting Period"	the 12-month period from 1 January 2021 to 31 December 2021
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of our Share(s) from time to time
"Shares"	ordinary shares of HKD0.10 each in the capital of the Company
"CEC"	China Electronics Corporation Limited* (中國電子信息產業集團有限公司), a state-owned company established under the laws of the PRC and the ultimate controlling shareholder of CE Huada Technology
"CEIS"	China Electronics International Information Service Co., Ltd.* (中國中電國際信息服務有限公司), a limited liability company incorporated in the PRC on 24 May 1985 and a 100% owned subsidiary of China Electronics Co. Ltd.* (中國電子有限公司), which is wholly owned by CEC
"CE Huada Technology"	China Electronics Huada Technology Company Limited (中國電子華大科技有限公司), formerly known as China Electronics Corporation Holdings Company Limited* (中國電子集團控股有限公司), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability
"AAA Finance"	AAA Finance and Investment Holdings Limited, a limited liability company incorporated in the BVI on 10 July 2013 which is wholly owned by Mr. Huang Liping, one of the Company's substantial Shareholders
"Lidao BVI"	Lidao Investment Limited, a limited liability company incorporated in the BVI on 10 July 2013, which is wholly-owned by Mr. Huang Liping, one of the Company's substantial Shareholders
"Hubei Science & Technology Investment"	Hubei Science & Technology Investment Group Co., Ltd.* (湖北省科技投資集團有限公司), a limited liability company incorporated in the PRC on 28 July 2005 and a substantial Shareholder of the Company as at 30 June 2016
"Technology Investment HK"	Hubei Science & Technology Investment Group (Hong Kong) Company Limited (湖北省科技投資集團(香港)有限公司), a limited liability company incorporated in Hong Kong on 11 July 2013 and a substantial Shareholder of the Company
"CEOVU HK"	China Electronics Optics Valley Union Company Limited (formerly known as AAA Finance & Investment Limited), a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

"OVU"	Optics Valley Union Holding Limited Company* (光谷聯合控股有限公司), formerly known as United Real Estate (Wuhan) Co., Ltd.* (聯合置業(武漢)有限公司), a limited liability company incorporated in the PRC on 23 July 1993 and a wholly-owned subsidiary of China Electronics Optics Valley Union Holding Company Limited, and an indirect subsidiary of the Company
"Wuhan OVU"	Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司, formerly known as 武漢光谷聯合股份有限公司), a limited liability company incorporated in the PRC on 24 July 2000 and a wholly-owned subsidiary of OVU, and an indirect subsidiary of the Company
"CEC Technology"	China Electronics Technology Development Co., Ltd.* (中國電子科技開發有限公司), a company established under the laws of the PRC and a non wholly-owned subsidiary of the Company
"Easylinkin Technology"	Wuhan Easylinkin Technology Co., Ltd.* (武漢慧聯無限科技有限公司), a limited liability company incorporated in the PRC on 15 October 2013 and a 15.8% owned company of Wuhan OVU
"Hefei OVU"	Hefei Optics Valley Union Development Co., Ltd.* (合肥光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 13 September 2013 and a wholly-owned subsidiary of Wuhan OVU
"Huada Beidou"	Shenzhen Huada Beidou Technology Company Limited* (深圳華大北斗科技有限公司), a limited liability company incorporated in the PRC on 26 January 2016 and a 9.78% owned subsidiary of China Electronics Optics Valley (Shenzhen) Industrial Development Co., Ltd.* (中電光谷(深圳)產業發展有限公司), and an indirect subsidiary of the Company
"Huangshi OVU"	Huangshi Optics Valley Union Development Co., Ltd.* (黃石光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 24 January 2005 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Hubei Huisheng"	Hubei Huisheng Technology Development Co., Ltd.* (湖北匯盛科技發展有限公司), a limited liability company incorporated in the PRC on 8 December 2005 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Lingdu Capital"	Wuhan Lingdu Capital Investment Co., Ltd* (武漢零度資本投資管理有限公司), a limited liability company incorporated in the PRC on 22 May 2015 and a 45% owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company

"OV Financial Harbour Development"	Wuhan Optics Valley Financial Harbour Development Co., Ltd.* (武漢光谷金融港發展有限公司), a limited liability company incorporated in the PRC on 24 July 2008 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Qingdao OVU"	Qingdao Optics Valley Union Development Co., Ltd.,* (青島光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 1 September 2011 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Shenyang OVU"	Shenyang Optics Valley Union Development Co., Ltd.* (瀋陽光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 29 May 2012 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Wuhan East Lake High Technology"	Wuhan East Lake High Technology Group Co., Ltd.* (武漢東湖高新集團股份有限公司), a limited liability company incorporated in the PRC on 12 January 1993 and listed on the Shanghai Stock Exchange (stock code: 600133)
"Wuhan Lidao Property Management"	Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司), a limited liability company incorporated in the PRC on 19 July 2000 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Wuhan Lidao Technology"	Wuhan Lidao Technology Co., Ltd.* (武漢麗島科技有限公司), a limited liability company incorporated in the PRC on 13 December 2000 and an indirect subsidiary of the Company
"Wuhan Mason"	Wuhan Mason Co., Ltd.* (武漢美生置業有限公司), formerly known as Mason (Wuhan) Co., Ltd., a limited liability company incorporated in the PRC on 11 January 2007 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Wuhan Minghong"	Wuhan Minghong Technology Development Co., Ltd.* (武漢鳴鴻科技發展有限公司), a limited liability company incorporated in the PRC on 8 February 2001 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company

"Wuhan Optics Valley Software Park"	Wuhan Optics Valley Software Park Co., Ltd.* (武漢光谷軟件園有限公司), a limited liability company incorporated in the PRC on 8 September 2005 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Changsha CEC"	Changsha CEC Industrial Park Development Co., Ltd.* (長沙中電產業園發展有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
"CEC Finance"	China Electronics Financial Co., Ltd.* (中國電子財務有限責任公司), a company established under the laws of the PRC and a subsidiary of CEC
"Western Zhigu"	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有限公司), formerly known as Xianyang China Electronics Western Zhigu Development Company Limited* (咸陽中電西部智谷發展有限公司), a limited liability company established in the PRC and a 50% indirectly owned subsidiary of the Company
"Xianyang IRICO"	咸陽中電彩虹集團控股有限公司 (Xianyang China Electronics IRICO Group Holdings Co., Ltd.*), a limited company established in the PRC and an indirect wholly-owned subsidiary of CEC
"Shenzhen i-Valley"	Shenzhen CEC i-Valley Operation Co., Ltd.* (深圳中電智谷運營有限公司), a limited liability company established in the PRC, and an indirect subsidiary of the Company
"IRICO Group"	彩虹集團有限公司 (formerly known as IRICO Group Corporation* 彩虹集團公司), a limited liability company established in the PRC, and an indirect wholly–owned subsidiary of CEC
"Nantong Administrative Committee"	南通市崇川經濟開發區管委會 (Administrative Committee of the Nantong Economic and Technological Development Zone*), being the branch office of Chongchuan District Government of Nantong and the provincial regulatory agency of the Nantong Economic and Technological Development Zone
"Cailian Metal"	Xianyang Cailian Metal Products Co., Ltd.* (咸陽彩聯金屬製品有限公司), a limited liability company established in the PRC and is wholly-owned by 咸陽彩聯包裝材料有限公司 (Xianyang Cailian Packing Materials Co.Ltd.*)

"Shenzhen CEC"	China Electronics ShenZhen Company Limited* (深圳中電投資股份有限公司), a limited liability company established in the PRC and an indirect non wholly–owned subsidiary of CEC
"CEC Energy Conservation"	Wuhan CEC Energy Conservation Co., Ltd.* (武漢中電節能有限公司), a limited liability company incorporated in the PRC on 26 July 2010 and a 78.79% owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Latest Practicable Date"	13 April 2022, being the latest practicable date prior to the printing of this annual report for ascertaining certain information in this annual report

In this annual report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language which are marked with "*" is for identification purpose only.

CEC
中国电子

OVU 中电光谷
产 业 资 源 共 享 平 台

中電光谷聯合控股有限公司
China Electronics Optics Valley Union Holding Company Limited