

**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



# OVU

INTERIM REPORT  
2022



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# 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

### **Independent Non-executive Directors**

Mr. Qi Min  
Mr. Qiu Hongsheng  
Ms. Chan Ching Har Eliza (*ceased to be an independent non-executive Director with effect from 1 August 2022*)  
Mr. Qi Liang (*appointed as an independent non-executive Director with effect from 1 August 2022*)

### **Executive Director**

Mr. Huang Liping (*President*)

## COMPANY SECRETARY

Ms. Zhang Xuelian

## AUTHORIZED REPRESENTATIVES

Mr. Liu Guilin  
Ms. Zhang Xuelian

## AUDIT COMMITTEE

Mr. Qiu Hongsheng (*Chairman*)  
Mr. Qi Min  
Mr. Xiang Qunxiong

## REMUNERATION COMMITTEE

Ms. Chan Ching Har Eliza (*ceased to be the Chairman with effect from 1 August 2022*)  
Mr. Qi Liang (*appointed as the Chairman with effect from 1 August 2022*)  
Mr. Qi Min  
Mr. Xiang Qunxiong

## NOMINATION COMMITTEE

Mr. Liu Guilin (*Chairman*)  
Mr. Qi Min  
Mr. Qiu Hongsheng

## FINANCIAL CONTROL COMMITTEE

Mr. Huang Liping  
Mr. Wang Yuancheng  
Mr. Tian Maoming

## REGISTERED OFFICE

Windward 3  
Regatta Office Park  
P. O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building No. 1, Higher Level  
Creative Capital  
16 Ye Zhi Hu West Road  
Hongshan District  
Wuhan, Hubei  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19/F  
Cheung Kong Center  
2 Queen's Road Central  
Central, Hong Kong

## LEGAL ADVISORS

*as to Hong Kong law*  
Reed Smith Richards Butler LLP  
17th Floor, One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

*as to Cayman Islands law*  
Appleby  
Suites 4201-03&12, 42/F  
One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

*as to PRC law*  
Jingtian & Gongcheng  
34/F, Tower 3, China Central Place  
77 Jianguo Road  
Chaoyang District  
Beijing, China

## AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity Auditor

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3  
Regatta Office Park  
P. O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17/F, Hopewell Centre  
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

The summary of the unaudited results and assets and liabilities of the Group for the six months ended 30 June 2022 is as follows:

	For the six months ended 30 June		
	2022 RMB'000	2021 RMB'000	Change %
<b>Results</b>			
Revenue from continuing operations	1,607,557	1,600,741	0.43%
Gross profit	500,595	445,448	12.38%
Profit before income tax	178,555	176,751	1.02%
Profit attributable to owners of the Company	119,448	109,184	9.40%
Profit attributable to non-controlling interests	(46,364)	(39,725)	16.71%
Profit for the period	73,084	69,459	5.22%
	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000	Change %
<b>Assets and liabilities</b>			
Non-current assets	9,512,550	8,986,847	5.85%
Current assets	13,048,014	12,320,873	5.90%
Current liabilities	9,142,812	9,128,049	0.16%
Net current assets	3,905,202	3,192,824	22.31%
<b>Total assets less current liabilities</b>	13,417,752	12,179,671	10.17%
<b>Total equity</b>	8,409,310	8,505,323	-1.13%
Non-current liabilities	5,008,442	3,674,348	36.31%
<b>Total equity and non-current liabilities</b>	13,417,752	12,179,671	10.17%

2022 is a critical year for the transformation and upgrade of CEOVU. In the face of the challenges arising from complex and severe domestic and foreign situations and risks, CEOVU had made gradual progress, and its efforts had not been slackened. Guided by the strategic goal of "CEC's acceleration of the development of the core power and organizational platforms of the national network information industry (中國電子加快構建國家網信產業核心力量和組織平台)", we had enlarged the construction of digital "resource sharing platforms", enriched the internal layout of the "One Body and Two Wings (一體兩翼)" business landscape. With "innovation (創新)" as the fundamental driving force, we had worked together and boosted our morale. During the first half of 2022, CEOVU had shown its growing trend of "stabilizing operation and improving quality (穩經營、提質量)", with stable and positive fundamentals.

## HIGHLIGHTING ADVANTAGES OF BUSINESS TRANSFORMATION AND STEADY GROWTH OF OPERATING INDICATORS

In recent years, the industry has undergone profound changes with intensified competition and fallen profits. The blind expansion of many leading companies in the industry has led to crises. During the first half of 2022, when the pandemic situation recurred, CEOVU maintained steady development, and the business landscape of "One Body Two Wings" developed steadily, which effectively responded to the predicament of the industry and highlighted the advantages of transformation. During the first half of the year, the Company had new contracted sales of RMB2.063 billion, representing a period-to-period growth of 30%, of which the advancing "P+EPC+O" business was in a good developing trend, with new contracted sales of RMB854.0 million. The Company recorded sales collection of RMB1.967 billion, representing a period-to-period growth of 12.8%, and achieved a revenue of RMB1.608 billion, representing a period-to-period growth of 0.4%. The Company's overall operating conditions continued to improve, and our ability to fight against risks gradually strengthened.

## STRENGTHENING RISK MANAGEMENT AND CONTROL CAPABILITY AND ENHANCING THE STANDARD OF BUSINESS DECISION-MAKING

During the first half of 2022, CEOVU further sorted out the sources of risks, strengthened the dynamic management of risk identification, risk assessment and risk prevention and control, and strived to improve the effectiveness of risk management and control. The Company started with the source of risk control management, consolidated the responsibilities of management personnel at all levels, mobilized all employees to participate in the "rectification of the risk control system (風控制度整改)", and proposed a system rectification requirement of "one update every three years (三年一更新)" to systematize and regularize risk control work. CEOVU had added and optimized more than 10 management systems, further refined the implementation procedures of all management tasks, improved the Company's risk management standard as a whole, and provided strong support and systematic guarantee for the effective decision-making of the business management.

### ACCELERATING DIGITAL TRANSFORMATION UPGRADE AND STRIVING FOR QUALITY DEVELOPMENT

During the first half of 2022, CEOVU fully implemented the digital transformation and upgrade strategy, continued to improve digital construction capability, further expanded the coverage of digital elements, and opened up the business chain of operation and service sectors. We attached importance to knowledge sharing and digitized the value of knowledge and the value of creativity. We continuously improved the entire process of data collection, storage, analysis, and application, integrated advantageous resources, realized the digital reconstruction function of digital elements, gave full play to the multiplier effect, and formed a digital synergy. The use of “product-oriented thinking (產品化思維)” to cultivate new digital drive had significant effects and profound meaning. It was an accelerator for improving the quality and efficiency of business decisions, as well as a powerful starting point for CEOVU to achieve high-quality development.

### OPTIMIZING TOWARDS PERFECTION IN A DISTANT JOURNEY WITH FIRM STEPS

In the second half of 2022, the domestic and foreign economic situation will remain severe and complex. CEOVU will continue to maintain a forward-looking strategic mindset, adhere to the innovative development strategy of “keeping the right way with innovation and willing to be the first (守正創新、敢為人先)”, hold onto strategic determination, gather all parties for cooperation, cultivate core capabilities, calmly respond to changes, and continue to contribute to CEOVU's wisdom and strength, in order to lead the development of the industry and contribute greater social value.

**Liu Guilin**  
*Chairman*

Wuhan, the PRC, 25 August 2022

# Management Discussion and Analysis

## REVIEW OF FINANCIAL INFORMATION

The independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information for the six months ended 30 June 2022 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

## HIGHLIGHTS OF THE FIRST HALF OF 2022

2022 is a year of acceleration and upgrade of the realization of the planned targets of "14<sup>th</sup> Five-Year Plan". Led by CEC's construction of the core power of national network information industry and the strategic objectives of the organizational platform, the Group bears in mind the idea of industrial resource sharing, speeds up the improvement of the business layout of "One Body Two Wings (一體兩翼)", strives to enhance the overall coordination capability of the operational management of the headquarters and further stimulates the dynamic of each operational unit.

For the six months ended 30 June 2022, the Group entered into new contracts with aggregated contracted value of approximately RMB2,062.8 million, representing an increase of 30.0% as compared to the same period of last year, of which, "P+EPC+O" business entered into new contracts with aggregated contracted value of RMB854.0 million, which shows the great momentum of the industrial park operation business; and recorded sales collection of RMB1,967.0 million, representing an increase of 12.8% as compared to the same period of last year.

For the six months ended 30 June 2022, the Group achieved a revenue of RMB1,607.6 million, representing an increase of 0.4% as compared to the same period of the previous year; and achieved profit continually with the profit for the period of RMB73.1 million, representing an increase of 5.2% as compared to the same period of the previous year. The business layout of "One Body Two Wings" which was 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, was further demonstrated by the above operating indicators and continuously strengthen our ability to fight against risk.

The income from industrial park operation services was RMB1,178.3 million, accounted for 73.3% of the total revenue of the Group, which well reflected the Company's strategic development landscape based on the integrated operation business of the industrial parks.



## Management Discussion and Analysis (Continued)

As at 30 June 2022, the Group's total bank borrowings amounted to RMB6,569.1 million. During the Reporting Period, the Group obtained a three-year syndicated loan with an amount of RMB1,260.0 million, which will be used to gradually replace certain short-term loans, and enhance the debt structure. Moreover, the Xianyang Western Zhigu\* (咸陽西部智谷) project passed the evaluation of a 20-year government special debt of RMB429.0 million. Benefiting from factors such as the adjustment of financing structure, the average borrowing cost decreased from 5.2% at the end of 2021 to 5.0% during the Reporting Period.

As at 30 June 2022, the Group has approximately 7.31 million sq.m. of high-quality land bank for industrial parks in various cities. The high-quality lands for industrial parks are mainly located in cities such as Chengdu, Changsha, Shanghai, Qingdao and Chongqing.

### BUSINESS REVIEW

As of 30 June 2022, the Group has established the business layout of "One Body Two Wings" which 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. 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 (including 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

	Six months ended 30 June			
	2022		2021	
	Revenue RMB'000	% of total revenue	Revenue RMB'000	% of total revenue
<b>Industrial park operation services</b>	<b>1,178,281</b>	<b>73.3%</b>	909,736	56.8%
Design and construction services	458,144	28.5%	289,034	18.1%
Property management services	373,616	23.2%	369,991	23.1%
Industrial park property leasing	139,416	8.7%	114,714	7.2%
Energy services	76,284	4.7%	27,729	1.7%
Group catering and hotel services in the industrial parks	54,645	3.4%	47,723	3.0%
Others	76,176	4.8%	60,545	3.7%
<b>Industrial park development services</b>	<b>429,276</b>	<b>26.7%</b>	691,005	43.2%
<b>Total</b>	<b>1,607,557</b>	<b>100.0%</b>	1,600,741	100.0%

### **Industrial Park Operation Services**

At the current stage, the Group has formed fifteen types of operation businesses, including digital industrial 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 leasing, financial services in industrial parks, catering and hotels. In addition to offering a variety of one-stop industrial park operation services to enterprises stationed in the Group's industrial park, the Group also 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, investments solicitation, dual-innovation services and regional energy management as the entry points, in order to provide integrated operation services for the key projects of local government platform companies or large enterprises.

The Group fully leverages the scenario advantages of industrial parks, exploring new paths and forces for the construction of digital city through the promotion and application of digital park system. OVU digital park system based on the actual need of the park operation, fully leveraged the value of the "Internet of Things (物聯網)" in traditional intelligent engineering. With corporate service as the core, integrating the new generation of information technology, to provide enterprises with full life-cycle services and to promote the operational development and digital upgrade of small and medium enterprises through digital operation integrating the three elements of "Software + Hardware + Operation (軟件+硬件+運營)".

During the Reporting Period, the Group provided comprehensive operation services such as planning consultation, EPC (Engineering Procurement Construction), property management and regional energy for key projects of local government platform companies and large enterprise, while offering diversified and one-stop industrial park operation services to enterprises stationed in our industrial parks. The operating revenue of the industrial park operation services of the Group was RMB1,178.3 million, representing an increase of 29.5% as compared with the same period in 2021.

### **Design and Construction Services**

#### *The "P+EPC+O" integrated operation services*

The "P+EPC+O" model takes planning (P-Planning) as the starting point, with an integrated delivery of design, procurement and construction (EPC-Engineering Procurement Construction) as the foothold, and with professional operations (O-Operations) to cooperate with investment entities to jointly complete the work of industrial services, forming a three-in-one responsibility structure. "P+EPC+O" is a complete integrated form of comprehensive operation. It takes business solicitation and operation services at the later stage as the ultimate goal to guide the planning consultation at the early stage, and controls the construction process of the management project through project planning and design to achieve the operation service goal. The "P+EPC+O" model is conducive to the realization of the strategic philosophy of "starting from the end (以終為始)" and the high-standard delivery structure of being responsible for the results, as well as the realization of the planning goal of "multiple compliance". As local governments are seeking upgrade of the industry and the high-quality development of regional economic, the Company has vigorously promoted the "P+EPC+O" business model, to upgrade the regional industries and to form a high-quality industrial agglomeration that provide integrated industrial operation services with "operational integration and capability specialization (運營綜合化、能力專業化)".



## Management Discussion and Analysis (Continued)

During the Reporting Period, the Group's design and construction service income was RMB458.1 million, representing an increase of 58.5% as compared to the same period of 2021. During the Reporting Period, the Company formed a multiple borderless working group with the management method of "Objectives and Key Results (目標與關鍵結果)" as its target goals "starting from the end" and contracted new projects such as Hongze Designated Eco-park (洪澤生態示範園) and the second phase of Hongze Standardized Plants (洪澤標準化廠房), with the contracted value amounting to RMB854.0 million.

### **Property Management Services**

The property management system "seeks changes in steadiness (穩中求變)". While steadily performing services on the industrial 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\* (EMS集中運營平台) and strives to develop a professional property service system with integrated operations which offers industrial park asset operations and value-added services, in order to provide households and enterprises in the industrial parks with real estate services, infrastructure services, big data services and living facility services. Meanwhile, the Group actively integrates its resources and owns Wuhan Lido Property Management Co., Ltd.\* (武漢麗島物業管理有限公司) ("**Lidao Property**"), China Electronics Domainblue Smart Engineering (Wuhan) Co., Ltd.\* (中電藍域智能工程(武漢)有限公司), Wuhan ChuWei Defense Security Services Co., Ltd.\* (武漢楚衛防線保安服務有限公司), China Electronics Optics Valley Industrial Operation Service (Hubei) Co., Ltd.\* (中電光谷產業運營服務(湖北)有限公司), Lido Human Resources\* (麗島人力資源), Lixiang Life\* (麗享生活) and other whole-industry-chain property service systems to provide consulting and early intervention services for the development and construction companies, intelligent operation and asset management services for industrial parks, and professional support services for other property management companies and also provides property owners with all-rounded and one-stop property management services.

During the Reporting Period, the income from the property management services of the Group was RMB373.6 million, representing an increase of 1.0% as compared to the same period in 2021. At the end of June 2022, the area which property management services covered by Lidao Property reached to 25.09 million sq.m., representing an increase of 0.17 million sq.m. or 0.7% as compared to the same period in 2021, of which corporate customer services accounted for 67.1%. Lidao Property 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. During the Reporting Period, the Group had new contracted projects including the office building of China Three Gorges Corporation\* (三峽集團), Wuhan S&T Investment\* (武漢科投) and Cainiao Logistics Centre\* (菜鳥物流園) amounting to RMB23.4 million. In the future, Lidao Property will continue to promote the community management model of intelligent industrial parks and intelligent communities and at that time, the revenue of property management services is expected to grow rapidly.

### **Industrial Park Properties Leasing**

During the Reporting Period, benefiting from the Group's comprehensive park integrated operation service model, the leasing business of the industrial parks has demonstrated a steady upward trend. The average occupancy rate remains at 78.3% of rentable properties. As of 30 June 2022, the total area of leased properties was 598,000 sq.m., achieving a revenue of RMB139.4 million, with a growth of 21.5% as compared to the same period in 2021 and formed a joint force with the industrial park development business to achieve a better concentration effect for various industries.

#### **1. Self-owned Properties Leasing**

During the Reporting Period, the area of the self-owned high-quality properties of the Group reached 411,000 sq.m., with an occupancy rate of over 76.5%, which will provide a stable cash flow for the Group, enhancing the model of business solicitation services for industrial parks and thus improving the image of our brand and lay the foundation for the Group's sustainable development.

#### **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 industrial incubation and office sharing. With the foundation of integrated operation life cycle services, the Group has developed an innovative industrial resource sharing platform which "led by stated-owned enterprises, achieving coordinated innovation of all small, medium and large 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 and increased the marketing effort to enhance the occupancy rate; at the same time, in view of the high vacancy rate in the market and the slowdown of the overall economic growth, the Group re-negotiated with landlords on the rents in respect of some projects; the Group conducted in-depth analysis on the operating costs of each project and sorted out the organizational structure to achieve reduction in both operating costs and research and development costs. During the Reporting Period, incubator and office sharing services achieved an operating revenue of RMB50.9 million with an average occupancy rate of over 82.4%.

OVU Maker Star is operating 37 sites with a total area of 400,000 sq.m. in 20 innovative and entrepreneurial cities across the country including Beijing, Shanghai, Shenzhen, Wuhan, Chengdu, Xi'an, Changsha, Hefei etc. It invited over 160 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 (美團單車), Qihoo 360 (奇虎360), HP China (惠普中國), Bilibili (嗶哩嗶哩), Easylinkin Technology (慧聯無限) and Huohua Siwei (火花思維), gathering over 80,000 innovative businessmen and entrepreneurs. As of 30 June 2022, OVU Maker Star has received honorary qualifications for its site operations with 19 awards in relation to industrial space of national standard, including 2 demonstration bases, 6 incubators, 10 co-working spaces and one advertising incubating platform that are up to national standard. It was awarded over 40 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 national level dual innovation construction project and demonstration base which fully supports the office incubation trends for emerging industries, including mobile working and cross-city resource sharing, providing enterprises with full ecological growth cycle services.



### **Energy Services**

CEC Energy Conservation has expanded its operation area of the energy service business system to innovate its energy business model, and has also expanded the scales of its three business: intelligence and intelligent control through the adoption of the intelligent control system (“DHC”). During the Reporting Period, CEC Energy Conservation contracted new energy projects, such as entering into energy service contract with New World Center Tower A\* (新世界中心A座) and Yancheng Energy Application Industrial Park Project\* (鹽城能源應用產業園項目), amounting to approximately RMB54.6 million. During the Reporting Period, the income from energy services of the Group was RMB76.3 million, which represents an increase of 175.1% as compared to the same period of 2021.

CEC Energy Conservation adheres to the development philosophy of “green building multi-win” (綠色構築多贏) and with operation as the core, actively construct the “1 + N” DHC industrial ecological business system focusing on energy-saving technology research and development, energy-saving intelligent control services, contract energy management, mechanical and electrical engineering business and new energy-saving materials, coordinates the design of DHC and whole process of construction, implementing with innovation the service mode of “Whole Industry Chain, Full Life Cycle” (全產業鏈、全生命周期). This can provide diversified regional energy service overall solutions for public buildings. As of 30 June 2022, CEC Energy Conservation had over 40 DHC-related patents, with an energy service area of CEC Energy Conservation exceeding 12 million sq.m..

### **Group Catering and Hotel Services**

Wuhan Quanpai Catering Management Co., Ltd.\* (武漢全派餐飲管理有限公司) (“**Quanpai Catering**”) has been established for over 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. At the current stage, the Group provides catering service for more than 180,000 people every day.

Adhering to its positioning as an art boutique hotel, Wuhan Ziyuan Hotel, focusing on its brand effect, tapped into its potential, lowered costs and enhanced efficiency.

During the Reporting Period, the revenue from group catering and hotel services reached RMB54.6 million, representing an increase of 14.5% as compared to the same period of 2021.

### **Industrial Park Development Services**

During the Reporting Period, the revenue from industrial park development services of the Group was RMB429.3 million, representing an decrease of 37.9% as compared to the same period in 2021. The booked sales were 74,000 sq.m..

## Management Discussion and Analysis (Continued)

For the six months ended 30 June 2022, properties sold and delivered include:

Properties sold and delivered	Six months ended 30 June					
	2022			2021		
	Revenue RMB'000	Gross Floor Area (GFA) sold and delivered sq.m.	Recognized average selling price RMB per sq.m.	Revenue RMB'000	Gross Floor Area (GFA) sold and delivered sq.m.	Recognized average selling price RMB per sq.m.
Southern Region	43,777	6,586	6,647	130,559	19,936	6,549
Northern Region	44,615	9,714	4,593	174,550	37,584	4,644
Qingdao Optics Valley Union Development Co., Ltd.* (青島光谷聯合發展有限公司) ("Qingdao Company")	95,353	12,238	7,792	176,654	18,480	9,559
Hefei Optics Valley Union Development Co., Ltd.* (合肥光谷聯合發展有限公司) ("Hefei Company")	128,041	15,619	8,198	84,035	10,053	8,359
Wuhan Digital Industrial Park Development Co. Ltd.* (武漢數字產業園發展有限公司) ("Caidian Company")	56,298	14,511	3,880	–	–	–
Shanghai Huayue Investment and Development Co., Ltd.* (上海華悅投資發展有限公司) ("Shanghai Company")	20,637	1,734	11,900	75,289	6,339	11,877
Others	40,555	13,495	3,005	49,918	10,540	4,736
<b>Total</b>	<b>429,276</b>	<b>73,897</b>	<b>5,809</b>	<b>691,005</b>	<b>102,932</b>	<b>6,713</b>

### **Industrial Park Development Services**

During the Reporting Period, the income from industrial park development services of the Group was mainly contributed by three cities, namely Hefei, Qingdao and Caidian. Among which, Hefei Company strived to establish a regional financial industry resources sharing platform and created an industrial ecology which gathers wide variety of enterprises with unimpeded development elements and comprehensive functionalities. It has become a new landmark in Hefei Industrial Park. During the Reporting Period, 28 customers, including Anhui Heitu Mama Food Technology Co., Ltd.\* (安徽黑土媽媽食品科技有限公司), Hefei Shuaidekang Network Technology Co., Ltd.\* (合肥帥德康網絡科技有限公司), etc., were newly joined with contracted value of approximately RMB102.5 million, achieved sales revenue of RMB128.0 million, accounted for the revenue of the industrial park development services of 29.8%. Because of the demand for industry transformation and upgrade in Qingdao and West Coast New District, Qingdao Company has successfully built a blue high-tech industrial cluster with the largest number of enterprises and the highest industrial concentration in the new area, accelerated the transformation and upgrade of other traditional industries and the real economy in the region, as well as integration and innovation, and achieved remarkable results in the transformation of new and old dynamics in the region, double recruitment and double introduction etc.. During the Reporting Period, 12 customers, including Xinlu Electronics (Qingdao) Co., Ltd.\* (新綠電子(青島)有限公司), Qingdao Jianguo Engineering and Inspection Co., Ltd.\* (青島建國工程檢測有限公司), etc., were newly joined with contracted value of approximately RMB96.1 million, achieved sales revenue of RMB95.4 million, accounted for the revenue of industrial park development services of 22.2%. Caidian Company focused on the three major industries of intelligent manufacturing, new energy and intelligent network connected vehicles and electronic information, introduced and nurtured more than 50 enterprises with advantages in digital manufacturing, and created an international industrial park for enterprises that fully integrated intelligent industry, digital operation and technical services. During the Reporting Period, 4 new customers including Wuhan Lianzhen Technology Co., Ltd.\* (武漢聯鎮科技有限公司) and Wuhan Weilijia Auto Parts Co., Ltd.\* (武漢威利佳汽車配件有限公司) were introduced into the industrial park, with contracted value of approximately RMB120.2 million, achieving sales revenue of RMB56.3 million, which accounted for revenue of industrial park development services of 13.1%.

During the Reporting Period, the income from sales of industrial park of the Group was mainly contributed by up to 13 projects across 12 cities. This demonstrated that the layout of the Group's industrial park business in other major cities across the country has been widely recognized by the market and our clients, the multi-zone park layout is conducive to lowering system risks and ensuring the annual target of the revenue from sales of industrial parks can be achieved.

### Overview of the Sales of Industrial Park Projects

During the Reporting Period, the Group achieved a contracted sales of industrial parks for the area of 173,000 sq.m., representing 80.2% of the level achieved during the same period last year, and achieved the contracted sales of industrial parks of RMB1,026.5 million, representing 72.3% of the level achieved during the same period last year.

For the six months ended 30 June 2022, the details of the Group's contracted sales amount and contracted area of sales of industrial parks are as follows:

City and project	Contracted amount (RMB'000)		Contracted area (sq.m.)	
	Six months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
Southern Region	110,910	276,931	21,400	39,660
Northern Region	281,550	210,975	58,200	49,903
Qingdao Company	96,080	247,172	10,621	24,625
Hefei Company	102,520	204,323	11,200	21,351
Caidian Company	120,160	187,352	28,400	42,246
Shanghai Company	68,510	160,295	5,100	12,035
Wuhan Company	145,010	54,544	12,800	5,853
Hubei Technology Enterprise Accelerator Co., Ltd.* (湖北科技企業加速器有限公司) ("Ezhou Company")	48,280	32,007	11,200	8,256
Others	53,430	47,047	14,000	11,776
Total	1,026,450	1,420,646	172,921	215,705



## Development and Completion of Industrial Park

During the Reporting Period, the total area of new development in industrial parks was 228,000 sq.m. and the total area of new completion was 277,000 sq.m.. As at 30 June 2022, the total area under construction was approximately 1,451,000 sq.m..

## Land Bank of Industrial Parks

During the Reporting Period, the Group owned approximately 7.31 million sq.m. of high-quality land bank for the industrial parks in various cities, including Wuhan, Shanghai, Qingdao, Changsha, Chengdu, Hefei, Shenyang, Chongqing, Xi'an, Wenzhou, Luoyang, Ezhou, Huangshi, Huanggang, Chengmai (Hainan), Zhuhai and Ningbo etc., which laid the foundation for the scale of industrial parks business to grow steadily during the "14<sup>th</sup> Five-Year Plan" period, and continues to play the role of "anchor" (壓艙石) for the Group.

## Table of Land bank of Industrial Parks

An overview of the land bank for the industrial parks as of 30 June 2022 is as follows:

No.	Project	City	Location	Usage	Interest Attributable 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 Harbour (Phase I) (金融港一期)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	27,728
3	Financial Harbour (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%	160,617
5	Wuhan Innocenter (武漢研創中心)	Wuhan	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	Industrial	100%	187,009
6	Lido 2046 (麗島2046)	Wuhan	175 Xiongchu Avenue, Wuhan, Hubei Province	Residential	100%	461
7	Others	Wuhan	N/A	Residential	100%	14,612
8	Qingdao Optics Valley Software Park (青島光谷軟件園)	Qingdao	396 Emeishan Road, Qingdao, Shandong Province	Industrial	100%	134,121
9	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
10	Qingdao Research and Innovation Center (青島研創中心)	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Industrial/Residential	100%	67,277
11	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
12	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
13	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
14	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
15	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%	27,359
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	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%	233,733

## Management Discussion and Analysis (Continued)

No.	Project	City	Location	Usage	Interest Attributable to the Group	Land Bank (sq.m.)
18	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
19	Lido Top View (麗島半山華府)	Huangshi	76 Hangzhou West Road, Huangshi Development Zone, Hubei Province	Residential	100%	16,313
20	Hefei Financial Harbour (合肥金融港)	Hefei	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	Commercial	100%	288,975
21	Xi'an CEC Information Harbour (西安CEC信息港)	Xi'an	West of Caotanshi Road, North of Shangji Road, Xi'an, Shaanxi Province	Industrial	73.91%	171,839
22	Wenzhou Industrial Park (溫州產業園)	Wenzhou	Jinhai Park, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Province	Industrial	95%	184,583
23	Shanghai CEC Information Harbour (上海中電信息港)	Shanghai	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District	Scientific Research	100%	204,635
24	Chengdu Chip Valley (成都芯谷)	Chengdu	Group 1 of Fengle Community, Dongsheng Street, Group 7 of Guangrong Community, Peng Town	Commercial/Scientific Research	80%	557,009
25	Yichang Zhongdian Network Information Industrial Park (宜昌中電網信園)	Yichang	Intersection of Tuanjie Road and Tiantai Road, Dianjun District Electronic Information Industrial Park, Yichang, Hubei Province	Industrial	100%	81,275
26	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	Industrial	70%	41,223
27	China (Changsha) Information Security Industrial Park (中國(長沙)信息安全產業園)	Changsha	Yuelu Avenue, High-tech Industrial Development Zone, Changsha City, Hunan Province	Industrial	100%	377,445
28	Xianyang Western Zhigu (咸陽西部智谷)	Xianyang	3 Xinghuo Avenue, High-tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	Industrial	50%	240,945
29	Tianjin Zhongdian Technology Innovation Park (天津中電科創園)	Tianjin	Huayuan Science and Technology Park, Tianjin High-tech Zone	Commercial	80%	111,955
30	CEOVU Manufacturing Center (中電光谷智造中心)	Wuhan	100 meters northwest of the intersection of Jingdong Avenue and Wuyi South Road, Xinzhou District, Wuhan, Hubei Province	Industrial	100%	214,745
31	Wuhan CEC Optics Valley Digital Industrial Park (中電光谷數字產業園)	Wuhan	Changfu Industrial Park, Caidian District, Wuhan, Hubei Province	Industrial	100%	108,016
32	Chongqing CEOVU Technology City (重慶中電光谷科技城)	Chongqing	Xiyong AI Group, Shapingba, Chongqing	Industrial	100%	100,676
33	China Electronics Western Smart Creation Park (中電西部智造園)	Chongqing	Caijiagang, Beibei, Chongqing	Industrial	100%	65,600
34	Changsha Xingsha Digital Intelligence Community (長沙星沙數智園)	Changsha	East of Huangxing Avenue, South of Luositang Road, Economic and Technological Development Zone, Changsha, Hunan Province	Industrial	60%	82,600
35	Mianyang CEC Optics Valley Technology City (綿陽中電光谷科技城)	Mianyang	National High-tech Industries Development Zone, Mianyang, Sichuan Province	Industrial	100%	134,551
36	China Electronic Eastern Zhigu (中國電子東部智谷)	Nantong	Nantong Chongchuan Economic Development Zone, Jiangsu Province	Industrial	70%	291,528
37	Zuhai Hengqin Zhi Shu Cloud (珠海橫琴智數雲)	Zuhai	East of Fubang Road, Hengqin New District, Zuhai, Guangdong Province	Commercial	30%	53,618
38	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	Industrial/Commercial/Residential/Science and Education	10%	1,430,159
39	Ningbo Hangzhouwan, Blue Coast (寧波杭州灣·蔚藍海岸)	Ningbo	North of Binhai 6th Road, East of Zhongxing 1st Road, Hangzhouwan New Zone, Ningbo	Residential/Industrial	31%	946,468
Total						7,310,208

### **Industrial Investment**

Shenzhen Huada Beidou Technology Company Limited\* (深圳華大北斗科技有限公司) (“**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 and related businesses of chips, algorithm, module and end products. During the Reporting Period, Huada Beidou introduced China Electronics Technology Core Technology R&D Equity Investment Fund (Beijing) Partnership (Limited Partnership)\* (中電科核心技術研發股權投資基金(北京)合夥企業(有限合夥)), Yangzhou Qianyi Investment Partnership (Limited Partnership)\* (揚州乾益投資合夥企業(有限合夥)) and other investors to complete the Series C-2 financing with a pre-investment valuation of RMB4,000.0 million. After the completion of such capital injection, the Group’s shareholding proportion was adjusted to 9.2%.

Wuhan Easylinkin Technology Co., Ltd.\* (武漢慧聯無限科技有限公司) (“**Easylinkin Technology**”), a company jointly invested by Wuhan Optics Valley Union (a subsidiary of the Group) and OVU Fund (wholly invested by the Group), is the leading integrated service provider of low-power wide-area Internet of Things in China, forming an influential low-power wide-area internet industry chain in China. As of the date of this report, Easylinkin Technology has commenced Series C+ financing and the valuation remained stable during the Reporting Period.

Lingdu Capital, a controlled subsidiary of the Group, is in charge of operating and managing certain industrial investment funds initiated and established by the Group’s OVU Fund and relevant government and institutions. As of 30 June 2022, the scale of industrial funds managed by Lingdu Capital exceeded RMB1,300.0 million, which has been applied to build an industrial ecosystem that features information technology application innovation and network security, digital cities, smart hardware, military-civilian integration, and network audio-visual. In the first half of 2022, Lingdu Capital has specifically established RMB100.0 million of Tianjin Hua Hang Fund\* (天津華航基金) surrounding information technology application innovation industry, and, together with China National Software and Service Co., Ltd.\* (中國軟件與技術服務股份有限公司) and GienTech Technology Co., Ltd.\* (中電金信軟件有限公司), invested RMB390.0 million in aggregate in Guizhou Yijingjie Information Technology Co., Ltd.\* (貴州易鯨捷信息技術有限公司), a leading enterprise of distributed database in China.

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 Private Equity Investment Management Co. Ltd.\* (中電中金(廈門)電子產業私募股權投資管理有限公司), which is responsible for the establishment and management of 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合夥企業(有限合夥)) (“**CEC & CICC Fund**”). With a total fund scale amounting to RMB5,000.0 million, CEC & CICC Fund 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. In the first half of 2022, CEC & CICC Fund has added two investment projects, including E-lead Information Co., Ltd.\* (上海易立德信息技術股份有限公司) and Xiamen Teyi Technology Co., Ltd.\* (廈門特儀科技有限公司) with an additional investment of RMB99.9 million. The industries covers smart meter chips, MEMS sensors, VR, engineering machinery devices, communication equipment, and network security equipment etc..

Industrial investment business synergistically supports the industrial park operation and industrial park development business, which significantly empowers the effects of the use of capital.

### SUBSEQUENT IMPORTANT EVENTS

From the end of the Reporting Period to the date of this report, the Group had no subsequent important events or other commitments that may materially affect the Group's financial condition and operation.

### FUTURE PROSPECT

#### ***Focusing on macroeconomic policies and fully mobilizing all factors to comprehensively achieve the annual budget target***

The meeting of the Political Bureau of the Central Committee of the Communist Party of China clearly stated that the monetary policy of the country should continue to be appropriately accommodative and reasonable and new monetary incremental tools should be created to strengthen infrastructure investment. The government has placed increasing importance on the construction of professional industrial parks as industrial infrastructure projects. In general, the macroeconomic policy direction is highly consistent with our professionalized model of integrated park operation, which is beneficial to the Company despite the difficulties during the process of economic recovery. In the second half of the year, we will further maintain our strategic self-confidence, anchor the annual operation target, give full play to the spirit of boldness and courage, adhere to the principle of rational investment, fully mobilize all positive factors, make great effort to secure transactions with key customers for development projects, and make great effort to promote the construction of integrated operation business.

#### ***Deepening the integrated operation business and striving to increase the contracted sales of integrated operation business in parks by RMB3 billion***

In the second half of the year, we will systematically achieve the implementation of the consulting business of the parks in Baoding, Luoyang and Kunming, etc.; expand and enter into strategic cooperation agreements with relevant enterprises, and join forces with enterprises with future industrial advantages to form a new industrial organization; at the same time, solidly promote the implementation and investment promotion of projects, including the Hongze project, Hulan project, Yangguang Zhigu project\* (陽光智谷), Yichang Jiangnan Innovation and Technology Park\* (宜昌江南科創園), Ningbo Innovation and Science City\* (寧波創智科學城), etc. ("P+EPC+O").

#### ***Strengthening the construction of the collaborative investment promotion mechanism among the "three major" cross-regional cities, and jointly organizing unique investment promotion activities with local governments to enhance the brand influence***

In the second half of the year, three major cross-regional industry collaboration centers in Wuhan, Shenzhen and Shanghai need to optimize their construction of their investment promotion mechanism, make great effort to develop staffing plan and financial support plan, strive to achieve five to seven cross-regional collaborative investment promotion projects. Qualified cities can organize distinctive cross-regional investment promotion activities to promote work and plan for the future through activities.

#### ***Further enhancing centralization of capital management and realizing the overall allocation of funds***

In view of the fact that the current macro real economy has been greatly affected by the pandemic prevention and control, in order to protect the Company from operational risks, in the second half of 2022, the Group will take various measures to increase the collection of accounts receivable; meanwhile, we will actively enhance the centralization of capital management, reduce financial expenses through the planning and management of capital, and improve the efficiency of capital use.

## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the revenue of the Group was RMB1,607.6 million, representing an increase of 0.4% as compared to the same period of 2021. The following table sets forth the revenue of the Group by business segment:

	For the six months ended 30 June			
	2022		2021	
	Revenue RMB'000	% of total	Revenue RMB'000	% of total
<b>Industrial park operation services</b>	<b>1,178,281</b>	<b>73.3%</b>	909,736	56.8%
Design and construction services	458,144	28.5%	289,034	18.1%
Property management services	373,616	23.2%	369,991	23.1%
Industrial park property leasing	139,416	8.7%	114,714	7.2%
Energy services	76,284	4.7%	27,729	1.7%
Group catering and hotel services in the industrial parks	54,645	3.4%	47,723	3.0%
Others	76,176	4.8%	60,545	3.7%
<b>Industrial park development services</b>	<b>429,276</b>	<b>26.7%</b>	691,005	43.2%
Total	1,607,557	100.0%	1,600,741	100.0%

### **Cost of Sales**

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

During the Reporting Period, cost of sales of the Group amounted to RMB1,107.0 million, representing a decrease of RMB48.3 million or 4.2% over the same period in 2021. As of 30 June 2021 and 30 June 2022, the cost of sales of the Group represented 68.9% and 72.2%, respectively, of the revenue of the Group.

### **Gross Profit and Gross Profit Margin**

During the Reporting Period, the overall gross profit of the Group was RMB500.6 million, representing an increase of RMB55.1 million as compared with the same period in 2021. Overall gross profit margin was 31.1%, representing an increase of 3.3% from 27.8% in the same period of 2021. Among which, both the gross profit margin of industrial park development business and industrial park operation business achieved growth to different extent as compared with the same period of last year.

### **Other Income and Gains/(Losses) – Net**

During the Reporting Period, other income and gains/(losses), net of the Group was RMB75.7 million, decreased RMB50.8 million as compared the same period in 2021 primarily due to the investment revenue of RMB74.5 million recognized from the disposal of 4.33% equity interests of Huada Beidou and diluted shareholding in the same period in 2021.

### **Selling and Distribution Expenses**

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

During the Reporting Period, selling and distribution expenses of the Group was RMB73.5 million, which have increased by RMB10.2 million as compared to the same period of 2021, mainly due to the increase in sales and distribution expenses such as sales agency fee, intermediary service fee.

### **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 the Reporting Period, administrative expenses of the Group was RMB193.1 million, which have decreased by RMB26.7 million as compared to the same period of 2021. The decrease was mainly due to strengthened administrative expenses control proactively carried out by the Group during the Reporting Period.

### ***Fair Value Changes of Investment Properties***

During the Reporting Period, fair value gains on the Group's investment properties was RMB62.0 million, representing an increase of RMB24.6 million as compared with the same period in 2021, primarily due to the increase of area of investment properties for the Reporting Period.

### ***Income Tax Expense***

During the Reporting Period, income tax expense of the Group was RMB105.5 million, representing a decrease of RMB1.8 million as compared with the same period in 2021, which was primarily due to (i) the increase in PRC land appreciation tax of RMB19.9 million; and (ii) the decrease in PRC corporate income tax expense of RMB21.7 million.

### ***Profit for the Reporting Period***

As a result of the foregoing, during the Reporting Period, the profit attributable to owners of the Group was RMB119.4 million, representing an increase of 9.4% as compared with the same period in 2021.

## **FINANCIAL POSITION**

### ***Properties under Development***

The carrying amount of properties under development of the Group increased by RMB821.8 million from RMB3,904.6 million as at 31 December 2021 to RMB4,726.4 million as at 30 June 2022, primarily due to the increase in properties under construction of the Group for the Reporting Period compared to 2021.

### ***Completed Properties Held for Sale***

The carrying amount of completed properties held for sale of the Group increased by RMB71.5 million from RMB2,707.3 million as at 31 December 2021 to RMB2,778.8 million as at 30 June 2022, primarily due to the excess in the amount transferred upon completion of the projects filed over the amount transferred to cost of sales of the Group in the Reporting Period.

### ***Trade and Other Receivables***

The Group's trade and other receivables increased by RMB184.4 million from RMB2,356.7 million as at 31 December 2021 to RMB2,541.1 million as at 30 June 2022, which was primarily due to the increase from trade receivables related to the sale of properties.

### ***Trade and Other Payables***

The Group's trade and other payables decreased by RMB37.7 million from RMB4,532.3 million as at 31 December 2021 to RMB4,494.6 million as at 30 June 2022, which was primarily due to the settlement of amounts for construction work of the Group in the first half of 2022 that caused the decrease in the corresponding payables for related construction work.

### **Liquidity and Capital Resources**

The Group primarily uses cash to pay construction costs, land costs, infrastructure costs and finance costs incurred in connection with its park developments, repayment of debts and allocation of working capital and general recurrent expenses. The Group's cash inflow is mainly from the pre-sale and sale of its properties, proceeds from bank loans and other borrowings.

In the first half of 2022, the Group's net cash outflow from operating activities was RMB638.1 million, mainly consists of the expenses from new land bank and project construction.

In the first half of 2022, the Group's net cash inflow from financing activities was RMB936.7 million, mainly used in replenishment of liquidity and the replacement of certain short-term borrowings in the second half of the year.

### **KEY FINANCIAL RATIOS**

#### **Current Ratio**

Current ratio of the Group, representing total current assets divided by total current liabilities, increased from 1.35 as at 31 December 2021 to 1.43 as at 30 June 2022, primarily due to a greater increase in current assets as compared to the increase in current liabilities of the Group for the Reporting Period.

#### **Net Gearing Ratio**

Net gearing ratio of the Group, representing the ratio of net debt divided by total capital, which is the sum of total borrowings less total cash (excluding supervision accounts for construction of pre-sale properties) divided by the sum of net debt and total equity, increased from 27.2% as at 31 December 2021 to 32.6% as at 30 June 2022. The ratio is still within the range of controllable risk.

#### **Indebtedness**

The Group's total outstanding indebtedness increased by RMB1,823.7 million from RMB5,360.1 million as at 31 December 2021 to RMB7,183.8 million as at 30 June 2022.

#### **Contingent Liabilities**

The Group provides guarantees for its customers' mortgage loans with PRC banks to facilitate their purchases of the Group's pre-sale properties.

As at 31 December 2021 and 30 June 2022, the outstanding guarantees for mortgage loans granted to customers of its pre-sale properties were approximately RMB463.4 million and RMB553.8 million, respectively.



### **Net Current Assets**

Current assets of the Group consist primarily of properties under development, completed properties held for sale, trade and other receivables, and cash and cash equivalents. Total current assets of the Group were approximately RMB13,048.0 million as at 30 June 2022, as compared to RMB12,320.9 million as at 31 December 2021.

As at 31 December 2021 and 30 June 2022, total cash and cash equivalents of the Group amounted to approximately RMB2,155.1 million and RMB2,485.7 million, respectively. 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.

Current liabilities of the Group consist primarily of trade and other payables, banks and other borrowings and current tax liabilities. Trade and other payables represent costs related to its development activities. Total current liabilities of the Group were approximately RMB9,142.8 million as at 30 June 2022, as compared to RMB9,128.0 million as at 31 December 2021.

As at 30 June 2022, the Group had net current assets of approximately RMB3,905.2 million as compared to RMB3,192.8 million as at 31 December 2021. The increase in net current assets of the Group was primarily due to an increase in properties under construction of the Group for the Reporting Period compared to 2021, and a greater increase in current assets as compared to the increase in current liabilities.

### **Capital Expenditures and Capital Commitments**

During the Reporting Period, capital expenditure of the Group was RMB6.9 million. Capital expenditures of the Group was primarily related to expenditure for purchases of property, plant and equipment and purchases of intangible assets.

As at 30 June 2022, the Group's outstanding commitments related to property development expenditure and investment was RMB919.7 million.

The Group estimates that its capital expenditures and capital commitments will further increase as its business and operation continue to expand. The Group anticipates that these capital expenditures and capital commitments will be financed primarily by bank borrowings and cash flow generated from operating activities. If necessary, the Group may raise additional funds on terms that are acceptable to it.

### EMPLOYEES

As of 30 June 2022, the Group had 7,556 full-time employees. The employment cost of the Group was approximately RMB391.3 million for the Reporting Period, representing an increase of RMB51.4 million as compared to the same period last year, mainly due to the increase in the size of the Group's subsidiaries in the current period. The Group enters 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. 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 China, the Group participates in statutory contribution pension schemes which are managed and operated by the relevant local government authorities. The Group is required to make contributions to such schemes of an amount ranging from 16.0% to 20.0% of the average salary announced annually by the local municipal government. The local government authorities are responsible for the entire pension obligations 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.

#### ***Employee Training and Development***

We advocate the motto "make learning a way of working (讓學習成為一種工作方式)", and respect every employee's self-development and career planning. To enhance our human resources, we built a scientific employee training system and employee development mechanism, which is classified into the seven major categories of new employee training Stars of Optics Valley training (光谷之星培訓), departmental training, professional topics training, reserve cadre training, management training, expatriate training and network training based on different training targets and purposes. Through this unique hierarchical training system, we carry out targeted and personalized trainings for our employees to expedite their learning of the requisite skills for their positions, and achieve growth in line with their personal development plans.

### PLEDGED ASSETS

As at 30 June 2022, outstanding bank borrowings and corporate bonds have been secured by certain assets of the Group with a total net book value of RMB7,020.8 million, including investment properties, properties under development for sale, completed properties held for sale, property, plant and equipment and restricted cash.

### MARKET RISKS

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

### LIQUIDITY RISK

The Group reviews its liquidity position on an on-going basis, including expected cash flow, sale/pre-sale 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 RMB6,596.1 million as at 30 June 2022. The Group undertakes debt obligations to support its property development and general working capital needs. Soaring interest rates may increase the finance costs of the Group. Fluctuations in interest rates may also lead to significant fluctuations in the fair values of its debt obligations. The Group currently does not carry out any hedging activities to manage its interest rate risk.

### FOREIGN EXCHANGE RISK

The Group's functional currency is Renminbi and substantially all of its turnover, expenses, cash and deposits are denominated in Renminbi. The Group's exposures to currency exchange rates arise 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 the financial condition and results of operations of the Group. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and considers that there is no significant exposure on its foreign currency risk.

### CREDIT RISK

The Group is exposed to credit risks, primarily attributable to trade and other receivables. With respect to leasing income from its investment properties, we believe that the Group holds sufficient deposits to cover its exposure to potential credit risk. An aging analysis of the receivables is performed on a regular basis, which the Group monitors closely to minimize 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 any significant bad debt losses during the Reporting Period.

The Board is pleased to present its report together with the unaudited interim results of the Group for the six months ended 30 June 2022.

## INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period.

## 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 Reporting Period.

## DIRECTORS

The Directors for the Reporting Period and up to the date of this interim report were:

### ***Non-executive Directors***

Mr. Liu Guilin (*Chairman*)  
Mr. Xiang Qunxiong  
Mr. Zhang Jie  
Ms. Sun Ying  
Mr. Hu Bin

### ***Independent Non-executive Directors***

Mr. Qi Min  
Mr. Qiu Hongsheng  
Ms. Chan Ching Har Eliza (*ceased to be an independent non-executive Director with effect from 1 August 2022*)  
Mr. Qi Liang (*appointed as an independent non-executive Director with effect from 1 August 2022*)

### ***Executive Director***

Mr. Huang Liping (*President*)

## CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Mr. Zhang Jie has resigned as a member of the Standing Committee of the Sanya Municipal Committee of the Seventh Chinese People's Political Consultative Conference in January 2022.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No rights to acquire benefits by means of the acquisition of Shares 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 during the Reporting Period.

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

As at 30 June 2022, 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 its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### *Interests in the Company*

Name of Director	Nature of Interest	Number of Shares held <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
Mr. Huang Liping	Interest in controlled corporation	1,904,188,000 <sup>(3)</sup>	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 30 June 2022, 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 was 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 30 June 2022, 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 its associated corporations which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2022, 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 <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
CEIS	Beneficial owner	2,550,000,000	33.67%
CEC	Interest in controlled corporation	2,550,000,000 <sup>(3)</sup>	33.67%
AAA Finance	Beneficial owner	1,784,188,000 <sup>(4)</sup>	23.56%
Technology Investment HK	Beneficial owner	479,910,000	6.34%
Hubei Science & Technology Investment	Interest in controlled corporation	479,910,000 <sup>(5)</sup>	6.34%

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 30 June 2022, 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, an executive director of the Company. Mr. Huang Liping's interests therein are set out in the section headed "Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this report.
- (5) Such 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.

Save as disclosed above, as at 30 June 2022, 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.

## CORPORATE GOVERNANCE

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 the 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 (the "CG Code") set out in Appendix 14 to the Listing Rules as the basis of its corporate governance practices. During the Reporting Period, the Company has complied with the principles and all code provisions of the CG Code.



### MODEL CODE FOR 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 the Directors' dealings in the securities of the Company.

Having made specific enquiries with all the Directors, all the Directors confirmed that they have complied with the standards as set out in the Model Code throughout the Reporting Period.

### EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2022, the Group had 7,556 employees in Mainland China and Hong Kong. For the six months ended 30 June 2022, the staff cost of the Group was approximately RMB391.3 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 wages, allowance, 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 structure for remuneration 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.

### REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and the independent auditor the accounting principles and policies adopted by the Group and the unaudited interim results for the six months ended 30 June 2022.

On behalf of the Board

**China Electronics Optics Valley Union Holding Company Limited**

**Liu Guilin**

*Chairman*

Wuhan, the PRC

25 August 2022

# Report on Review of Interim Financial Information



羅兵咸永道

**TO THE BOARD OF DIRECTORS OF CHINA ELECTRONICS OPTICS VALLEY UNION HOLDING COMPANY LIMITED**  
*(incorporated in Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 67, which comprises the interim condensed consolidated statement of financial position of China Electronics Optics Valley Union Holding Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2022 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
Certified Public Accountants  
Hong Kong, 25 August 2022



# Interim Condensed Consolidated Statement of Profit or Loss

	Note	Unaudited Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
<b>Revenue</b>	6	<b>1,607,557</b>	1,600,741
Cost of sales		<b>(1,106,962)</b>	(1,155,293)
<b>Gross profit</b>		<b>500,595</b>	445,448
Other income and gains - net	7	<b>75,740</b>	126,566
Selling and distribution expenses		<b>(73,507)</b>	(63,349)
Administrative expenses		<b>(193,066)</b>	(219,731)
Other expenses		<b>(465)</b>	(1,696)
Net losses of impairment on financial and contract assets		<b>(38,795)</b>	(14,949)
<b>Operating profit before changes in fair value of investment properties</b>		<b>270,502</b>	272,289
Fair value gains on investment properties	13	<b>61,960</b>	37,383
<b>Operating profit after changes in fair value of investment properties</b>		<b>332,462</b>	309,672
Finance income	8	<b>57,425</b>	31,161
Finance costs	8	<b>(135,242)</b>	(104,602)
Net finance costs		<b>(77,817)</b>	(73,441)
Share of losses of associates	14	<b>(118,933)</b>	(65,044)
Share of profits of joint ventures	15	<b>42,843</b>	5,564
<b>Profit before income tax</b>		<b>178,555</b>	176,751
Income tax expense	9	<b>(105,471)</b>	(107,292)
		<b>73,084</b>	69,459
<b>Profit attributable to:</b>			
– Owners of the Company		<b>119,448</b>	109,184
– Non-controlling interests		<b>(46,364)</b>	(39,725)
<b>Profit for the period</b>		<b>73,084</b>	69,459
<b>Basic and diluted earnings per share (RMB cents)</b>	11	<b>1.58</b>	1.44

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

# Interim Condensed Consolidated Statement of Comprehensive Income



	Unaudited	
	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
<b>Profit for the period</b>	<b>73,084</b>	69,459
<b>Other comprehensive income</b>	–	–
Items that may be reclassified subsequently to profit or loss:		
– Currency translation differences	(2,279)	1,451
<b>Other comprehensive income for the period, net of tax</b>	<b>(2,279)</b>	1,451
<b>Total comprehensive income for the period</b>	<b>70,805</b>	70,910
<b>Attributable to:</b>		
– Owners of the Company	117,169	110,635
– Non-controlling interests	(46,364)	(39,725)
<b>Total comprehensive income for the period</b>	<b>70,805</b>	70,910

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

# Interim Condensed Consolidated Statement of Financial Position

	Note	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	429,152	426,200
Right-of-use assets		97,348	98,063
Investment properties	13	5,359,566	5,091,625
Intangible assets		55,508	57,442
Investments in associates	14	1,860,666	1,963,666
Investments in joint ventures	15	205,807	161,956
Financial assets at fair value through profit or loss	5	693,209	693,237
Financial assets at fair value through other comprehensive income	5	6,250	–
Trade and other receivables	19	732,413	414,731
Deferred income tax assets		72,631	79,927
		<b>9,512,550</b>	8,986,847
<b>Current assets</b>			
Properties under development	16	4,726,436	3,904,555
Completed properties held for sale	17	2,778,845	2,707,251
Inventories	18	74,610	91,187
Trade and other receivables	19	1,808,654	1,941,971
Prepaid income taxes		186,800	111,867
Financial assets at fair value through profit or loss	5	18,723	194,974
Contract assets	22	763,769	920,085
Deposits in banks with original maturities over three months		8,632	56,300
Restricted cash	20	195,806	237,547
Cash and cash equivalents	21	2,485,739	2,155,136
		<b>13,048,014</b>	12,320,873
<b>Current liabilities</b>			
Contract liabilities	22	695,312	507,875
Trade and other payables	23	4,494,572	4,532,253
Corporate bonds	24	–	258,097
Bank and other borrowings	25	3,360,175	3,117,511
Lease liabilities		85,650	82,992
Current income tax liabilities		422,081	551,338
Current portion of deferred income		85,022	77,983
		<b>9,142,812</b>	9,128,049
<b>Net current assets</b>		<b>3,905,202</b>	3,192,824
<b>Total assets less current liabilities</b>		<b>13,417,752</b>	12,179,671

## Interim Condensed Consolidated Statement of Financial Position (Continued)



	Note	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Bank and other borrowings	25	3,208,971	1,984,469
Lease liabilities		529,037	479,399
Deferred income tax liabilities		505,240	508,633
Non-current portion of deferred income		765,194	701,847
		<b>5,008,442</b>	3,674,348
<b>Net assets</b>		<b>8,409,310</b>	8,505,323
<b>Equity</b>			
Share capital	26	623,048	623,048
Treasury shares	26	(121,056)	(121,056)
Reserves		2,783,765	2,947,927
Retained earnings		4,060,953	3,941,505
Total equity attributable to owners of the Company		<b>7,346,710</b>	7,391,424
Non-controlling interests		<b>1,062,600</b>	1,113,899
<b>Total equity</b>		<b>8,409,310</b>	8,505,323
<b>Total equity and non-current liabilities</b>		<b>13,417,752</b>	12,179,671

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

The interim condensed financial information on pages 32 to 67 were approved by the Board of Directors on 25 August 2022 and were signed on its behalf.

**Huang Liping**  
Director

**Hu Bin**  
Director

# Interim Condensed Consolidated Statement of Changes in Equity

Note	Attributable to owners of the Company											
	Share capital	Treasury shares	Share premium	Exchange reserve	Property			Total reserves	Retained earnings	Total	Non-controlling interests	Total equity
					Revaluation reserve	Statutory reserve	Other reserves					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2022	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
Total comprehensive income for the period ended 30 June 2022	-	-	-	(2,279)	-	-	-	(2,279)	119,448	117,169	(46,364)	70,805
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	1,354	1,354
Dividends	-	-	(161,883)	-	-	-	-	(161,883)	-	(161,883)	(3,807)	(165,690)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,482)	(2,482)
Total transactions with owners, recognised directly in equity	-	-	(161,883)	-	-	-	-	(161,883)	-	(161,883)	(4,935)	(166,818)
Balance at 30 June 2022	623,048	(121,056)	1,568,426	12,941	49,772	616,671	535,955	2,783,765	4,060,953	7,346,710	1,062,600	8,409,310

## Interim Condensed Consolidated Statement of Changes in Equity (Continued)

Note	Attributable to owners of the Company											
	Share capital	Treasury shares	Share premium	Exchange reserve	Property Revaluation reserve	Statutory reserve	Other reserves	Total reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 1 January 2021</b>	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
<b>Total comprehensive income for the period ended 30 June 2021</b>	-	-	-	1,451	-	-	-	1,451	109,184	110,635	(39,725)	70,910
<b>Transactions with non-controlling interest</b>	-	-	-	-	-	-	(1,249)	(1,249)	-	(1,249)	(19,970)	(21,219)
Capital injection from non-controlling shareholders	-	-	-	-	-	-	7,525	7,525	-	7,525	40,276	47,801
Dividends	10	-	(126,235)	-	-	-	-	(126,235)	-	(126,235)	(1,800)	(128,035)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(126,235)	-	-	-	6,276	(119,959)	-	(119,959)	18,506	(101,453)
<b>Balance at 30 June 2021</b>	623,048	(121,056)	1,729,707	19,366	49,772	502,521	543,480	2,844,846	3,524,636	6,871,474	1,097,779	7,969,253

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

# Interim Condensed Consolidated Statement of Cash Flows

		Unaudited Six months ended 30 June	
		2022	2021
Note		RMB'000	RMB'000
<b>Cash flows from operating activities</b>			
		(331,776)	(86,227)
		(306,278)	(195,334)
<b>Cash flows used in operating activities</b>		<b>(638,054)</b>	<b>(281,561)</b>
<b>Cash flows from investing activities</b>			
	14	(14,973)	(102,982)
	15	(289)	(2,000)
		(5,318)	(13,399)
		1,749	6,245
		(1,614)	(284)
		–	2,193
		379,850	482,490
		61	65,000
		(1,704)	–
		(201,558)	(380,866)
		(6,250)	–
		(194,620)	(29,809)
		22,668	36,577
		54,452	31,113
<b>Cash flows generated from investing activities</b>		<b>32,454</b>	<b>94,278</b>

## Interim Condensed Consolidated Statement of Cash Flows (Continued)



		Unaudited Six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
	Note		
<b>Cash flows from financing activities</b>			
Capital injection by non-controlling interests		1,354	294
Dividends paid to non-controlling interests		(3,806)	(1,800)
Acquisition of non-controlling interest		–	(17,115)
Proceeds from bank and other borrowings		2,599,974	1,901,466
Proceeds from issue of corporate bonds	24	–	350,000
Repayment of bank and other borrowings		(1,132,808)	(1,193,327)
Repayment of corporate bonds	24	(250,000)	(1,300,000)
Repayment of loans due to related parties		(194)	–
Proceeds from loans due to related parties		4,248	–
Repayment of loan due to third parties		(120,000)	–
Decrease/(Increase) in restricted cash	20	41,741	(61,298)
Decrease/(Increase) in deposits in banks with original maturities over three months		47,668	(10,146)
Principal elements and interest elements of lease payments		(54,048)	(47,614)
Interest paid		(197,428)	(139,477)
<b>Cash flows generated from/(used in) financing activities</b>		<b>936,701</b>	<b>(519,017)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>331,101</b>	<b>(706,300)</b>
Cash and cash equivalents at beginning of the period		2,155,136	2,124,958
Effect of foreign exchange rate changes		(498)	(672)
<b>Cash and cash equivalents at end of the period</b>		<b>2,485,739</b>	<b>1,417,986</b>

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





# Notes to the Interim Financial Information

## 1 GENERAL INFORMATION

The Group is principally engaged in industrial park operation services, industrial park development services and industrial investment. The Group has operations mainly in the mainland China.

The Company is a limited liability company incorporated in the Cayman Islands. As at the date of this report, the address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is listed on the Stock Exchange of Hong Kong Limited.

This interim financial information is presented in Renminbi (“RMB”), unless otherwise stated.

The interim financial information was approved for issuance on 25 August 2022 and has been reviewed, not audited.

## 2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘Interim financial reporting’, issued by the International Accounting Standards Board (“IASB”). The interim financial information does not include all the notes normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (the “IFRS”) and disclosure requirements under the Hong Kong Companies Ordinance; and any public announcements made by the Company during the interim Reporting Period.

## 3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim Reporting Period, except for the adoption of new and amended standards as set out below.

### **(a) Amended standards adopted by the Group – applicable 1 January 2022**

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 37	Onerous contracts – costs of fulfilling a contract
Annual Improvements	Annual Improvements to IFRS Standards 2018-2020 Cycle

The adoption of the amended standards did not have any material impact on the interim financial information.

### 3 ACCOUNTING POLICIES (Continued)

**(b) The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2022.**

		Effective for annual periods beginning on or after
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
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 IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

### 4 JUDGEMENTS AND ESTIMATES

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### **(a) Financial risk factors**

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2021.

### **(b) Fair value estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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).

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value at 30 June 2022:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets valued at fair value through profit or loss</b>				
– Equity securities	–	–	693,209	693,209
– Wealth management products	–	–	18,723	18,723
	–	–	711,932	711,932
<b>Financial assets at fair value through other comprehensive income</b>				
– Equity securities	–	–	6,250	6,250
	–	–	718,182	718,182

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
<b>Financial assets valued at fair value through profit or loss</b>				
– Equity securities	–	–	693,237	693,237
– Trust plan products	–	–	129,974	129,974
– Wealth management products	–	–	65,000	65,000
	–	–	888,211	888,211

There were no changes in valuation techniques during the period.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Fair value estimation (Continued)

Fair value measurements using significant unobservable input (Level 3)

	Financial assets at fair value through profit or loss	
	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Opening balance at 31 December 2021	888,211	617,101
Additions	201,558	380,866
Fair value changes	2,013	–
Disposals	(379,850)	(471,208)
Closing balance at 30 June 2022	711,932	526,759
Includes unrealised gains recognised in profit or loss attributable to balances held at the end of the Reporting Period	–	–

	Financial assets at fair value through other comprehensive income	
	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Opening balance at 31 December 2021	–	–
Additions	6,250	–
Fair value changes	–	–
Disposals	–	–
Closing balance at 30 June 2022	6,250	–

## 6 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 30 June 2022, the Group has the following three segments:

- Industrial park operation services: this segment provides 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.
- Industrial park development services: this segment represents the development and sales of industrial parks.
- Industrial investment: this segment represents industrial-related industry investment businesses in various themed industrial parks. Management considers this segment not reportable for the six months ended 30 June 2022 according to IFRS 8.

### **(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 did 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 period is set out below.

6 SEGMENT INFORMATION (Continued)

(a) Segment results (Continued)

For the six months ended 30 June 2022 (Unaudited)

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Segment revenue	1,724,190	429,276	–	2,153,466
– Recognition at point in time	57,110	363,507	–	420,617
– Recognition over time	1,667,080	65,769	–	1,732,849
Inter-segment revenue	(545,909)	–	–	(545,909)
Revenue from external customers	1,178,281	429,276	–	1,607,557
Segment results	220,877	82,892	–	303,769

For the six months ended 30 June 2021 (Unaudited)

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Segment revenue	1,394,786	761,357	–	2,156,143
– Recognition at point in time	47,723	496,002	–	543,725
– Recognition over time	1,347,063	265,355	–	1,612,418
Inter-segment revenue	(485,050)	(70,352)	–	(555,402)
Revenue from external customers	909,736	691,005	–	1,600,741
Segment results	130,079	112,929	70,320	313,328

6 SEGMENT INFORMATION (Continued)

(b) Reconciliations of segment revenue and profit or loss

	Unaudited	
	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
<b>Revenue</b>		
Segment revenue	2,153,466	2,156,143
Elimination of inter-segment revenue	(545,909)	(555,402)
<b>Revenue</b>	<b>1,607,557</b>	1,600,741
<b>Profits</b>		
Segment results derived from the Group's external customers	303,769	313,328
Fair value gains on investment properties	61,960	37,383
Share of losses of associates	(118,933)	(65,044)
Share of profits of joint ventures	42,843	5,564
Finance income	57,425	31,161
Finance costs	(135,242)	(104,602)
Depreciation and amortisation	(33,267)	(41,039)
Income tax expense	(105,471)	(107,292)
<b>Profit for the period</b>	<b>73,084</b>	69,459



## 7 OTHER INCOME AND GAINS- NET

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	2022 RMB'000	2021 RMB'000
Gains on disposal of an associate	–	36,082
Losses on disposal of subsidiaries	<b>(132)</b>	–
Gains from deemed partially disposal of investments in associates	–	38,373
Government grants	<b>50,023</b>	26,925
Gains on disposal of financial assets at fair value through profit of loss	<b>2,013</b>	11,282
(Losses)/Gains on liquidation of subsidiaries	<b>(2,865)</b>	1,401
Net gains on disposal of property, plant and equipment	<b>45</b>	–
Gains on disposal of investment properties	<b>18,869</b>	–
Others	<b>7,787</b>	12,503
	<b>75,740</b>	126,566

## 8 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
<b>(a) Finance costs:</b>		
<b>Finance income:</b>		
Interest income	55,894	27,751
Income from wealth management products	1,033	3,410
Net foreign exchange gains	498	–
Sub-total	57,425	31,161
<b>Finance costs:</b>		
Interest expenses of bank and other borrowings	(172,247)	(143,324)
Interest expenses on leasing liabilities	(17,510)	(10,579)
Capitalised interest expenses	54,515	49,301
Sub-total	(135,242)	(104,602)
<b>Net finance costs</b>	<b>(77,817)</b>	<b>(73,441)</b>

8 PROFIT BEFORE INCOME TAX (Continued)

		Unaudited Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
<b>(b)</b>	<b>Staff costs:</b>		
	Salaries, wages and other benefits	370,491	323,157
	Contributions to defined contribution retirement schemes	20,845	16,814
		391,336	339,971

		Unaudited Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
<b>(c)</b>	<b>Other items:</b>		
	Depreciation	29,595	37,975
	Amortisation	3,672	3,064
	Cost of properties sold	270,949	446,705
	Cost of construction and goods sold	441,766	263,224
	Rentals income from investment properties	(163,409)	(115,802)

## 9 INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Current income tax</b>		
PRC Corporate Income Tax ("CIT")	54,239	76,943
PRC Land Appreciation Tax ("LAT")	47,846	27,987
	102,085	104,930
<b>Deferred income tax</b>	3,386	2,362
	105,471	107,292

- (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.

No provision for Hong Kong Profits Tax was made as the Group's Hong Kong subsidiaries did not earn any income subject to Hong Kong Profits Tax for the period (six months ended 30 June 2021: nil).

- (ii) The corporate income tax rate applicable to the group entities located in Mainland China is 25% (six months ended 30 June 2021: 25%) according to the Corporate Income Tax Law of the PRC.

Certain of the Group's subsidiaries which obtained 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 Small Profit Enterprises.

- (iii) 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).

## 10 DIVIDENDS

The board of directors does not recommend the distribution of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

## 11 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB119,448,000 (six months ended 30 June 2021: RMB109,184,000). The weighted average number of ordinary shares (excluding treasury stocks) for the six months ended 30 June 2022 is approximately 7,574,352,000 (six months ended 30 June 2021: 7,574,352,000).

### (b) Diluted earnings per share

There were no dilutive potential ordinary shares for the six months ended 30 June 2022 and the six months ended 30 June 2021 and therefore, diluted earnings per share equals to basic earnings per share.

## 12 PROPERTY, PLANT AND EQUIPMENT

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Beginning of the period</b>	<b>426,200</b>	435,971
Additions	<b>34,985</b>	13,409
Disposals arising from disposal of subsidiaries	<b>(734)</b>	–
Disposals	<b>(1,704)</b>	(6,245)
Depreciation	<b>(29,595)</b>	(37,975)
<b>End of the period</b>	<b>429,152</b>	405,160

The buildings are all situated on land in the PRC held under medium-term leases.

## 13 INVESTMENT PROPERTIES

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Beginning of the period</b>	<b>5,091,625</b>	4,697,854
Transfer from completed properties held for sale	<b>76,776</b>	40,991
Transfer from Property, plant and equipment	–	6,660
Additions related to new subleasing contracts	–	14,782
Other additions	<b>201,105</b>	147,916
Fair value gains	<b>61,960</b>	37,383
Disposals	<b>(71,900)</b>	(531)
Transfer to properties under development	–	(155,703)
<b>End of the period</b>	<b>5,359,566</b>	4,789,352

Investment properties comprise a number of office buildings, plants and commercial facilities that are leased to third parties. Each of the leases contains an initial non-cancellable period of 1 years to 20 years.

The Group's investment properties carried at fair value were revalued as at transfer date and at 30 June 2022 by Cushman & Wakefield International Properties Advisers ("C&W"), an independent firm of surveyors. During the period ended 30 June 2022, a total gain of RMB61,960,000 (six months ended 30 June 2021: RMB37,383,000), and deferred tax thereon of RMB15,490,000 (six months ended 30 June 2021: RMB9,346,000), were recognised in the consolidated statement of profit or loss for the period in respect of investment properties.

As at 30 June 2022, except for those property interests held under operating leases that were classified and accounted for as investment properties from adoption of IFRS 16, certain other investment properties of the Group with carrying value of RMB1,594,900,000 (31 December 2021: RMB1,431,570,000), were without building ownership certificate and the Group was in progress of obtaining the relevant building ownership certificate.

## 14 INVESTMENTS IN ASSOCIATES

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
<b>Beginning of the period</b>	<b>1,963,666</b>	1,883,044
Additions	14,973	102,982
Transfer from disposal of subsidiaries	1,470	–
Share of post-tax losses of associates	(118,933)	(65,044)
Disposals	(510)	(38,150)
Gains from deemed partially disposal	–	38,373
<b>End of the period</b>	<b>1,860,666</b>	1,921,205

List of major associates as at 30 June 2022 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	PRC, limited liability company	PRC, development and management of electronic information technology industrial parks	RMB1,600,000,000	20.0%

## 15 INVESTMENTS IN JOINT VENTURES

	Unaudited	
	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
<b>Beginning of the period</b>	<b>161,956</b>	190,103
Share of post-tax profits of joint ventures	<b>42,843</b>	5,564
Transfer from disposal of subsidiaries	<b>719</b>	–
Addition	<b>289</b>	2,000
<b>End of the period</b>	<b>205,807</b>	197,667

## 16 PROPERTIES UNDER DEVELOPMENT

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Expected to be completed for sale within one year</b>		
Properties under development for sale	<b>1,775,142</b>	1,337,458
<b>Expected to be completed for sale after more than one year</b>		
Properties under development for sale	<b>2,951,294</b>	2,567,097
	<b>4,726,436</b>	3,904,555



## 17 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in the PRC on leases between 40 and 70 years. All completed properties held for sale are stated at cost.

## 18 INVENTORIES

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Work in progress	5,377	19,477
Finished goods	65,494	69,413
Raw materials	3,739	2,297
	<b>74,610</b>	91,187

## 19 TRADE AND OTHER RECEIVABLES

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Current portion</b>		
Trade receivables (i)	957,825	955,652
Notes receivables (i)	17,409	32,146
Loans to related parties (Note 29 (c))	13,281	8,490
Deposits receivable	70,785	30,984
Prepayments for construction cost and raw materials	238,875	269,684
Loans to third parties	368,090	549,649
Prepaid turnover tax and other taxes	188,847	140,184
Others	120,651	112,026
	<b>1,975,763</b>	2,098,815
<b>Non-current portion</b>		
Trade receivables (i)	350,328	369,774
Loans to third parties	348,597	79
Receivables from finance leases	34,352	40,716
Loans to related parties (Note 29 (c))	4,364	4,162
	<b>737,641</b>	414,731
Less: loss allowance provision	<b>(172,337)</b>	(156,844)
<b>Total</b>	<b>2,541,067</b>	2,356,702

## 19 TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables 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 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 1 month	333,871	398,980
1 to 3 months	97,052	141,165
3 to 6 months	245,380	58,710
Over 6 months	631,850	726,571
	<b>1,308,153</b>	1,325,426

- (i) Trade receivables are primarily related to proceeds from the sale of properties. Proceeds from the sale of properties are made in one-off payments or paid by instalments in accordance with the terms of the corresponding sale and purchase agreements. If payment is made in one-off payment, 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.

## 20 RESTRICTED CASH

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Pledged for:		
– Interest-bearing loans	14,939	22,319
– Supervision accounts for construction of pre-sale properties	138,107	160,012
– Letter of guarantee	8,601	10,841
– Mortgage	34,159	37,475
– Others	–	6,900
Total	<b>195,806</b>	237,547

## 21 CASH AND CASH EQUIVALENTS

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Cash in hand	140	163
Cash at bank	2,420,835	1,852,316
Other cash deposited in major shareholder's financial institution (Note 29(c))	64,764	302,657
<b>Cash and cash equivalents</b>	<b>2,485,739</b>	2,155,136

## 22 CONTRACT ASSETS AND CONTRACT LIABILITIES

*Details of contract assets are as follows:*

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Current contract assets related to sales of properties	51,600	305,526
Current contract assets related to construction services	765,883	644,791
Current asset recognised for costs incurred to obtain contracts	205	385
Less: loss allowance	(53,919)	(30,617)
<b>Total contract assets</b>	<b>763,769</b>	920,085
<b>Contract liabilities relating to property development contracts</b>	<b>695,312</b>	507,875

## 23 TRADE AND OTHER PAYABLES

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Trade creditors and bills payable	<b>2,568,110</b>	2,684,881
Loans due to third parties	<b>396,817</b>	631,445
Other taxes payables	<b>199,663</b>	203,235
Loans due to related parties (Note 29(c))	<b>114,633</b>	110,579
Construction guaranteed deposits payable	<b>184,022</b>	187,378
Accrued payroll	<b>29,690</b>	87,496
Interests payable	<b>45,365</b>	49,753
Dividend payable	<b>161,883</b>	–
Other payables and accruals	<b>794,389</b>	577,486
<b>Total</b>	<b>4,494,572</b>	4,532,253

As of the end of the Reporting Period, the ageing analysis of trade creditors and bills payables, based on the invoice date, is as follows:

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Within 1 month	<b>152,093</b>	1,692,998
1 to 12 months	<b>1,389,904</b>	500,748
Over 12 months	<b>1,026,113</b>	491,135
	<b>2,568,110</b>	2,684,881

## 24 CORPORATE BONDS

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
As at 1 January	258,097	1,334,501
Net proceeds from bonds issued during the period	–	350,000
Interests and issue cost amortised during the period	2,074	18,541
Interests paid during the period	(10,171)	(49,454)
Principal paid during the period	(250,000)	(1,300,000)
As at 30 June	–	353,588
<b>Representing:</b> Current portion	–	353,588

## 25 BANK AND OTHER BORROWINGS

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Current</b>		
Secured		
– Bank and other borrowings	1,093,200	681,000
– Current portion of non-current bank borrowings	407,151	542,482
	1,500,351	1,223,482
Unsecured		
– Bank borrowings	1,578,435	1,730,897
– Current portion of non-current bank borrowings	281,389	163,132
	1,859,824	1,894,029
	3,360,175	3,117,511

25 BANK AND OTHER BORROWINGS (Continued)

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
<b>Non-current</b>		
Secured		
– Bank borrowings	2,845,974	2,233,430
Less: Current portion of non-current bank borrowings	(407,151)	(542,482)
	2,438,823	1,690,948
Unsecured		
– Bank borrowings	1,051,537	456,653
Less: Current portion of non-current bank borrowings	(281,389)	(163,132)
	770,148	293,521
	3,208,971	1,984,469

The bank and other borrowings bear interest ranging from 2.50% to 6.00% per annum for the six months ended 30 June 2022 (For the year ended 31 December 2021: from 2.50% to 6.00%).

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios. 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 30 June 2022, none of the covenants relating to drawn down facilities had been breached (2021: nil).

## 26 SHARE CAPITAL AND TREASURY SHARES

The Company was incorporated on 15 July 2013 with authorised capital of 100,000 shares at HK\$0.10 per share. As part of the reorganization in year 2016, the authorised capital of the Company was increased to HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each.

Movements of the Company's ordinary shares are set out below:

	At 30 June 2022 (Unaudited)			At 31 December 2021 (Audited)		
	No. of Shares (‘000)	RMB‘000	Treasury shares RMB‘000	No. of Shares (‘000)	RMB‘000	Treasury shares RMB‘000
<b>Ordinary shares, issued and fully paid:</b>						
At 1 January	<b>7,574,352</b>	<b>623,048</b>	<b>(121,056)</b>	7,574,352	623,048	(121,056)
Shares repurchased for cancellation	-	-	-	-	-	-
Shares cancelled	-	-	-	-	-	-
At the end of the period	<b>7,574,352</b>	<b>623,048</b>	<b>(121,056)</b>	7,574,352	623,048	(121,056)

As at 30 June 2022, the treasury shares amounting to 152,998,000 shares (31 December 2021: 152,998,000 shares) were all for a share award scheme purpose (31 December 2021: the same).



## 27 CAPITAL COMMITMENTS

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Contracted but not provided for -Properties development expenditure	<b>919,740</b>	885,665

## 28 CONTINGENT LIABILITIES

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 buyer obtained the individual property ownership certificate and the full settlement of mortgage loans 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 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	<b>553,766</b>	463,397

The directors consider that it is not probable that the Group will sustain a 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.

## 29 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:

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Wages, salaries and other benefits	10,155	10,133
Retirement scheme contributions	127	106
	<b>10,282</b>	10,239

The above remuneration to key management personnel is included in "staff costs" (Note 8(b)).

**29 RELATED PARTY TRANSACTIONS** (Continued)**(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.

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
		<b>RMB'000</b>	<b>RMB'000</b>
(i)	Joint ventures		
	Business operation service	<b>199</b>	1,480
	Construction contract revenue	<b>5,300</b>	1,259
(ii)	Associates		
	Industrial park operation services	<b>5,214</b>	1,472
	Industrial park leasing services	<b>17</b>	38
(iii)	Major shareholders		
	Cash deposited in major shareholder's financial institution	<b>425,960</b>	730,684
	Operating lease paid	<b>11,779</b>	7,489
	Loans provided by major shareholder's financial institution	–	120,000
	Repayment of borrowing from major shareholder's financial institution	<b>120,000</b>	120,000
	Interest expense	<b>19,872</b>	21,147
	Industrial park operation services	<b>2,023</b>	8

The prices for the above sales of construction materials and service fees were determined in accordance with the terms of the underlying agreements.

29 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

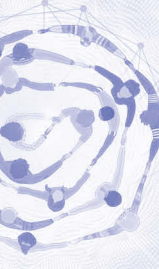
	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
(i) Joint ventures Loans to related parties – current portion	701	599
(ii) Associates Loans due to related parties Loans to related parties – current portion	<b>71,306</b> <b>8,622</b>	71,340 7,888
(iii) Major shareholder Borrowing Cash deposited in major shareholder's financial institution Lease liabilities Loans due to related parties Loans to related parties – non-current portion Loans to related parties – current portion	<b>780,000</b> <b>64,764</b> <b>56,238</b> <b>43,327</b> <b>4,364</b> <b>3,958</b>	900,000 302,657 66,255 39,239 4,162 3



## Definitions

“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
“associates” or “close associates”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“BVI”	the British Virgin Islands
“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 CEIS
“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 Optics Valley Union, 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
“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
“China” or “PRC”	the People’s Republic of China
“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
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Financial Control Committee”	the financial control committee of the Company
“Group”	the Company and its subsidiaries
“Hainan Software Community”	Hainan Resort Software Community Group Co., Ltd.* (海南生態軟件園集團有限公司), a limited liability company incorporated in the PRC on 6 November 2008 and a 20% owned company of CEC Technology

“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“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
“Lingdu Capital”	Wuhan Lingdu Capital Investment and Management 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 Optics Valley Union, and an indirect subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Nomination Committee”	the nomination committee 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 Company Limited, and an indirect subsidiary of the Company
“Quanpai Catering”	Wuhan Quanpai Catering Management Co., Ltd.* (武漢全派餐飲管理有限公司), a limited liability company incorporated in the PRC on 7 June 2011, and an indirect subsidiary of the Company
“Remuneration Committee”	the remuneration committee of the Company
“Renminbi” or “RMB”	the lawful currency of China
“Reporting Period”	the 6-month period from 1 January 2022 to 30 June 2022



## Definitions (Continued)

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HKD0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of our Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“Wuhan Optics Valley Union”	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

In this 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.