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

2022
ANNUAL REPORT

CONTENTS

Corporate Information

COMPANY NAME

China Electronics Optics Valley Union Holding Company Limited

PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

STOCK CODE

798

STOCK NAME

CEOVU

BOARD OF DIRECTORS

Non-executive Directors

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

Independent Non-executive Directors

Mr. Qi Min
Mr. Qiu Hongsheng
Ms. Chan Ching Har Eliza *(resigned as 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)*

AUTHORIZED REPRESENTATIVES

Mr. Liu Guilin
Ms. Zhang Xuelian

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

FINANCIAL CONTROL COMMITTEE

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

COMPANY SECRETARY

Ms. Zhang Xuelian

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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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
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18 Westlands Road
Quarry Bay
Hong Kong

as to Cayman Islands law
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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 SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3,
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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

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

	Year ended 31 December				
	2022	2021	2020	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Results					
Revenue from continuing operations	**5,523,204**	4,530,568	3,048,618	3,376,865	3,001,137
Gross profit	**1,559,759**	1,297,965	937,810	1,075,283	1,036,071
Profit before income tax	**990,938**	1,084,883	816,913	956,735	903,693
Profit attributable to owners of the Company	**536,091**	640,203	464,340	569,272	541,486
Profit attributable to non-controlling interests	**(13,707)**	(27,593)	76,128	24,911	49,430
Profit for the year	**522,384**	612,610	540,468	594,183	590,916

	As of 31 December				
	2022	2021	2020	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Non-current assets	**10,015,308**	8,986,847	8,356,649	6,388,670	5,237,370
Current assets	**12,364,224**	12,320,873	11,069,388	11,226,836	9,943,224
Current liabilities	**8,680,753**	9,128,049	8,728,185	7,438,297	6,038,876
Net current assets	**3,683,471**	3,192,824	2,341,203	3,788,539	3,904,348
Total assets less current liabilities	**13,698,779**	12,179,671	10,697,852	10,177,209	9,141,718
Total equity	**8,876,764**	8,505,323	7,999,796	7,592,291	6,927,436
Non-current liabilities	**4,822,015**	3,674,348	2,698,056	2,584,918	2,214,282
Total equity and non-current liabilities	**13,698,779**	12,179,671	10,697,852	10,177,209	9,141,718

Chairman's Statement

Dear Shareholders,

2022 marked a year of accelerating the realization of the "14th Five-Year Plan" for CEOVU, and also a critical year of digital transformation. Aligned with CEC's strategic goal of building a core strategic technology force in the national network information industry and backed by the Group's industrial resources, CEOVU focused on its principal business of high-quality development of industrial parks and gave full play to the advantages of industrial ecosystem; amplified the effect of digitalization and enhanced systematic management capability; built empowering headquarters and carried out innovation in corporate governance practices; overcame constraints in industry life cycle, seized opportunities and managed to achieve breakthroughs in the development of industrial parks amidst challenges arising from accelerated evolution of the world, the COVID-19 pandemic and domestic economic downturn, and provided reliable support, and contributed its own strength, for local economic development and ecological construction of network information industry.

Further optimizing our income structure and improving our operating results

In 2022, CEOVU further optimized its income structure. The industrial park development business overcame constraints in industry life cycle and showed prominent ballast effect; the integrated operation business continued to accelerate the pace of development in exploration and became a breakthrough for the Company's continuous growth; the investment business opened up new development paths and showed strong empowerment. In 2022, the Company entered into new contracts with contracted value of approximately RMB6,345.0 million, representing an increase of 47.4% as compared to that of last year, and achieved a total revenue of RMB5,523.2 million, representing an increase of 21.9% as compared to that of last year; and a net cash inflow from operating activities of RMB194.8 million. The cash flow from operating activities remained positive for four consecutive years.

Carrying out innovation in business development model and strengthening systematic operating capability

In 2022, CEOVU continued to adhere to the business structure of "One Body, Two Wings (一體兩翼)", implemented the development strategy of "balancing the development of light assets and heavy assets, and developing light assets on the foundation of heavy assets (輕重並舉、以重促輕)", continuously carried out innovation in business development model, reconstructed its business development logic, consolidated and strengthened the business foundation, widely applied "Responsive Customization (敏捷定制)" and "P+EPC+O" business models, and placed its focus on innovation and development in key areas and aspects. In the midst of recurrent pandemic outbreaks, the Group managed to control its operating risks and achieved significant improvement in the quality of its operations as well as its capability of systematic operation.

Building "empowering headquarters" and carrying out innovation in corporate governance practices

In 2022, CEOVU proposed and strengthened the concept of "empowering headquarters" to iterate its corporate governance from "control" to "empowerment" which is more generous and more up-to-date. Functional departments of the headquarters, regarding "the needs of the front-line business units" as the basis of their work and adhering to the bottom-line thinking, facilitated institutionalization, standardization, streamline and systematization of the intellectual achievements accumulated in the enterprise management of the Company, to stimulate the vitality and enthusiasm of the management team to the maximum extent and enhance the endogenous power of corporate development.

Promoting "digitalization capability" building to provide new momentum for business development

Digital economy is becoming an important engine for Chinese modernization and a powerful support for establishing new national competitive advantages. 2022 also marked the year of CEOVU's "digitalization capability" building. We believe "digitization" is a key move to enhance enterprise competitiveness. Based on the actual condition of business, and oriented towards customer demands, we updated and developed a series of digital system tools to further improve the quality and efficiency of industrial services and provide new momentum for business development.

Creating social values to lead the development and expanding brand influence

In 2022, CEOVU at all times implemented the national strategy, adhered to its goal of creating social value and its customer-oriented approach, attached importance to the interests of all stakeholders, devoted to the innovation of business model for sustainable growth, and created long-term value for society and the environment, shareholders, customers, employees and partners. In 2022, CEOVU made breakthroughs in creating social value and expanded its brand influence. The Social Value Report received a "five-star rating" from the Chinese Academy of Social Sciences and was awarded the "Most Socially Responsible Listed Company" as well as a number of other industry honors.

The times call for fulfilment of responsibility and mission drives one ahead. With the goal of achieving high quality development, CEOVU will sound a clarion call of the times, hoist the sails of CEOVU and sail towards the mission of building the "national leading industrial resource sharing platform (全國領先的產業資源共享平台)" steadily and far against all headwinds ahead.

China Electronics Optics Valley Union Holdings Company Limited
Liu Guilin
Chairman

Hong Kong, the People's Republic of China
23 March 2023

OVERALL PERFORMANCE

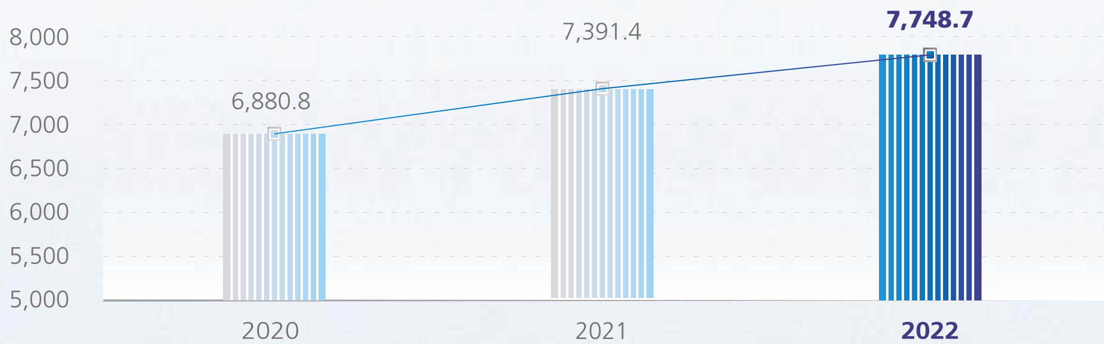
- In 2022, the Group achieved total revenue of RMB5,523.2 million, representing an increase of 21.9% as compared to that of last year. Net cash inflow from operating activities amounted to RMB194.8 million, and the cash flow from operating activities remained positive for four consecutive years.

- In 2022, in respect of industrial landmark, the Group had two new projects of high-quality industrial park, namely Xianyang Phase III (咸陽三期) and Yichang Network Information Industrial Park (宜昌網信園). As of 31 December 2022, the Group had a total of 23 "industrial landmark projects" with prominent regional influence covering 46 cities and 88 industrial parks in aggregate. The Group has high-quality land bank of approximately 6,954,000 sq.m. in various cities, including Chengdu, Changsha, Shanghai, Wuhan and Tianjin.

- With in-depth implementation of the transformation and upgrade, the Group's strategy to seek definitive and sustainable growth in an uncertain market environment has proved to be successful. In 2022, the Group entered into new contracts with aggregated contracted value of RMB6,345.0 million, representing an increase of 47.4% as compared to that of last year, of which, integrated operation business achieved a breakthrough with new contracts with aggregated contracted value of RMB3,285.0 million, representing an increase of 577.3% as compared to that of last year. There were nine new "P+EPC+O" full process tracking projects.

- In order to maintain the growth of industrial park investment and lay the foundation for growth during the "14th Five-Year Plan" period, the Group has moderately increased the reserve and operating rate of its industrial parks. As at 31 December 2022, bank and other borrowings of the Group was RMB7,068.3 million, with the gearing ratio of 60.3%. Benefiting from factors such as financing structure adjustment, the average borrowing costs decreased to 4.8% in 2022 compared with 5.1% in 2021.

Growth in total equity attributable to owners of the Company for the years 2020 to 2022 (RMB million)



Growth in new contracts of the Company for the years 2020 to 2022 (RMB million)

BUSINESS REVIEW

2022 was a year of acceleration and upgrade of the realization of the planned targets of "14th Five-Year Plan". In line with CEC's strategic goal of "building a core strategic technology force in the national network information industry", CEOVU has bore in mind the idea of industrial resource sharing, sped up the improvement of the strategic structure of "One Body, Two Wings (一體兩翼)", and, by incorporating theory with practice, continued to develop the methodology of "Systematic Planning (系統規劃)", "Integrated Operation (綜合運營)" and "Responsive Customization (敏捷定制)". It received public recognition with the value concept of "customer-oriented (以客戶為中心)" and "striver-based (以奮鬥者為本)" and the spirit of "honesty and self-discipline (廉潔自律)", and by using reformation and innovation as basic driving force, strived to enhance the overall coordination capability of the operational management of the headquarters and further stimulated the dynamic of each operational unit.

In 2022, the Group entered into new contracts with aggregated contracted value of approximately RMB6,345.0 million, representing an increase of 47.4% as compared to that of last year, and recorded sales collection of RMB6,157.0 million, representing an increase of 24.9% as compared to that of last year.

Achieving major breakthroughs in integrated operation

With in-depth implementation of the transformation and upgrade, the Group's strategy to seek definitive and sustainable growth in an uncertain market environment has proved to be successful. In 2022, the Group entered into new contracts with aggregated contracted value of RMB6,345.0 million, representing an increase of 47.4% as compared to that of last year, of which, integrated operation business achieved a breakthrough with new contracts with aggregated contracted value of RMB3,285.0 million, representing an increase of 577.3% as compared to that of last year. There were nine new "P+EPC+O" full process tracking projects.

Maintaining a steady growth in industrial park business

In 2022, the construction of the Group's industrial parks across the country was in full swing and progress was seen day-by-day. Projects such as Hongze Ecological Economy Demonstration Park* (洪澤生態經濟示範園), Nantong China Electronic Eastern Zhigu* (南通中國電子東部智谷) and Chongqing China Electronics Western Smart Creation Park* (重慶中電西部智造園) successfully commenced construction. With the completion of projects such as Qingdao CEC Information Harbour* (青島中電信息港), Shanghai CEC Information Harbour* (上海中電信息港), Tianjin Zhongdian Technology Innovation Park* (天津中電科創園) and CEC Optics Valley Digital Industrial Park* (中電光谷數字產業園) and the commencement of operation of technological enterprises and manufacturing enterprises stationed in the industrial parks, the Group had a total of 23 "industrial landmark projects" with prominent regional influence. Industrial park demonstration centers such as Chongqing CEOVU Technology City* (重慶中電光谷科技城), Changsha China Electronics Smart Creation Park* (長沙中電智造園) and CEOVU Mianyang Science Park* (中電光谷綿陽科技園) have also been opened. As of 31 December 2022, the Group has established its presence in 46 cities with 88 industrial parks in aggregate.

Implementing "Responsive Customization (敏捷定制)" with a focus on distinctive industries, to build manufacturing parks and facilitate transformation and upgrade of local industries

In 2022, the Group implemented "Responsive Customization (敏捷定制)" with a focus on distinctive industries and built a number of production and manufacturing parks with distinctive characteristics in different places, which have been put into operation and accelerating transformation and upgrade of local industries. In particular, in 2022, Wuhan Caidian Digital Industrial Park* (武漢蔡甸數字產業園), with the strategic direction of serving the manufacturing power through "Responsive Customization (敏捷定制)", contracted for an area of 35,000 sq.m. and introduced a number of "specialized and innovative (專精特新)" enterprises, and provided value-added services to the enterprises in the park in all aspects. Xianyang Western Zhigu* (咸陽西部智谷) applied the methodology of "Responsive Customization (敏捷定制)" and Phase I of the project has been completed and delivered with a responsive customization rate of over 60%; Phase III of the project is under construction, with a customized area of more than 50,000 sq.m.; and the next step will be developing Phase IV— Hi-tech Smart Manufacturing Park* (高科智造園), as well as Phase V— Xianyang Bio-city* (咸陽生物城) with every effort.

Opening up a new investment model of "fund + park"

In 2022, based on the advantages of CEOVU's nationwide industrial parks, Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司) ("**Lingdu Capital**") continued to promote the five-in-one industrial investment service model of "financing-carrier-service-resources-investment", focusing on industries such as digital city, smart manufacturing, network information and new materials, and added four new investment projects. Lingdu Capital also innovatively developed the service model of "fund + park" based on the enterprise resources of the industrial parks and the needs of local governments, empowering industrial parks to attract investment, and has set up Xianyang Qinwei Fund* (咸陽秦渭基金) and Shaanxi Yuanshang Zhigu Equity Investment Fund* (陝西原上智谷股權投資基金) etc.

OPERATING RESULTS

In 2022, the Group achieved a total revenue of RMB5,523.2 million, representing an increase of 21.9% as compared to that of 2021, a profit before tax of RMB990.9 million and a net profit of RMB522.4 million. Profit attributable to owners of the Company was RMB536.1 million. The Group has upheld the concept of maintaining positive cash flow from operating activities and there was a net inflow of RMB194.8 million in 2022. The cash flow from operating activities maintained positive growth.

BUSINESS SEGMENT ANALYSIS

In 2022, the Group has established a strategic landscape of "One Body, Two Wings (一體兩翼)", with park operation services as the main body, park development as the backbone and industrial investment as the driving force. The Group has the following three segments: (i) industrial park operation services (including design and construction services, property management services, sub-leasing services, energy services, digital park services, incubator and office sharing services, financial services in parks, group catering and hotel services, digital apartment services as well as recreation and entertainment); (ii) industrial park development services (sales of industrial park and leasing services of self-owned park); and (iii) industrial investment (any property investment business relevant to industrial theme parks business). 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

	Year ended 31 December			
	2022		2021	
	Revenue (RMB'000)	**% of total**	Revenue (RMB'000)	% of total
Industrial park operation services	**2,814,836**	**51%**	1,927,967	43%
Design and construction services	**1,316,627**	**24%**	726,704	16%
Property management services	**830,902**	**15%**	759,455	17%
Energy services	**176,255**	**3%**	120,298	3%
Group catering and hotel services	**126,363**	**2%**	104,501	2%
Sub-leasing services	**77,228**	**1%**	69,241	2%
Others	**287,461**	**5%**	147,768	3%
Industrial park development services	**2,708,368**	**49%**	2,602,601	57%
Sales of industrial parks	**2,514,577**	**46%**	2,381,111	53%
Self-owned park leasing	**193,791**	**4%**	221,490	5%
Total	**5,523,204**	**100%**	4,530,568	100%

I. INDUSTRIAL PARK OPERATION SERVICES

The Group has established a full-life cycle industrial park operation service system led by digitalization and, based on the digital park system, integrated 15 types of businesses, including project planning, space planning, construction and design, general contracting work, decoration work, real estate agency, regional energy services, property management, shared offices, long-term rental apartments, financial services in parks, catering and hotels, and formed a full-life cycle "P+EPC+O" service model led by consulting services, supported by intelligent technology and digital solutions, and backed by an integrated operation system, to provide customers with diversified services.

Based on the OVU Park Pass (OVU園區通) ("**OVU Park Pass**") and industrial data, OVU Industrial Cloud (OVU產業雲) focuses on the four major systems of digital development, digital construction, digital facilities and digital investment and operation, and integrates the five indicators of "people, vehicles, assets, energy consumption and taxation" and a set of full-life cycle management system of industrial parks to form a digital full-stack solution for industrial organizations with full-process monitoring, full-service online and full data access. Wuhan China Electronics Energy Conservation Co., Ltd* (武漢中電節能有限公司) ("**CEC Energy Conservation**"), with the core of district cooling and heating system ("**DHC**"), photovoltaic power generation and energy storage system of industrial parks and smart network connected vehicle charging system, built a regional energy system named OVU Low-carbon Cloud (OVU低碳雲), which accelerated the construction of low-carbon industrial park and facilitated the attainment of the goal of "double carbon". The OVU Park Pass has enabled the digital management of the whole process of the Group's development and operation business.

Digital park is an important platform for industrial development and economic growth of a city. The Group will give full play to the advantages of industrial parks and explore new paths and power of digital city construction through the promotion and application of digital park system to provide full-life-cycle and all-occasions services for enterprises in the parks.

In 2022, the turnover of the industrial park operation services of the Group amounted to RMB2,814.8 million, representing an increase of 46.0% as compared to the same period in 2021. Among which, revenue from design and construction services reached RMB1,316.6 million, revenue from property management services reached RMB830.9 million, revenue from regional energy services reached RMB176.3 million, revenue from group catering and hotel services reached RMB126.4 million, revenue from sub-leasing services reached RMB77.2 million, and revenue from industrial parks finance and other services reached RMB287.5 million. In terms of composition, the revenue from design and construction services, property management services and energy services accounted for 82.6% of the revenue from industrial parks operation services, and is currently the major source of revenue of the Group's industrial parks operation services.

Design and Construction Services

"P+EPC+O" integrated operational services

"P+EPC+O" business is an integrated park operation model which the Group has focused on in recent years. It takes planning (P-Planning) as the starting point, with engineering, procurement and construction (EPC-Engineering Procurement Construction) as the foothold, and with professional operations (O-Operations) to cooperate with the investment entities to jointly complete the work of industrial services, and a "three-in-one (三位一體)" structure of the responsible body has been established.

"P+EPC+O" is a complete integrated form of comprehensive operation, which guides the early planning and consultation with the ultimate goal of later investment and operation services. Operational service goals were achieved through project planning and design to control and manage the project construction process. The "P+EPC+O" model is conducive to the realization of the strategic philosophy of "starting from the end (以終為始)" and the high-standard delivery result of being responsible for the results, as well as the realization of the planning goal of "multiple compliance (多規合一)".

By optimizing and integrating the leading and strategic outpost functions of its architectural design institute, construction subsidiaries (namely Wuhan Jitian Construction Co., Ltd.* (武漢吉天建設工程有限公司), Wuhan Lido Technology Company Limited* (武漢麗島科技有限公司) and Hubei Qianbao Design Engineering Co. , Ltd. * (湖北千寶設計工程有限公司)) as well as its consulting and planning business comprising the Planning and Development Center, the Research Institute of Industrial Economics and the Industrial Cooperation Center, the Group provides services for the full-life cycle projects under the guidance of "one platform and two methodologies (一平台兩方法論)", deeply explores industrial resources and diversifies the platform for sharing industrial resources of CEOVU.

During the Reporting Period, the Group achieved breakthroughs in terms of integrated operation and entered into new contracts with contracted value of RMB3,285.0 million, representing an increase of 577.3% as compared to that of last year. There were nine new "P+EPC+O" full process tracking projects.

Property Management Services

In 2022, our property management sector followed the idea of "seeking change in steadiness and progress in change (穩中求變)". While steadily performing services on the park and community properties, the Group facilitated the capacity building and organizational transformation of the property system through integrated operation. With "i-Lido" app (i麗島App), OVU Park Pass (OVU園區通) and EMS Integrated Operation Platform and through the digitalization capacity building of industrial parks and community, the Group strives to develop a professional team with integrated operation which offers industrial park asset operation and value-added services, in order to provide households and enterprises in the industrial parks with real estate, infrastructure, big data and living facility services. Meanwhile, the Group actively integrates its resources and owns Wuhan Lidao 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) ("**Domainblue Smart**"), Wuhan ChuWei Defense Security Services Co., Ltd.* (武漢楚衛防線保安服務有限公司) ("**ChuWei Defense**"), Lidao Real Estate Agency* (麗島房地產代理), Lidao 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. Last but not least, it also provides property owners with all-around and one-stop property management services.

Lidao Property, a subsidiary of the Group, was one of the first batch national first-class property management enterprises, and was selected as one of the "Top 100 National Property Service Enterprises in terms of Overall Strength (全國物業服務企業綜合實力TOP100)" and awarded the "Leading Company in Industry Park Property Service".

In 2022, led by Lidao Property, service segments such as property, security and facility maintenance recorded an annual production value of RMB1,000.0 million, with over 6,800 employees under management, 49 companies under management, and over 140 operating projects.

During the Reporting Period, the income from the property management services of the Group was RMB830.9 million, representing an increase of 9.4% as compared to the same period in 2021. The area covered by the property management services reached 25,490,000 sq.m, of which the area covered by public property management services such as industrial parks accounted for 67.8%.

In 2022, the focus of property management was on services such as intelligent communities and intelligent industrial parks, and the customer base was expanded to include large enterprises such as Wuhan Science and Technology Investment Property Service Co., Ltd.* (武漢科投物業服務有限公司),Wuhan Branch of Yangtze Three Gorges Industrial Co., Ltd.* (長江三峽實業有限公司武漢分公司) and Chengdu Yuntai Internet of Things Technology Co., Ltd.* (成都雲泰物聯網技術有限公司) with new contracts amounting to RMB54.3 million, representing an increase of 3.0% as compared to that of last year.

Sub-leasing services - Incubator and office sharing services

The Group has actively followed the national strategy and the general trend of "mass entrepreneurship and innovation (大眾創業、萬眾創新)" to promote transformation and reform. The Group has further promoted the business model of incubators and co–working spaces with the foundation of integrated operation life cycle services, and has developed an industrial resource sharing platform of "stated-owned enterprises driving coordinated innovation of all other enterprises (央企帶動，大中小微企業聯合創新)".

During the Reporting Period, the Group adjusted its operation strategy and focused its resources on the development of high-quality incubators and shared office service properties. Currently, the Group has six large projects, including Zhongdiandifu Building* (中電迪富大廈), Youth Apartment* (青年公寓), Chongqing Optics Valley Wisdom Park* (重慶光谷智創園) and OVU Maker Star* (OVU創客星), covering 234,000 sq.m.. Amidst the impact of the pandemic in 2022, the leased area amounted to 181,000 sq.m., with an occupancy rate of 77.4%. The incubator and office sharing services achieved an operating revenue of RMB77.2 million during the Reporting Period.

The digital space management platform self-developed by OVU Maker Star was recognized by the the National Development and Reform Commission ("**NDRC**") as a significant project of national level dual innovation demonstration base and an office incubator for emerging industries which fully supports new working trends including mobile working and cross-city resource sharing.

OVU Maker Star is operating 37 sites with a total area of 400,000 sq.m. for innovation and entrepreneurship in 21 innovative cities across the country including Beijing, Shanghai, Shenzhen, Wuhan, Chengdu, Xi'an, Changsha, Hefei etc. It invited over 150 service providers from different sectors such as human resources, legal, financial, marketing and promotion etc., and supported over 2,000 innovation teams and start-ups including Meituan Bike, Qihoo 360, HP China, Bilibili and Easylinkin Technology Co., Ltd.* (慧聯無限科技有限公司) ("**Easylinkin Technology**") invested by CEOVU. It gathered over 80,000 innovative businessmen and entrepreneurs. As of 31 December 2022, OVU Maker Star has received over 50 qualifications for its site operations including 2 national demonstration bases, 7 incubators, 9 co-working spaces and 1 advertising incubating platform that are up to national standard; 9 incubators and 10 co-working spaces that are up to provincial standard; as well as 2 incubators and 6 co-working spaces that are up to municipal standard. It was awarded over 80 awards from institutions including the 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.

Energy Services

The Group adheres to the ecological priority and low-carbon development route and actively responds to the national goal of "achieving peak carbon by 2030 and carbon neutrality by 2060 (3060雙碳目標)". Relying on its integrated energy service company, CEC Energy Conservation, it builds low-carbon parks with low-carbon planning, low-carbon construction and low-carbon operation.

After more than 10 years of independent research and development, CEC Energy Conservation has built the Low-carbon Cloud (OVU低碳雲) system platform, which is the first integrated energy low-carbon digital system based on the PKS system in China with dual functions of experiment and production, and has accumulated more than 7 billion pieces of data, forming a complete closed loop from energy production management to digital monitoring and control and using operational data to guide preliminary planning. With the concept of integrated energy services, it integrates the "1+N" (DHC, distributed photovoltaic, new energy charging pile, energy storage system) industrial ecological business system focusing on low-carbon smart park services, which enables the integrated management and control of electricity, cooling , heat, water, gas and other energy.

Up to now, CEC Energy Conservation has adopted the OVU Low-carbon Cloud (OVU低碳雲) system platform in industrial parks in 15 cities across the country, with an operating area of 12 million sq.m. and reduction of carbon emission of 600,000 tonnes per year. The Company invested and constructed Wuhan Optics Valley Financial Port* (武漢光谷金融港), Wuhan Optics Valley Software Park* (武漢光谷軟件園), Hefei Financial Port* (合肥金融港), Beichen Optics Valley* (北辰光谷裡), Wuhan Smart Eco-City* (武漢智慧生態城), Shanghai CEC Information Harbour* (上海中電信息港), the second phase of China (Changsha) Information Security Industrial Park* (中國(長沙)信息安全產業園), Chengdu Chip Valley IC* (成都芯谷IC) and Industrial R&D Base Project, China Electronics Western Zhigu* (中國電子西部智谷) and other DHC projects, and successfully implemented market-oriented operation. Meanwhile, the Company provided technical and operational services for projects such as Wuhan Future Technology City Start-up Area, Luoyang Wealth Center, Jingshuang Hospital Area of Chongqing Shapingba District People's Hospital and Wuhan Creative Capital, and achieved a win-win situation for the environment, government, developers, users and other parties.

The Company is pushing forward the transformation and development of "Low-Carbon Energy - Empowering Low-Carbon Parks (低碳能源—賦能低碳園區)". In line with corporate development, the Company focuses its attention on the overall strategy and is committed to the goal of carbon peaking and carbon neutrality, while actively exploring innovative business models, identifying and integrating existing resources.

During the Reporting Period, CEC Energy Conservation had new contracts amounting to RMB135.4 million, including the internet entertainment product research and development base DHC service project which amounted to RMB50.0 million. In 2022, the income from energy services was RMB176.3 million, representing an increase of 46.6% as compared to 2021.

Group Catering and Hotel Services

Established in 2011, Wuhan Quanpai Catering Management Co., Ltd.* (全派餐飲管理有限公司) ("**Quanpai Catering**") 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, and hospitals etc. At the current stage, its annual catering capacity has reached 6 million person-times. Based in the industrial parks, Quanpai Catering not only provides services for the Group, but also promotes the business atmosphere in the park as a business incubator at the same time, attracting various businesses into the park and improving its comprehensive service capabilities.

Wuhan Ziyuan Hotel, with high-end hotel industry chain service capabilities, provides hotel project consulting, hotel design, hotel construction, and hotel operation services. Wuhan Ziyuan Hotel is the first hotel invested in and constructed by CEOVU. It is a modern art boutique hotel located in the park of Wuhan Creative Capital. The hotel has 54 suites and boutique rooms with modern art as the theme, including Yaxu Western dining room, Heyuanyan Chinese dining room, wine bar, cigar bar, outdoor infinity pool, high-end SPA, indoor golf, gym, multi-functional high-end banquet hall, conference room, and other supporting facilities.

The OVU apartment brand created by CEOVU, through the smart transformation of traditional apartments, establishes a software and hardware integrated smart platform, uses a smart apartment management system of a full-process unmanned management, and provides high-quality apartment housekeeper service through smart equipment terminals, including unmanned services from renting to check-in, from payment to contract signing, from access control and notification and repair request, so as to ensure the safety of accommodation, improve the efficiency of apartment property services, and enhance the user experience. At present, OVU apartment has formed a number of integrated operation service capabilities such as apartment brand positioning and design, apartment planning and design, assembly and operation and maintenance of apartment smart equipment, and apartment smart software system authorization and customized development.

In 2022, the business strategies of group catering and hotel services were adjusted and the revenue therefrom amounted to RMB126.4 million, representing an increase of 21.0% compared to 2021.

II. INDUSTRIAL PARK DEVELOPMENT SERVICES

The Group adheres to the idea of "city-specific approach (一城一法)" to build industrial innovation ecosystem and create city name card, and focuses on distinctive industries and gives full play to the advantages of "responsive customization (敏捷定制)" products, and its industrial park development business witnessed steady progress.

The Group has 88 themed industrial parks in 46 cities across the country, with three major park product lines, namely network information parks, technology innovation parks and smart manufacturing parks. Most of the themed industrial park projects have become key construction projects and city name cards locally, and have become windows for regional technological innovation and industrial development.

During the Reporting Period, revenue from the property development in the industrial parks amounted to RMB2,708.4 million, representing an increase of 4.1% over the same period of last year.

1. *Sales of Self-owned Industrial Parks*

During the Reporting Period, industrial park sales business of the Group has added new contracted area of 434,000 sq.m., with contracted value of RMB2,799.0 million and annual collection of RMB2,798.0 million. Revenue amounted to RMB2,514.6 million, representing an increase of 5.6% over the same period of 2021.

During the Reporting Period, the income from the sales of self-owned industrial parks of the Group was mainly contributed by three cities, namely Changsha, Shanghai and Qingdao, among which, Changsha Information Security Industrial Park* (長沙信息安全產業園) attached great importance to the services of the settled enterprises, explored the needs of existing customers and stimulated vitality through industry leaders. During the Reporting Period, 69 new customers including Hunan Attitude Network Technology Co., Ltd.* (湖南有態度網絡科技有限公司) and Zhongquan Wanhui Environmental Technology Co., Ltd.* (中泉萬匯環境科技有限公司) were stationed in the park, achieving sales revenue of RMB426.7million, accounting for 17.0% of the revenue from the sales of industrial parks. Shanghai CEC Information Harbour* (上海中電信息港) achieved an occupancy rate of 70.0% immediately after its opening, and won the title of Songjiang Excellent Park* (松江優秀園區) at the end of the year, with an annual sales revenue of RMB360.0 million, accounting for 14.3% of the revenue from the sales of industrial parks. 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. It achieved an annual sales revenue of RMB315.6 million, accounting for 12.6% of the revenue from the sales of industrial parks.

In 2022, there were 25 projects in 20 cities where self-owned industrial parks were sold. This demonstrated that the layout of the Group's industrial parks business in major cities across the country has been widely recognized by the market and our clients, and the multi-zone park layout is conducive to lowering the systems risk and ensuring the annual target of the revenue from sales of industrial parks can be achieved.

2. Development and Completion of Industrial Parks

With further clarification of the Group's strategic structure, the ability to achieve sustainable growth in revenue has been strengthened consistently. During the Reporting Period, the total area of construction commenced amounted to 464,000 sq.m., and completed construction area amounted to 930,000 sq.m. As at the end of the Reporting Period, the total area under construction was 1,089,000 sq.m., to build manufacturing parks with a further focus on distinctive industries, which laid the foundation for the transformation and upgrade of local industries.

Completed Area in Major Cities throughout the Country

City	Project Name	Completed area in 2022 ("000 sq.m.)
Xianyang	China Electronics Western Zhigu	47.9
Wuhan	CEOVU Manufacturing Center	54.3
Changsha	China (Changsha) Information Security Industrial Park	148.7
Qingdao	Qingdao CEC Information Harbour	101.0
Chengdu	Chengdu Chip Valley	123.2
Shanghai	Shanghai CEC Information Harbour	185.2
Wuhan	CEOVU Digital Industrial Park	66.0
Huangshi	Huangshi Science and Technology City	38.4
Ezhou	Ezhou OVU Science and Technology City	27.4
Wenzhou	CEC (Wenzhou) Information Port	138.2
Total		930.3

3. Land Bank of the Industrial Parks

During the Reporting Period, the Group owned approximately 6,954,000 sq.m of high-quality land bank for the industrial parks in various cities, including Wuhan, Shanghai, Qingdao, Changsha, Chengdu, Tianjin, Hefei, Chongqing, Shenyang, Luoyang, Xi'an, Wenzhou, Ezhou, Huangshi, Huanggang, Chengmai (Hainan), Zhuhai and Ningbo etc.

Table of Land bank of Industrial Parks

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
1	Optics Valley Software Park (光谷軟件園)	Wuhan	1 Guanshan Avenue, Wuhan, Hubei Province	Industrial	100%	34,988
2	Financial Harbor (Phase I) (金融港一期)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	27,728
3	Financial Harbor (Phase II) (金融港二期)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	29,492
4	Creative Capital (創意天地)	Wuhan	16 Yezhihu West Road, Hongshan District, Wuhan, Hubei Province	Commercial	100%	158,382
5	Wuhan Innocenter (武漢研創中心)	Wuhan	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	Industrial	100%	84,366
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%	110,922
9	Qingdao CEC Information Harbour (青島中電信息港)	Qingdao	396 Emeishan Road, Qingdao, Shandong Province	Industrial	100%	130,244
10	Qingdao Innocenter (青島研創中心)	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Residential/ Industrial	100%	64,969
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%	143,708
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%	80,571

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
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%	24,319
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%	226,620
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%	168,888
19	Lido Top View (麗島半山華府)	Huangshi	76 Hangzhou West Road, Huangshi Development Zone, Hubei Province	Residential	100%	15,878
20	Hefei Financial Harbor (合肥金融港)	Hefei	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	Commercial	100%	271,021
21	Xi'an CEC Information Port (西安CEC信息港)	Xi'an	West of Caotan Tenth Road, North of Shangji Road, Xi'an, Shaanxi Province	Industrial	73.91%	168,635
22	CEC (Wenzhou) Information Port (中國電子（溫州）信息港)	Wenzhou	Jinhai Park, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Province	Industrial	95%	178,270
23	Shanghai CEC Information Harbour (上海中電信息港)	Shanghai	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District, Shanghai	Research & Development	100%	148,020

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
24	Chengdu Chip Valley (成都芯谷)	Chengdu	No.1 Fengle District, Dongsheng street, No. 7 Guangrong District, Pengzhen, Chengdu City, Sichuan Province	Commercial/ Research & Development	80%	552,568
25	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	Commercial/ residential	31%	904,717
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, Hubei Province	Industrial	100%	318,143
28	China Electronics Western Zhigu (中國電子西部智谷)	Xianyang	No. 3, Xinghuo Avenue, High-tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	Industrial	50%	204,944
29	Tianjin Zhongdian Technology Innovation Park (天津中電科創園)	Tianjin	Tianjin High-tech Zone Huayuan Technology Park	Commercial	80%	99,616
30	CEOVU Intelligent Manufacturing Center (中電光谷智造中心)	Wuhan	About 100 meters northwest of the intersection of Jingdong Avenue and Wuyi South Road, Xinzhou District, Wuhan City, Hubei Province	Industrial	100%	195,607
31	CEOVU Digital Industrial Park (中電光谷數字產業園)	Wuhan	Changfu Industrial Park, Caidian District, Wuhan City, Hubei Province	Industrial	100%	62,199
32	Chongqing CEOVU Technology City (重慶中電光谷科技城)	Chongqing	Xiyong AJ Group, Shapingba, Chongqing City	Industrial	100%	70,826

No.	Project	City	Location	Usage	Interest Attributed to the Group	Land Bank (sq.m.)
33	China Electronics Western Smart Creation Park (中電西部智造園)	Chongqing	Caijiagang, Beibei, Chongqing	Industrial	100%	64,385
34	Changsha Xingsha Digital Intelligence Community (長沙星沙數智園)	Changsha	South of Luoluotang Road, East of Huangxing Road, Changsha Economic and Technological Development Zone	Industrial	60%	79,396
35	CEC Optics Valley Mianyang Science and Technology Park (中電光谷綿陽科技城)	Mianyang	Mianyang National High-tech Industries Development Zone	Industrial	100%	130,650
36	China Electronic Eastern Zhigu (中國電子東部智谷)	Nantong	Nantong Chongchuan Economic Development Zone	Industrial	70%	281,577
37	Yichang Network Information Industrial Park (宜昌網信園)	Yichang	Intersection of Tuanjie Road and Tiantai Road, Dianjun District Electronic Information Industrial Park, Yichang City	Industrial	100%	81,275
38	Wuhan CEC Information Harbour (武漢中電信息港)	Wuhan	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	Industrial	100%	88,882
39	Zhuhai Hengqin Zhi Shu Cloud (珠海橫琴智數雲)	Zhuhai	East of Fubang Road, Hengqin New District, Zhuhai, Guangdong Province	Commercial	30%	53,618
40	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%	1,503,767
	Total					6,953,992

Note: No. 39-40 are projects the Group invested in through a subsidiary CEC Technology

INTRODUCTION OF MAJOR INDUSTRIAL PARK PROJECTS

Briefings on development progress of industrial park projects in 2022

Hefei Financial Harbour

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

Location: Intersection of Huizhou Avenue and Nanjing Road in Binhu New District, Hefei.

Scale: The project has a planned gross floor area ("**GFA**") of 640,000 sq.m.

Project positioning: Specialised financial services district, regional headquarters, etc.

Details of the project: Including high-rise commercial office buildings, separate multi-storey office buildings, OVU international service apartments, Hilton Garden Hotel, specialised commercial streets, etc. It was completed and delivered in December 2019.

Target of the project: Based on the characteristics of regional industry and relying on the background of industrial upgrade and transformation, the project will focus on the introduction of regional headquarters and back offices of financial institutions, such as banks, insurance, and securities, and the upstream and downstream of the industry chain, such as finance leases, internet finance, fintech, and financial services outsourcing, which will attract industrial enterprises to establish in the park and create the Hefei Binhu financial industrial ecosystem.

Latest status: Hefei Financial Port has already attracted 748 financial and commercial enterprises, created employments of over 10,000 and realized annual tax of over RMB0.6 billion in 2021, creating an industrial ecosystem which gathers wide variety of enterprises with unimpeded development elements and comprehensive functionalities. It has also become a new landmark in Hefei Industrial Park. In 2022, Hefei Financial Port was recognized as a provincial-level service industry cluster demonstration zone. It is one of the first digital economy industrial parks in Hefei, and has become an important platform to provide Hefei with access to high-quality financial resources in the Yangtze River Delta.

Qingdao Research and Innovation Center

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

Location: Jiangshan South Road in West Coast New District in Qingdao, which is a national new district.

Scale: The project has a planned site area and a planned GFA of approximately 68,000 sq.m. and 128,000 sq.m. respectively.

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

Qingdao Optical Valley Software Park

Location:	396 Emeishan Road, West Coast New District, Qingdao, Shandong Province
Scale:	The project has a planned site area of 259 mu (approximately 173,000 sq.m), a planned gross floor area of approximately 320,000 sq.m. and a delivered operating area of 320,000 sq.m..
Project positioning:	Integrated digital economic industrial park, demonstration base of national-level marine technological innovations, and demonstration base of new-generation information technology industry
Details of the project:	Research and development office buildings, headquarters of technology enterprises, industrial development platform, auxiliary business facilities, etc.
Targets of the project:	Through construction of the national leading industrial resource sharing platform, the project has targeted to drive the transformation and upgrade of the urban industries and the industrial growth in a benchmarking clustering manner, to create a center for high and new technology enterprises in West Coast, to enhance regional economic dynamic and competitiveness, and to accelerate the transformation and upgrade of industrial structure in West Coast. Upon maturity stage, it can attract over 1,500 enterprises engaging in emerging industries such as marine-oriented blue industry, high digital economy, high intelligence manufacturing, medical healthy, human resources, etc., generating annual production value of RMB30 billion.
Progress of the project:	All constructions have been completed and put into operation.

Qingdao CEC Information Harbour

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

Qingdao Marine Technology Park

Location:	1699 Zhujiang Road/77 Jinshajiang Road, West Coast New Area, Qingdao, Shandong Province
Scale:	The project has a planned site area of 225 mu (approximately 150,000 sq.m), a planned gross floor area of 200,000 sq.m., of which Phase I has a gross floor area of approximately 80,000 sq.m.(overground and underground areas are 63,000 sq.m. and 17,000 sq.m. respectively) and Phase II has a gross floor area of approximately 120,000 sq.m.
Project positioning:	The project strives to become a demonstration base of national-leading, international renowned marine technology innovations, a demonstration base of applied marine technology transformation, headquarters for high-end marine services enterprise and scientific research and development center, and a platform gathering innovative elements such as demonstrative transactions of modern marine industries, etc. Oriented in the research and development of high-end applied marine technologies, the project has focused on the research and development of artificial intelligence, industrial internet, IC design, advanced manufacturing and high-end devices, etc.
Details of the project:	Innovative center for marine technology, marine technology transformation and acceleration center, headquarters for high-end marine-related service enterprise and research and development centers, research and development headquarters for advanced manufacturing, equipped with relevant auxiliary business facilities
Targets of the project:	Upon completion and full operation, it is expected that the project can attract over 300 enterprises engaging in a wide variety of marine-related blue industry and high and new technology, gathering a pool of talents in mid to high-end industries of over 10,000, and realizing an annual direct production value of RMB5 billion and an annual production value of related industries of over RMB20 billion (profit tax of approximately RMB2 billion).
Progress of the project:	Phase I has been completed and put into operation, while Phase II is planned to commence construction in 2022 and is expected to be completed in 2025.

China (Changsha) Information Security Industrial Park

Location:	At the intersection of Yuelu Avenue and Jianshan Road in Changsha High-tech Industrial Development Zone.
Scale:	The project has a total planned site area of 416 mu and a GFA of approximately 850,000 sq.m. The start-up area occupies 194 mu and a GFA of 460,000 sq.m. (including underground area, with an expansion area of 60 mu and a GFA of 145,000 sq.m.)
Targets of the project:	Leading the way to build a concentration of information security industry, shaping a new business card of Hunan's special industry.
Project positioning:	The project is an industrial park aiming at deepening strategic cooperation between the Hunan Provincial Government and CEC. Adhering to the concepts of civil-military dual-use, city-industry integration as well as integration of science, technology and art, the project focuses on information security, civil-military dual-use, Beidou navigation application, smart manufacturing and other development directions, to create the 4.0 version of digital park.
Details of the project:	Separate R&D office buildings, high-rise R&D office buildings, multi-storey R&D office buildings, staff apartments, incubators, staff canteens, centralized energy management system (DHC), etc.
Project status:	Zones ABCD were delivered. Separate multi-storey R&D office buildings of Zones EF were delivered at the end of December 2022. Main construction of the four high-rise R&D office buildings were completed.

Maker Corporation

Location:	Located at 12 Qixing Street, Shenbei New District, which is in the core area of Shenbei University City and at the northwest of intersection of Shenbei Road and Qixing Street, the project enjoys distinctive advantages in transportation. The project is adjacent to undergraduate institutions such as Shenyang Institute of Engineering, Liaoning Communication University, Shenyang Aerospace University and Shenyang Normal University.
Scale:	The total site area is 15,422 sq.m., and a staff apartment building, a building for innovation and entrepreneurship co-working spaces, and a building for innovation and entrepreneurship incubator will be constructed. The total GFA is approximately 47,350 sq.m..
Project positioning:	As the earliest innovation and entrepreneurship service platform city station launched by CEOVU Group in Northeast China, it will integrate the strength and resources of the government, parks, enterprises, universities, and social institutions to create a multi-scenario interactive entrepreneurship MALL covering "headquarters office, incubation office, maker market, maker apartment, entrepreneurship coffee, financial services, professional training, entrepreneurship counseling, crowdfunding and crowdsourcing" etc., to build the largest public innovation and entrepreneurship service platform in Shenyang.
Details of the project:	A staff apartment building, a building for innovation and entrepreneurship co-working spaces, and a building for innovation and entrepreneurship incubator. Including: presentation centers, office for small and micro enterprises, office for headquarters, serviced apartments, service centers and relevant auxiliary business facilities.
Project status:	Development phase was completed and operation phase has commenced.

Shenyang CEOVU Information Harbour

Location:	80 Qixing Street, Shenbei New Area (intersection of Qixing Street and Shenbei Road, Shenbei New District, Shenyang, Liaoning Province)
Scale:	The project has a site area of 330 mu, and the development is divided into two phases. Phase I has a GFA of 90,300 sq.m. and Phase II has a GFA of 73,200 sq.m.
Project positioning:	The five core industries are "smart manufacturing, advanced technology integration, biomedicine and third-party testing, agricultural farming, new materials and new energy".
Details of the project:	Intelligent manufacturing industry houses, standard factories and customized factories, R&D centers, small and medium-sized enterprises incubators, single headquarters offices, staff centers and other industrial forms and supporting facilities of the park.
Project status:	The project has been completed

Shenyang CEOVU Technology City

Location:	77 Qixing Street, Shenbei New Area (450 metres north of the intersection of Qixing Street and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province)
Scale:	The project has a site area of 126 mu, and the development is divided into three phases.
Project positioning:	The five core industries are "smart manufacturing, advanced technology integration, biomedicine and third-party testing, agricultural farming, new materials and new energy".
Details of the project:	Rapidly-customized factories, single-storey steel structure factories, multi-storey frame factories, technological innovative pilot scale trial, headquarters research and development and catering center.
Project status:	Phase I commenced construction in November 2022 and is planned to be issued with a completion certificate in July 2024; Phase II is planned to commence construction in September 2023 and to be issued with a completion certificate in June 2025.

Chengdu Chip Valley

Location: It is located in Yicheng Avenue and the planning area of Yinhe Road, Shuangliu District, Chengdu.

Scale: Chengdu Chip Valley Industrial Function Zone has a planned area of 36.7 sq.km. The Chengdu Chip Valley Research and Innovation City currently under construction is the core and start-up zone of Chengdu Chip Valley, covering a planned area of 1 sq.km. and being listed as a demonstration zone of the million sq.m. high-quality space in Chengdu.

Project positioning: Chengdu Chip Valley, being the integrated circuit industry cluster and innovation area jointly built by China Electronics and the Chengdu Municipal Government, is the main hub for the development of electronic information industry as well as the source of innovation and cluster area for integrated circuit industry in Chengdu. Focusing on high-tech industry fields such as integrated circuit, network security, artificial intelligence, 5G and Internet of things, it will build a 100-billion-level electronic information industry ecosystem, to become a new pole of electronic information in China, the first choice for international science and innovation talents, and a new model of Chengdu's future park city!

Details of the project: Construction of high-quality science and innovation space, standardized plants and customized plants, R&D and office properties, corporate headquarters, integrated circuit museum, open labs, public technical service platform, scientific incubators, accelerators, practical training base, international innovation centers, international headquarter centers and facilities.

Project status: As of December 2022, the construction area of high-quality science and innovation space in Chengdu Chip Valley has reached 611,300 sq.m. Among which, 277,600 sq.m. has been completed, 333,700 sq.m. was under accelerated construction.

CEOVU Mianyang Science Park

Location:	37 Xinping Avenue, Yongxing Town, High-tech Zone, Mianyang.
Scale:	The net site area of the project is 498 mu, with a planned total GFA of approximately 440,000 sq.m.
Project positioning:	Backed by leading enterprises such as CEC, Changhong, BOE, and Jiuzhou, it will introduce and cultivate enterprises of supporting industrial chain, such as electronic information, new display, and smart manufacturing.
Details of the project:	With the design concept of "multi functions, expansion and compatibility", it will provide spaces for purposes such as smart manufacturing, R&D and testing, headquarters office and living facilities in the industrial park in an orderly manner, and accommodate a variety of product mix.
Project status:	Phase I of the project has a total GFA of 140,500 sq.m., and the first batch of 3 buildings was completed and delivered in October 2022 with 100% occupancy rate. The second batch of 39,000 sq.m. started construction in the same year and is expected to be completed by the end of 2023.

Shanghai CEC Information Harbour

Location:	The project is located at the economy and technology development zone in Songjiang District, Shanghai City, with its north reaching Wensong Road, west to No. 3 River of Xiaokunshan near Wenji Road, south facing Mianzhang Harbour, east to the adjacent land. It has dual national-level enterprise status, i.e., national economy and technology development zone and national Comprehensive Bonded Zones.
Scale:	It is the first C65 land in Songjiang. Compared to industrial land, C65 land has higher land value. Shanghai CEC Information Harbour has a site area of 140 mu, a gross floor area of approximately 276,000 sq.m., of which Phase I covers 190,000 sq. m. and Phase II covers 86,000 sq.m.
Project positioning:	Building on the resource advantages of the electronic industry of the PRC, the Harbour bases on the comprehensive life cycle operation and focuses on electronic information industry, including integrated circuits, Internet of Things, artificial intelligence, etc.
Details of the project:	Presentation center, research and development center, office headquarters, smart apartment, service center and the relevant auxiliary business facilities.
Progress of the project:	Construction and filing of Phase I were completed on 26 September 2022. Phase II commenced construction in March 2022 and the construction and filing is planned to be completed in April 2024.

Chongqing CEOVU Technology City

Location:	Qingfeng High-tech Industrial Park, Shapingba District, Chongqing City
Scale:	A planned gross floor area of approximately 102,000 sq.m.
Project positioning:	A scientifically advanced base for manufacturing industry in the western region (Chongqing)
Details of the project:	Based on advanced intelligent manufacturing industry, the City focuses on new-generation information technology, intelligent network connected vehicles and high-end devices. It covers a diversified model to include swift building of single storey factories, separate factories, semi-detached factories, multi-storey factories, etc., and integrates various functionalities such as intelligent manufacturing, technological innovative pilot scale trial, headquarters research and development, etc. It has built a resource sharing platform with comprehensive life cycle to help business incubation, acceleration and development of enterprises, forming a leading 10 "O" digital intelligence park.
Targets of the project:	To seize the opportunity of national strategy of Chengdu-Chongqing twin-city economic circle, to set up the Western Science City, to build into the Western (Chongqing) Science City advanced manufacturing base, to help Shapingba become the main base and the main force of the construction of the Western (Chongqing) Science City, to promote the construction of "one belt and one road" advanced manufacturing base.
Awards:	Listed on "2022 List of Significant Projects in Chengdu-Chongqing Economic Circle"

INCLUDED IN THE "2022 LIST OF MAJOR MUNICIPAL PROJECTS IN CHONGQING"

Shortlisted in key projects of new infrastructure construction under the "14th Five-Year Plan (2021-2025) of digital economy of Chongqing City"

Progress of the project:	Area under construction is approximately 60,000 sq.m. As of the end of 2022, the main structure of Phase 1 of approximately 50,000 sq.m. has been roof sealed and is scheduled to be delivered in March 2023; the main construction of Phase II.I of 10,000 sq.m. is underway in an orderly manner. Construction of 20,000 sq.m. is scheduled to commence in 2023.

China Electronics Western Smart Creation Park

Location: Located at Beibei Caijia Groups, Xiema Group, Liangjiang New Area, Chongqing, adjacent to Jiayun Avenue, Xiangjiagang station in Subway Line 6

Scale: A site area of 1,000 mu, a starting area of 202 mu, and a gross floor area of approximately 200,000 sq.m.

Project positioning: Four positionings:

Beibei region – 1. "demonstrative pioneer area" of Chongqing industrial internet; 2. demonstration base of national new industrialised industry for industrial internet.

Chongqing City – 1. Industrial internet of Chengdu-Chongqing region – demonstration base of integrated development; 2. Innovative development land for national industrial internet.

Details of the project: Phase I (approximately 200 mu) includes high-rise research and development office buildings, multi-storey research and development office buildings, separate research and development office buildings, high-rise factories, separate factories, canteen, etc.

Targets of the project: Based on the theme of industrial internet and vertically focusing on intelligent sensors, information technology services, to build industrial internet which integrates three elements "Hardware, Software, Security". Under the cooperative structure, led by direction of industrial internet enabling, the Park targets to facilitate optimization and cooperation among supply chain, C2M manufacturing and soft production by focusing on two strategic emerging industry, ie, new intelligent terminals, intelligent network connected vehicles.

It will become new application center of the national industrial internet, demonstrative benchmark park of traditional industrial digitalization of the western district, gathering zone of Chongqing intelligent ecological integration, and a demonstration of high quality development of manufacturing industry in Sichuan and Chongqing and the central-western district.

Xi'an CEC Information Harbour

Location:	No. 1288, Caotan 10th Road, Economic and Technological Development Zone, Xi'an, Shaanxi Province.
Scale:	Industrial park occupies a total site area of approximately 130,000 sq.m., and approximately 200,000 sq.m. has been completed.
Project positioning:	It focuses on the development of high intelligent manufacturing, software and service outsourcing, civil-military use, healthcare and financial services industries, and develops a system for smart industrial park management and production services.
Details of the project:	Products such as separate buildings for enterprises, customized plants, production acceleration products, integrated office buildings, apartments with ancillary facilities.
Progress of the project:	33 individual buildings with a total area of approximately 194,000 sq.m. have been constructed. Construction of 9,200 sq.m. will commence in 2023 and is expected to be completed in April 2024.

Tianjin China Electronics Technological Innovation City

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

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

Luoyang China Electronics Optics Valley Information Harbour

Location	The intersection of Guanlin Road and Longshan Avenue, High-tech Industrial Development Zone, Luoyang, Henan Province
Scale	The project has a total planned site area of 150 mu and a total GFA of approximately 100,000 sq.m.
Project positioning	Manufacturing of aerospace equipment, manufacturing of advanced equipment, new materials and new energy, electronic information industry, information innovation industry, Internet big data, microelectronics software development, security consulting, system integration, security operation and maintenance, network information security and other leading industries.
Details of the project	Single-storey plants, two-storey plants, multi-storey plants and high-rise research and development office buildings, an incubation and innovation working spaces for small and micro enterprises, headquarters economy, is a comprehensive showcase zone which integrates production, office, residential, life and entertainment.
Progress of the project	Phase I consisted of 19 factory buildings, which include presentation center, manufacturing factories, auxiliary factories, with completed area of 80,000 sq.m. and plot ratio of 1.25. All factories of Phase I had been delivered for use. There have been 20 enterprise residents, such as Dingyang Photoelectric, Jingqin Industrial, Micron Optoelectronics, Hopu Optical, Shuolixin New Energy and Guluo Optoelectronics, with annual output value of around RMB1 billion and tax of over RMB100 million.

China Electronics (Wenzhou) Information Harbour

Location:	No.355, Binhai 12th Branch Road, Wenzhou Economic and Technology Development Zone.
Scale:	A planned gross floor area of approximately 280,000 sq.m., and a delivered operating area of approximately 140,000 sq.m.
Project positioning:	As an integrated digital park jointly built by China Electronics Corporation and the Wenzhou Municipal Government, China Electronics (Wenzhou) Information Harbour actively promotes the construction of an integrated platform for industry clustering, resource introduction and central-local docking, by capitalizing on the brand influence of China Electronics. It will empower industrial development with the digital economy and promote digital transformation and upgrading of the industry. Through application in the industrial transformation and upgrading, it will create a development path for digital economy, promote industrial digitization and digital industrialization, influence Zhejiang and Eastern China region, and promote the rapid development of the digital economy in Wenzhou and Zhejiang.
Details of the project:	It includes single-storey, three-storey and four-storey standard factory buildings, project supporting canteen, dormitory, R&D building and office building
Targets of the project:	Wenzhou Industrial Park would become a demonstration area for the transformation and upgrading of traditional manufacturing industry in Zhejiang, and a national demonstration base for the integration of industrial digitalization, and become a leading industrial new city operator in China.
Latest status:	Wenzhou Industrial Park has now completed the first phase of investment, and the park's ancillary services have been highly developed, the second phase has completed the pre- acceptance of construction, and has entered into contracts with 10 enterprises, which intend to be stationed in the park. The Wenzhou Industrial Park will undergo a transformation, it has been in contact with a number of local governments, such as Yueqing, Huaian, Wuhu, Suzhou, Anshan, Shanghai Fengxian, Shanghai Minhang, etc., to cooperate in the integrated operation of light asset projects. The Wenzhou Industrial Park strives to achieve the implementation of the industrial park's operation and construction projects.

China Electronics Western Zhigu Park

Location: 3 Xinghuo Avenue in the National Xianyang Hi-Tech Zone (國家級咸陽高新區星火大道).

Scale: Total planned site area of 3,200 mu, of which, the CEC Xianyang Generation 8.6 LCD panel production line project in pilot zone occupies a total site area of 1,200 mu and has been completed and put into operation, the development zone occupies 1,000 mu, and the reserved control zone occupies 1,000 mu. In respect of the Western Zhigu Park (西部智谷), Phase I occupies a total site area of approximately 173,100 sq.m. and a total GFA of approximately 188,000 sq.m. and Phase III occupies a total site area of approximately 171,000 sq.m. and a total GFA of approximately 203,000 sq.m.

Project positioning: A concentration of national-level display device industry players. Strategic emerging industries such as electronic information and intelligent manufacturing are the the leading industries.

Details of the project: Exhibition centers, double innovation centers, star hotels, intelligent manufacturing plants, customized plants, research and development office buildings, smart apartments, service centers and relevant commercial facilities.

Project status: As of December 2022, the construction of China Electronics Western Zhigu Park's Phase I (Phases I.I and I.II) with a GFA of 150,000 sq.m. was fully completed and put into operation. The enterprises entering the park are expected to contribute approximately RMB500 million for Xianyang in 2022. Construction of the main structure of Phase I.III with a GFA of 17,000 sq.m. was completed, and secondary structure is under construction and is expected to be completed by the end of May 2023; construction of the main structure of 41 separate buildings of Phase III.1 was completed, and secondary structure is under construction and is expected to be completed by the end of June 2023.

China Electronics Eastern Zhigu Park

A project jointly invested by CEOVU, a listed company under CEC, and Rainbow Group, with a commitment to smart manufacturing and a focus on the introduction of strategic emerging industries such as new-generation electronic information technology, high-end equipment manufacturing and medical equipment, aiming to build a tax-generating cluster that facilitates intensive land use and concentration of industries, so as to promote high-end talent development and ecological civilization, and build a domestic top-grade and internationally renowned urban industrial complex.

Location:	Located at the southern part of Zhongxiu Middle Road, the eastern part of Shilun Road, northern part of Xinsheng Road, western part of Planned Panxiang Road, Chongchuan Economic Development Zone, Nantong City, Jiangsu Province, having a site area of 259 mu and in ladder shape, with a length of approximately 341 meters in east and west side, while south and north side having a length of approximately 560 meters.
Scale:	A planned gross floor area of approximately 310,000 sq.m.
Target of the project:	Capitalizing the resource advantages of three parties, i.e. Chongchuan Economic Development Zone, Nantong City, CEOVU and Rainbow Group, the project targets to build a demonstration zone based on intelligent manufacturing and focusing on major enterprises in new generation information technology industry and high-end device manufacturing industry.
Details of the project:	Mainly adjacent to lands for industrial use with various industrial parks built thereon, the location of the project enjoys geographic edge and it is for industrial use, covering 172,000 sq.m. of the planned site area of the urban complex project of Nantong City. It has a total gross floor area of 310,000 sq.m., of which the aboveground and underground gross floor areas are 292,000 sq.m. and 19,000 sq.m., respectively, and capacity building area is 347,000 sq.m. It has plot ratio of 2.0, green space rate of 15%, parking lots of 1,860. The gross floor area of Phase I is approximately 80,000 sq.m.
Progress of the project:	Phase I with 80,000 sq.m. commenced construction in January 2022 and is scheduled to be delivered in June 2023. The whole park will be completed in December 2024.

CEOVU Digital Industrial Park

Location:	No. 88 Xingguang Avenue, Caidian District, Wuhan City
Scale:	The project occupies a site are of approximately 220 mu and the total GFA of the project is approximately 158,000 sq.m.
Project positioning:	Intelligent manufacturing, electronic information, new energy and intelligent connected automobiles as the leading industries.
Details of the project:	Intelligent manufacturing industry houses, high-rise research and development office buildings, industrial empowerment centers, exhibition halls, as well as relevant commercial facilities.
Project status:	As of 18 February 2023, Phases I, II and III of Wuhan Digital Industrial Park were completed. Apartments in Phase III were put into operation in May 2022 and construction of Phase IV was basically completed.

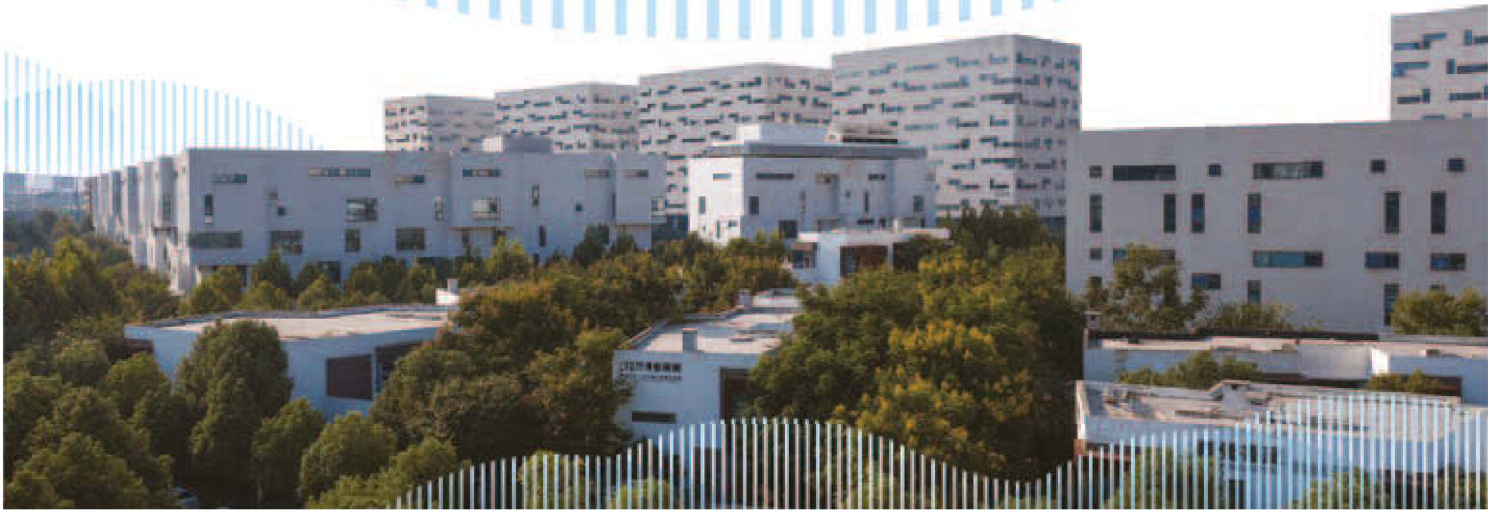
Wuhan CEC Information Harbour

The first Informatization + intellectualization industrial building project

Location:	Intersection of Wuhan Guanggu Avenue and Yangqiaohu Avenue
Scale:	Overall planned area of 50 mu, gross floor area of approximately 218,000 sq.m., divided into two land piece Huisheng and Minghong.
Project positioning:	To build an innovative base for network information industrial ecology. It is planned that, by 2030, the CEC Information Harbour will attract 50 enterprises, generating production value of RMB2 billion, tax of RMB0.1 billion and employment of 10,000. The building of CEC Information Harbour will become cradle for the development of emerging industries and a driving force for regional economic growth.
Details of the project:	Research and development, light asset production, incubators, offices, facilities for industrial park and relevant auxiliary facilities
Progress of the project:	The construction of two eight-storey research and development buildings in Minghong land commenced on 1 August 2021 and completed and accepted on 9 February 2023. The construction of three research and development buildings in Huisheng Land commenced on 1 August 2022. At present, the main structure of building A1, A2 and A3 basements have been completed, and the filing is planned to be completed by the end of December 2023.

China Electronics Smart Creation Center

Location	Jingdong Avenue, Yanglou Development Zone.
Scale	The total planning site is 1,000 mu, of which the pilot area of China Electronics Smart Creation Center project occupies 300 mu and the reserved control area is 700 mu. The premiere area occupies an area of 197,700 sq.m. The total construction area is about 210,800 sq.m.
Project positioning:	Relying on China Electronics' industrial resources and core information technology, the park will build industrial ecology with space as the carrier, focusing on strategic emerging industries such as network information industry, emerging information industry, energy- saving and environmental protection, medical equipment, new materials and high-end equipment manufacturing, combining personalized service solutions of big data technology, artificial intelligence technology and cloud service, and turning the park into a platform for digital manufacturing and industrial interconnection domestically and internationally with intelligent manufacturing as the core, thus promoting industrial gathering and industrial ecology construction and realizing deep integration of industry and city.
Details of the project:	presentation center, intelligent manufacturing factory, custom-made factory, research and development office buildings, smart apartments, service center and related commercial facilities.
Project status:	As of 31 December 2022, the construction area of 53,800 sq.m. of the China Electronics Smart Creation Center Phase I.I project has been delivered for operation and the construction project planning permit, building construction permit and completion and acceptance certificate have been obtained. Phase I.II project with a construction area of 41,200 sq.m. has been roof sealed and the construction project planning permit and building construction permit have been obtained, and land levelling of Phase II project has completed.



Wuhan Creative Capital

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

Erzhou Optics Valley Science and Technology Union City

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

Location:	Junction of Fazhan Avenue and Gaoxinsan No. 3 Road, Gedian Development Zone
Scale:	A planned site area of 2,000 mu and current site area of 775 mu
Details of the project:	Including separate/semi-detached R&D and production center, high-rise R&D and production/ office buildings, small-sized enterprise headquarters, and auxiliary facilities such as canteens, hotels, conference centers, properties and apartments
Target of the project:	Capitalizing the resource advantages of three parties, ie. Wubei Science and Technology Department, National-level Gedian Development Zone of Erzhou City and CEOVU, the project targets to build a scientific park focusing on industries such as optoelectronic information, new materials, smart manufacturing and biopharmaceuticals, and gathering mid to small scale enterprise with high growth potentials, so as to form a city-industry integrated demonstration base of national technology enterprise accelerator.
Progress of the project:	As of the end of December 2022, 401,600 sq.m. has been constructed on the site area of 775 mu, with more than 80 enterprise residents, which has preliminarily formed a comprehensive park integrating new industries such as optoelectronic information represented by Aroptics-tech, smart manufacturing represented by Focunergy Laser, new materials represented by Tuocai Technology, and biopharmaceuticals represented by Taike Biotechnology.

4. *Industrial Park Self-owned Property Leasing*

During the Reporting Period, the Group owned 699,000 sq.m. of leasable area of self-owned properties, which increased by 121,000 sq.m. as compared to last year. As at the end of the year, leased area amounted to 501,000 sq.m., with an occupancy rate of 71.6%, and the collection of rental payment was RMB214.8 million. High-quality self-owned properties enriched the ecological system of industrial parks, enhanced the dynamic of the parks, helped attract investment and improved the brand power of the Group. During the Reporting Period, an operating revenue of RMB193.8 million was recorded.

III. INDUSTRIAL INVESTMENT

The CEC & CICC (Xiamen) Intelligent Industry Equity Investment Fund Partnership (L.P.)* (中電中金（廈門）智能產業股權投資基金) ("**CEC & CICC**") and Lingdu Capital under CEOVU have established a number of industrial investment funds and completed equity investments for nearly 60 technology companies. The valuation of the invested companies has increased by more than RMB3.1 billion. The foundation for building an industrial ecology featuring IT application innovation and network security, integrated circuits, digital cities, smart manufacturing, cultural, creative and entertainment industry has initially taken shape.

During the "14th Five-Year Plan" period, CEOVU's industrial investment business will take the discovery of unicorn companies and gazelle companies as the main goal, strengthen collaboration with park businesses, and drive high-quality development of park businesses through industrial investment.

Lingdu Capital has invested in equity in the areas of digital city, smart manufacturing, IT application innovation, internet medical care, automotive electronics, cultural, creative and entertainment industries, and has gradually established a diversified corporate industrial ecosystem. The company seizes the general trend of industrial upgrading in the regional economy in China, cultivates innovative enterprises, and builds an innovative ecosystem. With a deep understanding of industrial ecology and industrial development, a set of methodology for growth and mergers and acquisitions from start-ups to listed companies has been established, and targeted industrial ecological construction plans have been designed to help local governments promote industrial upgrading and transformation. Lingdu Capital has gathered a group of domestic and overseas professionals with extensive experience in investment, technology, management, finance and law, and has completed investment and consulting services for more than 100 start-ups, growing companies and listed companies.

In 2022, based on the advantages of CEOVU's nationwide industrial parks, Lingdu Capital continued to promote the five-in-one industrial investment service model of "financing-carrierservice-resources-investment", focusing on digital city, smart manufacturing, network information and new materials, and added four new investment projects. It also innovatively developed the service model of "fund + park" based on the enterprise resources of the industrial parks and the needs of local governments, empowering industrial parks to attract investment, and has set up Xianyang Qinwei Fund (咸陽秦渭基金) and Shaanxi Yuanshang Zhigu Equity Investment Fund (陝西原上智谷股權投資基金), etc.

CEC & CICC fully grasps the trend of transformation in the emerging electronics industry, and leverages CEC's business advantages as a top electronic information technology company and the investment experience of CICC's professional investment team to make medium- and long-term investments in upstream and downstream related companies in the industry. It also promotes the company's sustainable development through multiple business cooperation with CEC.

CEC & CICC mainly invests in mature mid- and late-stage companies and a small number of start-up companies with strategic emerging technologies. The investment method is mainly lead investment supplemented by co-investment, and the exit method is mainly independent listing supplemented by mergers and acquisitions.

In 2022, there were 10 new investment projects including Luxvisions Innovation Technology Limited of Guangdong and X-EPIC Corporation Limited, with an additional investment of RMB469.9 million. In 2022, certain invested projects have achieved major progress: Sipai Health Technology Co., Ltd. was listed on the main board of the Hong Kong Stock Exchange on 23 December 2022; Goertek Microelectronics Inc. was accepted by the listing committee for an IPO on the ChiNext Board on 19 October 2022; Wafer Works (Shanghai) Co., Ltd. officially submitted its listing documents to the Shanghai Stock Exchange on 22 December 2022 and was accepted on 29 December 2022.

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

Full Name of Invested Companies	Intended total investment amount (RMB0'000)	Accumulated investment amount (RMB0'000)	Shareholdings
Wuhan Beisi Kai'er Information Technology Co., Ltd.	297.00	297.00	14.85%
Wuhan Ball Way Co., Ltd.	485.00	485.00	8.90%
Wuhan Dafeng Xiongdi Network Technology Co., Ltd.	582.00	582.00	7.70%
Wuhan Linptech Co., Ltd.	1,038.00	1,038.00	8.48%
Wuhan Dao Sen Media Co., Ltd.	1,980.00	1,980.00	5.43%
Hangzhou Samdi Science & Technology Co., Ltd.	594.00	594.00	19.80%
Shanghai Xiaozhuo Robot Co., Ltd.	396.00	396.00	9.28%
Wuhan Yiyantang Cultural Communication and Development Co., Ltd.	297.00	297.00	15.67%
Wuhan Hanxi Technology Co., Ltd.	500.00	500.00	9.50%
Shenzhen Haiyong High-tech Materials Technology Co., Ltd.	485.00	485.00	3.59%
Wuhan Juyuan Technology Co., Ltd.	700.00	700.00	7.00%
Total	16,967.89	16,967.89	

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

OUTLOOK OF 2023

Having been involved in the industry of industrial parks for nearly 20 years and being a professional industrial park development and operation group, CEOVU will again ride on the momentum of growth in 2023. The Group will stick to the national strategy of "innovation-driven, manufacturing power, quality power, cyber power, digital China and regional coordination (創新驅動、製造強國、質量強國、網絡強國、數字中國和區域協調)" and CEC's goal of building a core strategic technology force in the national network information industry, bear in mind the mission of "green development (綠色發展)", improve its understanding of the assertion of "building a modern industrial system, putting the focus of economic development on the real economy and promoting new industrialization (建設現代產業體系，堅持把發展經濟的著力點，放在實體經濟上，推進新型工業化)", explore the road of development of new industrialization under the business structure of "One Body, Two Wings (一體兩翼)" of park operation, park development and industrial investment, and contribute to the construction of the modern industrial system.

Writing a new chapter of "innovation-driven (創新驅動)", facilitating the growth of strategic emerging industries, and promoting industrial upgrade

The Group will actively respond to the national innovation-driven development strategy, continue to capitalize on the "OVU Maker Star (OVU創客星)" which serves as the "dual-innovation (雙創)" service carrier, strive to obtain more licenses from national-level technology business incubators and accelerators, increase the construction of dual-innovation space, continue to optimize industrial services based on the needs of enterprise development, gather innovative entrepreneurs and innovative forces, make the soil of innovation more fertile, facilitate the growth of strategic emerging industries, strengthen weak links in the industrial chain, promote the upgrade of traditional industries, and create an innovative ecosystem.

Providing new driving force for "manufacturing power (製造强國)", focusing on the key industrial chain of manufacturing industry and pursuing technological breakthroughs

The manufacturing industry is of critical importance for the development of real economy, and how to promote the transformation and upgrading of traditional manufacturing industry is an important mission for the development of industrial parks. In accordance with the national strategic plan of promoting new industrialization, the Group will give full play to the advantages of industrial resources and the experience of construction and operation of 88 industrial parks in 46 cities and, based on the methodology of "system planning (系統規劃)" and "integrated operation (綜合運營)", plan and build new industrial parks in a number of cities to promote digital upgrade, with special emphasis on promoting the high-quality development of new industrialization in the "county economy (縣域經濟)" and concentrating high-quality resources to promote the key and core technological breakthroughs, so as to open up a new path to realize the "manufacturing power (製造强國)".

Establishing a new model of "quality power (質量强國)" and enhancing brand influence

The Group will further enhance the business structure of "One Body, Two Wings (一體兩翼)" and its industry competitiveness, innovate business models, fully implement the corporate standards for low-carbon parks and digital parks, adhere to the ecological priority and low-carbon development route, actively respond to the goal of "achieving peak carbon by 2030 and carbon neutrality by 2060 (3060雙碳目標)", build low-carbon parks with low-carbon planning, low-carbon construction and low-carbon operation by relying on its integrated energy service company, CEC Energy Conservation, establish new industrial landmarks, achieve the goal of "seeking definitive and sustainable growth with sophisticated development ideas in an uncertain market environment", so as to establish a new model for the high-quality development of CEOVU.

Building a new ecosystem of "cyber power (網絡强國)", gathering network information resources, and creating special network information ecological clusters

As a member of CEC, the Group implements national strategies and serves the industry and society with an unwavering mission. With business presence across the country based on the network information industry chain, the Group gives full play to the advantages of the national industry resource sharing platform and gathers the ecological resources of the network information industry, and has explored a new model which enables integration between industry and education in view of the shortage of application-oriented talents in the network information industry, based on the self-operated National Network Security Talents and Innovation Base (Wuhan), through the network security talent training of central enterprise. In 2023, we will steadfastly adhere to "CEC's goal of building a core strategic technology force in the national network information industry", keep in mind the mission of CEOVU to build an "industrial resource sharing platform", capitalize on the industrial resources in the electronic information sector of China, give full play to CEOVU's unique advantages, build a batch of new network information industry innovation centers based on the PKS ecosystem, create a network information ecological cluster with CEOVU characteristics, and facilitate the high-quality development of local economies through cross-regional ecological and resource integration.

Fostering the growth of "digital China (數字中國)" and accelerating the digital transformation of traditional industries and small and medium sized enterprises

Digital economy is the most contemporary industry. With its best efforts, the Group has built OVU Industry Cloud (OVU 產業雲), which is important for the development of digital economy and provides digitalized full-stack solutions for local governments and platform companies. In 2023, the Group will further accelerate digital construction, promote the integration of reality and digital world, drive the change of business model by digitization, capitalize on the "industrial cloud (產業雲)" and "low-carbon cloud (低碳雲)" to release the amplification, superposition and multiplication effects of digitization on the high-quality corporate development, implement low-carbon standards for the construction of industrial parks, build a cluster of digital industrial parks with industry competitiveness and influence, become the constructor, operator and leader of digital park platform, and promote the rapid development of digital China.

Achieving new results of "regional coordination (區域協調)" and creating synergy to promote high-quality development

Industrial parks have become the main carrier and engine of high-quality regional economic development. Under the new development paradigm "with domestic circulation as the mainstay and domestic and international circulations reinforcing each other", the Group will transfer the resources from developed regions to less developed regions and solve the difficult problem of unbalanced regional development through transferring manufacturing industries from the "Yangtze River Delta" and "Guangdong-Hong Kong-Macao Greater Bay Area" to the central part of the country. At the same time, the Group will further promote cross-regional collaborative investment attraction and industrial cooperation, improve the efficiency of industrial organization, build and operate high-quality industrial carriers with the "P+EPC+O" integrated full-life cycle operation service model, create super industrial ecology, cultivate the vitality of urban innovation, highlight the new achievements of coordinated regional development, and create synergy to promote high-quality development.

Financial Review

Revenue

The revenue of the Group is generated from the income from industrial park development services and industrial park operation services. During 2022, the revenue of the Group was RMB5,523.2 million, which increased by 21.9% as compared to RMB4,530.6 million for the same period of 2021.

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

	Year ended 31 December			
	2022		2021	
	Revenue (RMB'000)	**% of total**	Revenue (RMB'000)	% of total
Industrial park operation services	**2,814,836**	**51%**	1,927,967	43%
Design and construction services	**1,316,627**	**24%**	726,704	16%
Property management services	**830,902**	**15%**	759,455	17%
Energy services	**176,255**	**3%**	120,298	3%
Group catering and hotel services	**126,363**	**2%**	104,501	2%
Sub-leasing services	**77,228**	**1%**	69,241	2%
Others	**287,461**	**5%**	147,768	3%
Industrial park development services	**2,708,368**	**49%**	2,602,601	57%
Sales of industrial parks	**2,514,577**	**46%**	2,381,111	53%
Self-owned park leasing	**193,791**	**4%**	221,490	5%
Total	**5,523,204**	**100%**	4,530,568	100%

Industrial Park Development Services

In 2022, the revenue from industrial park development services was RMB2,708.4 million, representing an increase of 4.1% as compared to that of last year and accounting for 49.0% of total revenue.

Industrial Park Operation Services

In 2022, the Group provided integrated operation services, such as design and construction services, property management services, sub-leasing services, energy services, and other services, for key projects of local government platform companies and large enterprises, and offered a variety of one-stop industrial park operation services to enterprises stationed in our industrial parks. The revenue of the industrial park operation services of the Group reached RMB2,814.8 million, representing an increase of 46.0% as compared to the same period of 2021, among which, revenue from design and construction services reached RMB1,316.6 million, revenue from property management services reached RMB830.9 million, revenue from sub-leasing services reached RMB77.2 million and revenue from regional energy services reached RMB176.3 million, revenue from group catering and hotel services reached RMB126.4 million, and revenue from industrial park financial services and other services reached RMB287.5 million.

In terms of composition, during the Reporting Period, revenue from park operation services accounted for 51.0%. In terms of business type of operation services, the income from design and construction services, property management services and energy services accounted for 82.6% of the income from industrial park operation services, and is the major source of income of industrial park operation services currently.

COST OF SALES

Overview

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

During 2022, cost of sales of the Group was RMB3,963.4 million, which increased by RMB730.8 million as compared to the same period of 2021. For the years ended 31 December 2022 and 2021, cost of sales of the Group accounted for approximately 71.8% and 71.4% of the Group's revenue, respectively.

Cost of Sales of Industrial Parks

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

During 2022, the cost of properties sold by the Group was RMB1,505.0 million, which decreased by RMB51.4 million as compared to the same period of 2021. For the years ended 31 December 2022, cost of properties sold of the Group accounted for 38.0% of its total cost of sales.

Gross Profit and Gross Profit Margin

As a result of the foregoing, during 2022, overall gross profit of the Group was RMB1,559.8 million, which increased by RMB261.8 million as compared to the same period of 2021. The overall gross profit margin for 2022 was 28.2%, which was basically unchanged from that of last year.

Other Income and Gains/(Losses) – Net

During 2022, other income and gains, net of the Group was RMB215.8 million, representing a decrease of RMB269.5 million as compared to the same period of 2021, primarily due to the absence of the following factor for the current period: the transfer of Shenzhen Huada Beidou Technology Company Limited* (深圳華大北斗科技有限公司) from investment in associates to financial assets at fair value through profit or loss in 2021, which resulted in the recognition of investment gains of RMB276.7 million for the previous year.

Selling and Distribution Expenses

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

During 2022, selling and distribution expenses of the Group was RMB171.6 million, which increased by RMB42.0 million as compared to the same period of 2021. For the year ended 31 December 2022, selling and distribution expenses of the Group accounted for 3.1% of the Group's revenue, which was at the similar level as the previous year.

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 2022, administrative expenses of the Group was RMB432.0 million, which decreased by RMB18.1 million as compared to the same period of 2021. For the year ended 31 December 2022, the administrative expenses of the Group accounted for 7.8% of the Group's revenue, representing a decrease of 2.1% as compared to the same period of last year.

Fair Value Gains on Investment Properties

During 2022, gains from changes in fair value on the Group's investment properties were RMB265.8 million, which increased by RMB214.7 million as compared to the same period of 2021, primarily attributable to the addition of 155,000 sq.m. of investment properties of projects in Xianyang Western Zhigu* (咸陽西部智谷) and Changsha China Electronics Smart Creation Park* (長沙中電智造園) during the current period.

Finance Income

During 2022, finance income of the Group was RMB53.7 million, which decreased by RMB23.8 million as compared to the same period of 2021.

Finance Costs

During 2022, finance costs of the Group was RMB290.7 million, which increased by RMB19.6 million as compared to the same period of 2021, primarily due to an increase in interest-bearing liabilities during the current year.

Share of Losses of Associates

During 2022, the losses of associates shared by the Group were RMB81.1 million, mainly comprising the recognition of investment losses of China Electronics Industrial City Development (Shenzhen) Co., Ltd.* (中電產城發展（深圳）有限公司) and Hainan Resort Software Community Group Co., Ltd.* (海南生態軟件園集團有限公司) using the equity method for the current year, which represented a decrease of RMB157.3 million as compared to that of the same period of 2021.

Share of Losses of Joint Ventures

In 2022, the Group had a share of losses of joint ventures of RMB25.3 million, mainly comprising the recognition of losses from Ningbo Excellence Optics Valley Real Estate Co., Ltd.* (寧波卓越光谷置業有限公司) under the equity method for the current year.

Income Tax Expense

During 2022, the Group's income tax expense was RMB468.6 million, representing a decrease of RMB3.7 million over the same period of 2021. The effective tax rates of the Group were 47.3% and 43.5% in 2022 and 2021, respectively.

Profit Attributable to Owners of the Company and Core Net Profit

As a result of the foregoing, the profit attributable to owners of the Company for the year was RMB536.1 million, representing a decrease of RMB104.1 million over the same period of 2021. After deducting the after-tax fair value changes from the investment properties of RMB199.3 million, the core net profit attributable to owners of the Company was RMB336.7 million.

Basic Earnings Per Share

The basic earnings per share were RMB7.08 cents in 2022 and RMB8.45 cents in 2021.

FINANCIAL POSITION

Properties under Development

As at 31 December 2022, the carrying amount of the Group's properties under development was RMB3,115.1 million, which decreased by RMB789.5 million as compared to that as at 31 December 2021, mainly due to the fact that completed area of projects under construction was greater than the area under construction of new projects in the current year.

Completed Properties Held for Sale

As at 31 December 2022, the carrying amount of completed properties held for sale of the Group was RMB3,481.9 million, which increased by RMB774.6 million as compared to that as at 31 December 2021, mainly due to the fact that the completed property area was larger than the property area carried forward for sale in the current year.

Trade and Other Receivables

As at 31 December 2022, the Group's trade and other receivables were RMB2,995.8 million, which increased by RMB639.1 million as compared to that as at 31 December 2021 and accounted for 13.3% of the total assets, representing an increase of 2.3% as compared to that of last year.

Trade and other Payables

As at 31 December 2022, the Group's trade and other payables were RMB3,346.1 million, which decreased by RMB1,186.2 million as compared to that as at 31 December 2021.

Liquidity, Financial Resources and Capital Resources

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

In 2022, the Group's net cash outflow from financing activities was RMB77.3 million, which was mainly from the proceeds from the Company's issuance of syndicated loans in Hong Kong market, of which the cash outflow comprises the repayment of bank borrowings, other borrowings, as well as the payment of interests and dividends.

As at 31 December 2022, the authorized capital of the Company was HK$1,000.0 million divided into 10,000,000,000 shares of HK$0.10 each. Movements of the Company's ordinary shares are set out in note 30 to the consolidated financial results of the Group.

KEY FINANCIAL RATIOS

Current Ratio

The current ratio of the Group (being total current assets divided by total current liabilities) increased from 1.35 as at 31 December 2021 to 1.42 as at 31 December 2022, which was primarily due to the increase in the completed properties held for sale of the Group in 2022 as compared to the previous year.

Net Gearing Ratio

The net gearing ratio of the Group (being the rate of interest-bearing debt less total cash to the sum of total equity and net interest-bearing debt, and multiplied by 100%) increased from 27.2% as at 31 December 2021 to 35.0% as at 31 December 2022. The ratio is still within the range of controllable risk.

Indebtedness

As at 31 December 2022, the Group's total outstanding indebtedness was RMB7,068.3 million.

As at 31 December 2022, the Group's unutilized banking facilities amounted to RMB2,843.4 million.

Contingent Liabilities

The Group provides guarantees for its customers' mortgage loans with PRC banks to facilitate their purchases of the Group's pre-sold properties. As at 31 December 2021 and 31 December 2022, the outstanding guarantees for mortgage loans granted to customers of its pre-sold properties were approximately RMB463.4 million and RMB939.8 million, respectively. The Group is comprehensively sorting out its contingent liabilities and urging customers in an orderly manner to apply for property certificates, in order to release its mortgage guarantee risks in time.

Net Current Assets

Current assets of the Group consist primarily of properties under development, completed properties held for sale, trade and other receivables, inventories and contracted work-in progress, short-term deposits with original maturities over three months, restricted assets and cash and cash equivalents. Total current assets of the Group were RMB12,364.2 million as at 31 December 2022, as compared to RMB12,320.9 million as at 31 December 2021. Our current assets remain stable. As at 31 December 2021 and 31 December 2022, aggregate cash and cash equivalents of the Group amounted to RMB2,155.1 million and RMB2,254.2 million, respectively, representing an increase of RMB99.1 million as compared to that of last year, mainly due to the increase of cash flow in the operating activities of the Group.

Current liabilities of the Group consist primarily of trade and other payables, loans and borrowings, the current portion of deferred income and current tax liabilities. Trade and other payables mainly represent costs related to its development activities. Total current liabilities of the Group were RMB8,680.8 million as at 31 December 2022, as compared to RMB9,128.0 million as at 31 December 2021.

As at 31 December 2022, the Group had net current assets of RMB3,683.5 million as compared to RMB3,192.8 million as at 31 December 2021.

Capital Expenditures and Capital Commitments

Capital expenditure of the Group increased by RMB47.4 million from RMB47.7 million in 2021 to RMB95.1 million in 2022. Capital expenditures of the Group were primarily related to expenditure for purchases of property, plant and equipment and purchases of intangible assets. The Group primarily financed its expenditures through internally generated cash flows, being primarily cash generated through pre-sale and sale of its properties and cash from bank loans and other borrowings.

As at 31 December 2021 and 31 December 2022, the Group's outstanding balances of its commitments related to property development expenditure and investment were RMB885.7 million and RMB857.0 million, respectively.

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

The Group invests in certain financial instruments (including short-term and long-term investments). As of 31 December 2022, the total financial assets at fair value through profit and loss were approximately RMB732.0 million (31 December 2021: approximately RMB888.2 million). As of 31 December 2022, the Group did not have any individual major investments with fair value accounting for 5% or more of the Group's total assets.

Material Acquisitions

For the year ended 31 December 2022, the Group did not have any material acquisition of subsidiaries, associates and joint ventures.

Material Disposals

For the year ended 31 December 2022, the Group did not have any material disposals of subsidiaries, associates and joint ventures.

Significant Events After the End of the Year

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

Employees

As at 31 December 2022, the Group had 8,207 full-time employees. The employment cost of the Group was approximately RMB825.6 million for the year ended 31 December 2022. The Group entered into employment contracts with its employees to cover matters such as position, terms of employment, wages, employee benefits and liabilities for breach and grounds for termination. The remuneration package of the employees includes basic salaries, allowances, bonuses and other employee benefits. The Group has implemented measures for assessing employees' performance and promotion and a system of employee compensation and benefits.

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

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

Pledged Assets

As at 31 December 2022, the Group had pledged certain of its assets with a total net book value of RMB5,248.6 million for the purpose of securing outstanding bank borrowings, such assets included investment properties, properties under development for sale, completed properties held for sale and property, plant and equipment and restricted cash.

Market Risks

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

Liquidity Risk

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

Interest Rate Risk

The Group is exposed to interest rate risks, primarily relating to its bank loans and other borrowings, which had an outstanding amount of RMB7,068.3 million as at 31 December 2022. The Group undertakes debt obligations to support its property development and general working capital needs. The interest rate of interest-bearing liabilities has dropped from 5.1% in 2021 to 4.8% in 2022, and the cost of interest rates has been further effectively controlled.

Foreign Exchange Risk

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

Credit Risk

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

EVENT AFTER BALANCE SHEET DATE

For the major events that occurred after the balance sheet date, please refer to note 38 to the Consolidated Financial Statements on page 237.

Investor Relations

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

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

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

The following sets forth the profile of the Directors and senior management of the Company as at the Latest Practicable Date:

NON-EXECUTIVE DIRECTORS

Mr. Liu Guilin (劉桂林), aged 51, was appointed as a non-executive Director and the chairman of the Company on 26 November 2020, and was appointed the chairman of the nomination committee of the Company on 22 December 2020. Mr. Liu graduated from Peking University with an Executive Master of Business Administration. Mr. Liu was previously a cadre, deputy director of manager's office, manager of Tianjin company, assistant-to-manger and manager of Tianjin company, assistant-to-manger and manager of Qinhuangdao company, deputy general manager and a member of the Party Committee of Shanxi Coal Imp. & Exp. Group Co., Ltd.* (山西煤炭進出口集團公司), the vice-chairman of the board, a member of the Party Committee and the general manager of Shanxi Commerce and Assets Company* (山西省經貿資產經營公司), the vice-chairman of the board, a member of the Party Committee and the general manager of Shanxi Commerce and Investment Holding Group Co., Ltd* (山西省經貿投資控股集團有限公司), secretary of committee of China Ruida System Equipment Company* (中國瑞達系統裝備公司), the Secretary of the Party Committee, the Secretary of the Party Committee and the vice general manager of China Ruida Investment Development Group Co., Ltd* (中國瑞達投資發展集團有限公司), the Director of Party and Masses' Affairs Department (Party Group Office), director of the General Office and Director of Party Building Department (Party Group Office) of China Electronics* (中國電子), and the chairman of the board and the Secretary of the Party Committee of China Electronics International Information Service Co., Ltd.* (中國中電國際信息服務有限公司).

Mr. Liu currently holds a number of positions within the group of China Electronics* (中國電子), including the Secretary of the Party Committee of China Electronics Financial Co., Ltd.* (中國電子財務有限責任公司). Mr. Liu is also the chairman of the board of directors of Shenzhen SED Industry Co., Ltd.* (深圳市桑達實業股份有限公司) (a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000032)).

Mr. Xiang Qunxiong (向群雄), aged 58, was appointed as a non-executive Director, a member of the audit committee on 26 November 2020 and was appointed as a member of the remuneration committee of the Company on 8 September 2021. Mr. Xiang is currently the chairman of the board and the Secretary of the Party Committee of China Electronics Shenzhen* (深圳中電投資) (an indirect subsidiary of CEC). Mr. Xiang previously held various positions in Shenzhen CEC including the legal consultant, the deputy director-in-charge of the legal affairs department, the head of the general manager's office, the head of legal affairs department, a director, a supervisor and the vice general manager. Mr. Xiang also held various positions in CEIS, including the director of the office of directors and supervisors, the secretary to the board of directors and the principal legal consultant. Mr. Xiang had been a non-executive director from December 2016 to May 2020.

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

Mr. Zhang Jie (張傑), aged 53, is a non-executive Director appointed on 12 June 2014. Mr. Zhang has over 24 years of experience in real estate management. Mr. Zhang is currently the vice general manager of the pension and property centre of Sunshine Insurance Group Corporation Limited* (陽光保險集團股份有限公司), a shareholder of the Company, the chairman of Beijing Sunshine Ronghe Property Company Limited* (北京陽光融和置業有限公司), and the director and general manager of Hainan Sunshine Yihe Development Company Limited* (海南陽光頤和發展有限公司) and Hainan Sunshine Xinhai Development Company Limited* (海南陽光鑫海發展有限公司), both being subsidiaries of Sunshine Insurance Group Corporation Limited. Mr. Zhang worked with COFCO Corporation (中糧集團有限公司) from August 1993 to November 2011, during which he served as the assistant manager of three departments at COFCO Property Development Company Limited* (中糧置業發展有限公司), namely the management department, the technology and equipment department and the director of engineering, assistant to the president and subsequently vice president of Sanya Yalong Development Company Limited* (三亞亞龍灣開發股份有限公司). Mr. Zhang served as the general manager of the property construction and operation centre of Sunshine Insurance Group Corporation Limited*. He was a committee member of the Sanya Municipal Committee of the Fifth Chinese People's Political Consultative Conference from January 2007 to January 2012, a member of the Standing Committee of the Sanya Municipal Committee of the Sixth Chinese People's Political Consultative Conference from January 2012 to January 2017, and a committee member of the Sanya Municipal Committee of the Seventh Chinese People's Political Consultative Conference from January 2017 to January 2022. Mr. Zhang has also been the vice president of the Sanya Real Estate Association since 2002.

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

Ms. Sun Ying (孫穎), aged 40, is a non-executive Director appointed on 22 March 2018. Ms. Sun is currently the deputy general manager (副總經理) of Hubei Science & Technology Investment, a shareholder of the Company. Ms. Sun previously worked at the deputy division level (副科級) and division level (正科級) of Wuhan East Lake High-tech Development Zone Development and Reform Bureau* (武漢東湖新技術開發區發展改革局) from April 2010 to September 2016. Ms. Sun is a member of China Zhi Gong Party* (致公黨黨員). Ms. Sun graduated from University of Freiburg (Albert-Ludwigs-Universitat Freiburg im Breisgau) in 2009 with a master's degree in national economics and from Huazhong University of Science and Technology (華中科技大學) in 2015 with a doctor's degree in western economics.

Mr. Hu Bin (胡斌), aged 54, was re-designated as from an executive Director to a non-executive Director and ceased to act as the executive president with effect from 8 September 2021. He is currently a chairman of Tianjin China Electronics Optics Valley Development Co., Ltd.* (天津中電光谷發展有限公司). Mr. Hu joined the Company in 1997 and was appointed as a Director on 6 March 2014. He is responsible for assisting the president of the Group on the overall business operation and management. He has been a vice general manager of OVU since 1997 and a director of Wuhan OVU since July 2005 (including serving as a vice chairman since May 2011). Mr. Hu has 23 years of experience in business management. Mr. Hu graduated from Hubei University of Economics (湖北經濟學院) (formerly known as Hubei Planning and Management Cadres College (湖北省計劃管理幹部學院)) in the bachelor's program of national economic management and from South-Central University for Nationalities (中南民族大學) in the master's program of China's ethnic economy in June 2003. He obtained the qualification as a senior economist in real estate. Mr. Hu was awarded One of the China Real Estate Top 100* (中國房地產百傑) in 2006 and Medal of May Day Honorable Workers in Wuhan* (武漢五一勞動獎章) in April 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Min (齊民), aged 72, is an independent non-executive Director appointed on 28 March 2014. Mr. Qi is currently a member of the remuneration committee, the audit committee and the nomination committee. Mr. Qi previously worked in Hubei Provincial Bureau of Statistics, general office, research office of Hubei Provincial Government, and served as a director of fiscal office of CPC Hubei Province. He served as a director and a vice general manager of Hubei Qingjiang Hydroelectric Development Co., Ltd.* (湖北清江水電開發有限責任公司), a director and the vice general manager of Wuhan Hi-Tech Holding Group Co., Ltd.* (武漢高科國有控股集團有限公司), the chairman of board of directors of Wuhan Sante Cableway Group Co., Ltd.* (武漢三特索道集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Shenzhen stock code: 002159) and a director of Hubei Taizi Mountain Hunting Culture Co., Ltd* (湖北太子山狩獵文化股份有限公司) (NEEQ: 870746). He was formerly a part-time professor of Huazhong University of Science and Technology* (華中科技大學) (formerly known as Huazhong Univesity of Science* (華中理工大學)). Mr. Qi is also the vice president of Hubei Association of Economics, and a supervisor of Humanwell Healthcare Group Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock code: 600079). Mr. Qi obtained his bachelor's degree in economics from Wuhan University (武漢大學) in August 1982 and obtained his doctor's degree in economics from Huazhong University of Science and Technology (華中科技大學) in June 2002. He was granted the qualification as a senior economist. Mr. Qi was granted the award China's Outstanding Entrepreneur in Technology Companies in November 2002.

Mr. Qiu Hongsheng (邱洪生) (former name: Qiu Hongbin (邱洪賓)), aged 58, is an independent non-executive Director appointed on 10 March 2020. Mr. Qiu is currently the chairman of the audit committee and a member of the nomination committee. Mr. Qiu is an executive director and the general manager of China Consultants of Advisory and Finance Management Co., Ltd (中華財務諮詢有限公司) and a visiting professor of Tianjin University of Finance and Economics (天津財經大學). Mr. Qiu worked in 710 Research Institute of the Ministry of Aerospace Industry of China as an economic analyst for a number of years. Mr. Qiu joined China Consultants of Advisory and Finance Management Co., Ltd, a company directly managed by the Ministry of Finance of the PRC, in 1994 and focuses on management consulting and corporation restructuring transactions. Mr. Qiu possesses a wealth of professional knowledge and practical experiences in corporate finance, mergers and acquisitions, pricing, strategic integration, meticulous management, etc. Mr. Qiu is currently an independent non-executive director of CE Huada Technology (a company listed on the Stock Exchange with stock code: 00085), an independent director of Valiant Co., Ltd. (中節能萬潤股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 002643), China Greatwall Technology Group CO.,LTD. (a company listed on the Shenzhen Stock Exchange with stock code 000066) and an independent director of GRINM Semiconductor Materials Co., Ltd.* (有研半導體矽材料股份公司) (a company listed on the STAR Market of the Shanghai Stock Exchange with stock code 688432). Mr. Qiu resigned as an independent director of Wuhan Dameng Database Co., Ltd. (武漢達夢數據庫股份有限公司) in February 2022. Mr. Qiu graduated from the Harbin Institute of Technology (哈爾濱工業大學) with a bachelor's degree in automation control and a master's degree in systems analysis. He is a Certified Public Valuer in the PRC, an International Certified Senior Corporate Risk Manager, a Certified M&A Dealmaker in China, a senior economist and a fund management intermediary.

Mr. Qi Liang (齊良), aged 61, was appointed as an independent non-executive Director and the chairman of the Remuneration Committee on 1 August 2022. Mr. Qi had previously held various positions in China Merchants Bank Beijing Branch, including the Office Deputy Director and the Branch President. He had been the Assistant to the President, and the General Manager of the Finance Department of China Aerospace International Holdings Limited (中國航天國際控股有限公司). He was the Deputy Chief Accountant and the Deputy Officer of Science Committee of China Satellite Communications Company Limited (中國衛通集團股份有限公司), and was a director of APT Satellite Communications (Shenzhen) Company Limited (亞太衛星寬帶通信 (深圳)有限公司). Mr. Qi was an executive director and the Vice President of APT Satellite Holdings Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 1045), from June 2008 to March 2022. Mr. Qi obtained a Bachelor of Economics from the Capital University of Economics and Business (首都經貿大學) with in 1986, and further graduated from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) in 1998. He has been accredited as a senior economist (高級經濟師).

EXECUTIVE DIRECTOR

Mr. Huang Liping (黃立平), aged 61, is an executive Director and the president of the Company. Mr. Huang founded Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司) in 2005 with its principal activities of industrial park development and operation. As the chairman and the president, he has changed the name of the listed company to "CEOVU" after leading the listing of Wuhan Optics Valley Union Group Company Limited on the Stock Exchange and introducing China Electronics Corporation Limited* (中國電子信息產業集團有限公司) as the largest shareholder of the listed company. In 2018, Mr. Huang proposed a development strategy of "Industrial Resource Sharing Platform" so as to promote the upgrade of industrial park digitalization by fully implementing the "System Planning Methodology", the "Comprehensive Operation Methodology" and the "Responsive Customization Methodology" for the industrial parks, thereby constructing a business system with industrial park operation as the main body and industrial park development and industrial investment as the two wings.

Mr. Huang has over 27 years of experience in business management. He was one of the founders of Hongtao K Group Company Limited* (紅桃開集團股份有限公司) and served as the vice chairman and an executive director. He also served as the chairman of Wuhan East Lake High Technology* (武漢東湖高新集團有限公司), a public company listed on the Shanghai Stock Exchange (Shanghai Stock Code: 600133), and successively founded high-tech enterprises such as "Kenuo Biotechnology" and "Chopper Biology". Mr. Huang established the first nationally recognized enterprise technology centers; led the development of the earliest themed industrial park which is International Enterprise Center in China; founded Wuhan CEC Energy Conservation Co., Ltd.* (武漢中電節能有限公司) to create a commercial model of regional cooling and heating supply; founded a joint art museum to build a cultural and creative industry service platform integrated with art and design as well as culture and technology.

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

SENIOR MANAGEMENT

Mr. He Haihua (賀海華), aged 60, is the vice president of the Company. Mr. He joined the Company in September 2016 and serves as the head of the Bazhou project working team. He is responsible for the management of the Group's cross-regional collaborative investment promotion. Mr. He graduated from the School of Economics and Management of Tsinghua University with a master's degree in business administration. He has held the positions of the director of Planning Department and secretary of the Discipline Inspection Committee of the Sixth Research Institute of Electronics Department (the Sixth Electronics Research Institute of the Ministry of Information Industry), the deputy director of the central research institute of Rainbow Group, the general manager of Hua Ke High Technology Company Limited, the general manager of Hua Bei Computer System Engineering Research Institute and the deputy general manager of CE Huada Technology and the general manager of CEC Technology.

Mr. Wang Yuancheng (王元成), aged 58, is the vice president of the Company. Mr. Wang joined the Company in 1996 and serves as the co-president of Wuhan Optics Valley Union, the general manager of Qingdao OVU and the chairman of Hefei OVU, Wuhan Lidao Technology and Hubei Qianbao Design Engineering Co., Ltd. * (湖北千寶設計工程有限公司). He is responsible for the management of Yantai working team. He served as the manager of comprehensive technique department of OVU from 1996 to 2000, the general manager of Wuhan Lidao Technology from 2000 to 2010 and has been the director of Wuhan Lidao Technology since 2000. Mr. Wang received his college diploma in municipal construction engineering from Jianghan University (江漢大學) in August 1986 and obtained his master's degree in business administration from the University of Northern Virginia in July 2008. He is qualified as an engineer. Mr. Wang was awarded the Excellent Enterprise Manager in Wuhan district.

Mr. Chen Tongju (陳同舉), aged 57, is the vice president of the Company and the general manager of human resources centre, office director of the performance and remuneration committee of the Company. He is also the chairman of Wuhan Lidao Property Management, Zhongdian (Wuhan) Network Security Base Operation Co., Ltd.,* (中電(武漢)網安基地運營有 限公司), Wuhan Quanpai Catering Management Co., Ltd., Shenzhen Lanyu Intelligent Technology Company Limited* (深圳藍域智能科技有限公司), and Wuhan Chuwei Defense Security Service Co., Ltd.* (武漢楚衛防線保安服務有限公司). He is responsible for the management of Teams 1, 2 and 3 of Industrial Ecology Research Institute, the strategic cooperation department, China Electronics Optics Valley (Xiangyang) Industrial Operation Service Co., Ltd.* (中電光谷(襄陽)產業運營服務有限公司), Baoding China Electronics Optics Valley Industrial Operation Co., Ltd.* (保定中電光谷產業運營有限公司), China Electronics (Wuhan) Internet Security Education Technology Co., Ltd.* (中電(武漢)網安教育科技有限公司), Wuhan Ziyuan Hotel Management Limited (武漢紫緣酒店管理有限 公司). Mr. Chen joined the Company in 1996. He served as a director and supervisor of OVU from 1996 to 2011 and has been an executive director of Wuhan Lidao Property Management and Wuhan Quanpai Catering Management Limited* (武漢全派餐飲管理有限公司), and an executive director and a general manager of Wuhan Ziyuan Hotel Management. Mr. Chen received his bachelor's degree in law from Zhongnan University of Economics and Law (中南財經政法大學) (formerly known as Zhongnan University of Economics (中南財經大學)) in July 1987 and his master's degree in western philosophy from Wuhan University (武漢大學) in July 1993. Mr. Chen was elected as the chairman of Hongshan Area Property Management Association and the vice chairman of Wuhan City Property Management Association in February 2006. Mr. Chen is qualified as a lecturer by Wuhan University and was awarded the Top Ten Talents in Brand Building* (創名牌十大優秀人物) in Wuhan, the Best Leader* (最佳領導人) in property management in Wuhan and the honour of China Property Management Outstanding Contribution Entrepreneurs* (中國物業管理傑出貢獻企業家).

Mr. Yu Xuewen (余學文), aged 53, is the assistant president of the Company and the president of the Northern region. Mr. Yu also serves as the chairman of Western Zhigu, Xianyang China Electronics Optics Valley Biological Industry Development Co., Ltd.* (咸陽中電光谷生物產業發展有限公司), Nantong Optics Valley Smart Manufacturing Company Limited* (南通光谷智能製造有限公司), the chairman of Shenyang OVU, the chairman and general management of Luoyang China Electronics Optics Valley Information Harbour Co., Ltd.* (洛陽中電光谷信息港實業有限公司), Handan China Electronics Optics Valley Smart Creation Park Development Co., Ltd.* (邯鄲中電光谷智造園發展有限公司), the chairman and general manager of Wuhan China Electronics Optics Valley Industrial Park Development Co., Ltd.* (武漢中電光谷產業園發展有限公司) and the lead of work team of Luoyang Biolake* (洛陽生物城). Mr. Yu was the technology manager of Wuhan OVU from September 2010 to February 2012, the executive manager of the project department of Biolake from February 2012 to February 2013 and the executive general manager of projects of the Group from February 2013 to June 2014. Before joining the Group, Mr. Yu served as the deputy director of production division of Wuhan Mayinglong Pharmaceutical Co., Ltd.* (武漢馬應龍藥業股份有限公司), and the head of the Engineering Department of Wuhan Hongtaokai Pharmaceutical Co., Ltd.* (武漢紅桃開藥業股份有限公司). Mr. Yu obtained a bachelor's degree in mechanical manufacturing technology and equipment from Hubei Technology Institute (湖北工學院) in 1992.

Mr. Yin Bitao (尹碧濤), aged 42, is the assistant president of the Company the general manager of the planning the development center, office director of project planning auditing committee. He is also the chairman and general manager of China Electronics Optics Valley Architecture Design Institute* (中電光谷建築設計院), the chairman of Wuhan Jitian Construction Engineering Company Limited, Wuhan Digital Industrial Park Development Co. Ltd. and the chairman of Yichang CEOVU Industrial Park Development Co., Ltd. * (宜昌中電光谷產業園發展有限公司) and is also responsible for the management of the digital park business department and the park operation department. Mr. Yin was the head of the Development Center of Wuhan OVU from May 2010 to August 2013. From September 2013 to February 2017, he served as the director of engineering and the director of operations of Hefei OVU; he has served as general manager of Planning and Development Center of Wuhan OVU, general manager of China Electronics Optics Valley Architecture Design Institute, and vice president of China Electronics Optics Valley Industry Research Institute since February 2017. Mr. Yin obtained his undergraduate diploma and bachelor's degree in engineering management from Huazhong University of Science and Technology in July 2004. In December 2006, he obtained a master's degree in technical economics and management from Huazhong University of Science and Technology.

Mr. Li Minghui (李明輝), aged 37, is the assistant president of the Company, the president of the Southern region and the general manager of industry cooperation center. Mr. Li also serves as the chairman and general manager of Changsha CEC; the chairman of Fujian CEOVU Technology and Innovation Industry Development Co., Ltd.* (福建中電光谷科創產業發展有限公司) and the chairman of Chongqing China Electricity Optical Valley Technology City Development Co., Ltd.* (重慶中電光谷科技城開發有限公司). He is also responsible for the management of Wuhan CEC Information Harbour, Changsha CEOVU Smart Industrial Park Development Co., Ltd.* (長沙中電光谷智慧產業園發展有限公司), Guizhou Guian New District Optics Valley Data Industry Development Co., Ltd.* (貴州貴安新區光谷數據產業發展有限公司),Chongqing CEOVU Technology Industrial Development Co., Ltd.* (重慶中電光谷科技產業發展有限公司), Chongqing Optic Valley United Technology Development Co., Ltd.* (重慶光谷聯合科技發 展有限公司), Chenzhou Advanced Smart Manufacturing Industrial Park Development Co., Ltd.* (郴州先進智造產業園發展有限公司) and Shenzhen i-Valley. Mr. Li joined the Company in 2012 and led the industry cooperation center to work in the development and operation of the themed business parks for a long time. He has extensive experience and resources in the fields of urban economic industry research, regional city-industry development planning, park development and operation, and served as Secretary General and Legal Representative of Chongqing College Town Industrial Technology Innovation Strategic Alliance. Mr. Li obtained his bachelor's degree in engineering from Huazhong University of Science and Technology in June 2008.

Ms. Huang Min (黃敏), aged 48, is the assistant president of the Company, and the office director of the Group, the office director of project development and management office and the chairman of Mianyang CEOVU Technology Development Co., Ltd.* (綿陽中電光谷科技發展有限公司), and is responsible for the management of project management center and digitalization center. Ms. Huang joined the Company in 2002 and served as the general manager of the finance center, the general manager of the project management center and the chief financial officer and other roles of the Company. Before joining the Group, Ms. Huang served as the accountant and chief accountant of Wuhan East Lake High Technology. Ms. Huang received her college diploma in auditing from Hubei College of Finance and Economics (湖北財經高等專科學校) in June 1996 and graduated from Zhongnan University of Economics and Law (中南財經政法大學) in the bachelor's program of accounting (a self-learning course) in June 2001. She received her master's degree in business administration from Wuhan University (武漢大學) in June 2006. Ms. Huang is a member of Hubei Institute of Certified Public Accountants and was qualified as a senior accountant in December 2006 and a first-class constructor (一級建造師) in 2021 and obtained the advanced technical qualification for information system project manager (信息系統項目管理師高級技術資格) in 2022. Ms. Huang was awarded the first prize of Wuhan Professional Skills Competition* (武漢市技能選拔賽一等獎) and Medal of May Day Honorable Workers in Wuhan* (武漢五一勞動獎章) and the third prize of The Second "Jindie Cup" National Accounting Knowledge Competition* ("金蝶杯"第二屆全國會計知識大賽三等獎).

Mr. Tian Maoming (田茂明), aged 41, is the chief financial director of the Company, the office director of project investment auditing committee, responsible for the financial management of the Company. He is also the chairman of Lingdu Capital* (零度資本). He had served as the accounting officer of Shandong Kuangshan Economic and Trade Co., Ltd.* (山東匡山經貿有限公司), accounting director of Shandong branch of China National Electronic Equipment Corporation* (中國電子器材總公司), senior manager of China National Electronic Equipment Corporation* (中國電子器材總公司), the financial manager (part-time) of China National Electronic Equipment North China Corp.* (中國電子器材華北公司), the chief financial director, assistant manager of Shen Zhen CESTAR Eletronic Technology Co., Ltd., chief accountant of Zhuhai Nanfang Software Park Development Co.,Ltd, and general manager of Guangdong CEC Yike Electronic Equipment Co., Ltd.* (廣東中電億科電子器材有限公司). Mr. Tian holds a master degree in business administration from Peking University HSBC Business School, and has completed the course of higher diploma in accounting from Shandong Business Administration Cadres College (currently named as Shandong Management College). Mr. Tian is a Certified Management Accountant with qualifications of senior accountant, securities practitioners and fund practitioner.

Ms. Zhang Xuelian (張雪蓮), aged 47, is the secretary to the Board and chief of the legal and compliance department of the Company. Ms. Zhang had been a joint company secretary of the Company since 6 March 2014 and became the sole company secretary and authorized representative of the Company on 12 December 2019. Ms. Zhang joined the Group in 2008 and is responsible for the secretariat of the Board and the legal and compliance department of the Company, as well as the work of Hong Kong office. She held various positions within the Company, including the supervisor of Wuhan Financial Harbour Development Co., Ltd. (武漢金融港開發有限公司), the head of the administration center, secretary to the Board and chief of the legal and compliance department of the Company. Before joining the Group, Ms. Zhang served as the secretary, representative of securities matters, general manager of the business solicitation department, chief of the audit and legal compliance department, deputy general economist and supervisor of Wuhan East Lake High Technology. Ms. Zhang received her bachelor's degree in economics law from Zhongnan University of Economics and Law (中南財經政法大學) (formerly known as Zhongnan College of Politics and Law (中南政法學院)) in July 1998. She is qualified as a senior operation specialist, a senior human resources management specialist, and a senior economist. Ms. Zhang attended training programs for company secretary to board, senior management and independent non-executive director of listed companies and received the relevant qualifications by the Shanghai Stock Exchange in June 2001, May 2007 and April 2008, respectively. She also has qualifications of securities practitioners and fund practitioner.

COMPANY SECRETARY

Ms. Zhang Xuelian (張雪蓮), aged 47, is the secretary to the Board and chief of the legal and compliance department of the Company. Ms. Zhang had been a joint company secretary of the Company since 6 March 2014 and became the sole company secretary and authorized representative of the Company on 12 December 2019. See the subsection headed "Senior Management" in this section for details of her biography.

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2022.

CORPORATE INFORMATION AND GLOBAL OFFERING

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

PRINCIPAL ACTIVITIES

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

The income structure and profit composition in 2022 reflect the outcome of the transformation and reform strategy well. As of 31 December 2022, the Group developed or operated various industrial parks in 46 cities, including Wuhan, Yichang, Xiangyang, Huanggang, Huangshi, Ezhou, Changsha, Chenzhou, Luoyang, Hebi, Xinxiang, Shanghai, Qingdao, Dongying, Hefei, Putian, Wenzhou, Ningbo, Nantong, Huai'an, Chengdu, Mianyang, Meishan, Zigong, Chongqing, Xianyang, Xi'an, Yan'an, Yulin, Yinchuan, Shenzhen, Zhuhai, Foshan, Chengmai, Tianjin, Handan, Taiyuan, Baotou, Shenyang and Harbin.

BUSINESS REVIEW

Details of the business review of the Company are set out on pages 8 to 52 of this annual report and form part of the Directors' Report. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

PRINCIPAL RISKS

Details of the principal risks and uncertainties faced by the Company are set out on pages 62 to 63 of this annual report and form part of this Director's Report.

FUTURE DEVELOPMENT

Details of the Company's future business development are set out on pages 53 to 55 of this annual report and form part of this Director's Report.

RESULTS AND FINAL DIVIDENDS

The results of the Group for the year ended 31 December 2022 are set out in the consolidated statement of profit or loss on page 133 of this annual report.

According to the calculation based on the 7,574,352,000 issued shares as at the Latest Practicable Date, the Board proposed to declare a final dividend of HK$2.5 cents (equivalent to approximately RMB2.19 cents) per Share, approximately HK$189.4 million in aggregate (equivalent to approximately RMB165.8 million) for the year ended 31 December 2022, which will be payable to shareholders of the Company whose names appear on the register of members of the Company on 26 June 2023 (Monday), subject to Shareholders' approval at the forthcoming annual general meeting of the Company. The final dividend is expected to be paid on or before 31 August 2023 (Thursday).

DIVIDEND POLICY

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

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

FINANCIAL SUMMARY AND FINANCIAL KEY PERFORMANCE INDICATORS

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

Details of the financial key performance indicators of the Company are set out on pages 55 to 63 of this annual report and form part of the Directors' report.

PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of principal subsidiaries of the Company are set out in note 10(A) to the consolidated financial statements on pages 190 to 194 of this annual report.

PRE-EMPTIVE RIGHTS

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

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the Group's property, plant and equipment during the year ended 31 December 2022 are set out in note 13 to the consolidated financial statements on pages 201 to 203 of this annual report.

SHARE CAPITAL AND SHARE AWARD SCHEME

Details of changes in the Company's share capital during the year ended 31 December 2022 are set out in note 30 to the consolidated financial statements on pages 227 to 228 of this annual report and form part of the Directors' Report.

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

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

During 2016, the trustee appointed by the Company for the purpose of the share award scheme purchased a total of 152,998,000 Shares at a total consideration of HK$122,928,380 (equivalent to RMB110,105,000) according to the share award scheme. As at 31 December 2022, none of the 152,998,000 Shares has been granted.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the year ended 31 December 2022.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in note 31 to the consolidated financial statements on pages 228 to 229 of this annual report.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution, calculated in accordance with Cayman Islands law, amounted to approximately RMB1,551.3 million as of 31 December 2022.

CORPORATE BONDS, BANK LOANS AND OTHER BORROWINGS

Particulars of corporate bonds issued by the Group as of 31 December 2022 are set out in note 26 to the consolidated financial statements on page 220 of this annual report. Particulars of movements of the bank loans and other borrowings of the Company and the Group as of 31 December 2022 are set out in note 27 to the consolidated financial statements on pages 221 to 223 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the percentage of turnover attributable to the Group's five largest customers from the sales of properties in their projects was approximately 16.3% and the percentage of turnover attributable to its largest customer from the sales of properties in its projects was approximately 4.5%. The Group's five largest suppliers accounted for less than 22.9% of the Group's total purchases for the year; and the percentage of purchases attributable to the Group's largest supplier from the total purchases was 8.4%. None of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers and suppliers.

COMPLIANCE WITH LAWS AND REGULATIONS

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

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

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

The Group strives to maintain a close relationship with its employees and to provide quality services to its customers, while enhancing co-operation with suppliers and other parties. Details of the Group's employees are set out on page 62 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

PERMITTED INDEMNITY PROVISION

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

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors for the year ended 31 December 2022 and up to the Latest Practicable Date were:

Non-Executive Directors

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

Independent Non-Executive Directors

Mr. Qi Min
Mr. Qiu Hongsheng
Ms. Chan Ching Har Eliza *(resigned as 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)*

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

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

DIRECTORS' INTERESTS IN CONTRACTS

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

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2022.

NON-COMPETITION UNDERTAKINGS

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

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

Details of the emoluments of the Directors and senior management and the five highest paid individuals are set out in notes 8, 37 and 40 to the consolidated financial statements on pages 188 to 189, 235 and 240 to 242 of this annual report, respectively.

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

Remuneration bands	Number of individuals
Above RMB5.0 million	0
RMB4.0 million to 5.0 million	2
RMB3.0 million to 4.0 million	2
RMB2.0 million to 3.0 million	1
RMB1.0 million to 2.0 million	6
Below RMB1.0 million	4

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

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

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

Notes:

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

(2) The percentages disclosed were calculated based on the total number of issued shares of the Company as at 31 December 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 is deemed to be interested in 1,784,188,000 Shares held by AAA Finance and 120,000,000 Shares held by Lidao BVI.

Save as disclosed above, as at 31 December 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 associated corporations which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate throughout the period from the Listing Date to 31 December 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

CONTRACTS WITH CONTROLLING SHAREHOLDERS

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

None of the Company or any of its subsidiaries has entered into any contract of significance for the provision of services by any controlling shareholders or any of its subsidiaries during the Reporting Period.

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

As at 31 December 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(1)	Approximate Percentage of Shareholding(2)
CEIS	Beneficial owner	2,550,000,000	33.67%
CEC	Interest in controlled corporation	2,550,000,000(3)	33.67%
AAA Finance	Beneficial owner	1,784,188,000(4)	23.56%
Technology Investment HK	Beneficial owner	479,910,000	6.34%
Hubei Science & Technology Investment	Interest in controlled corporation	479,910,000(5)	6.34%

Notes:

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

(2) The percentages disclosed were calculated based on the total number of issued shares of the Company as at 31 December 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, executive director. Mr. Huang Liping's interests therein are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in this report.

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

Save as disclosed above, as at 31 December 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.

MATERIAL ACQUISITIONS

The Group does not have any material acquisitions of subsidiaries, associates and joint ventures for the year ended 31 December 2022.

MATERIAL DISPOSALS

The Group does not have any material disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2022.

CONNECTED TRANSACTIONS

The details of the connected transactions conducted by the Group for the year ended 31 December 2022 are as follows:

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

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

   On 19 May 2020, the Company further entered into a second supplemental financial agreement (the "**Second Supplemental Financial Services Agreement**") with CEC Finance to revise the annual caps as set out in the Supplemental Financial Services Agreement. In view of the development of the Group's business and the expected increase of idle cash and cash balances within the Group, the Directors estimated that the original annual caps set out in the Supplemental Agreement would no longer be sufficient to meet the Group's increasing need for deposit services for the relevant period. In addition, the deposit services under the Financial Services Agreement (as supplemental by the Supplemental Financial Services Agreement), if not extended, would expire on 26 September 2020. Pursuant to the Second Supplemental Financial Services Agreement, the parties have agreed to revise the original annual caps as set out in the Supplemental Financial Services Agreement, such that the maximum daily balance of the funds settlement balance (deposit amount) shall be adjusted from RMB160 million to RMB650 million for the period from 26 June 2021 to 25 June 2023 (the "**New Caps**"). The highest daily balance of the funds settlement balance (deposit amount) during the year ended 31 December 2022 was RMB478,052,000.

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

2. On 29 October 2021, Wuhan OVU (an indirect wholly-owned subsidiary of the Company) entered into a facility agreement (the "**2021 Facility Agreement**") with CEC Finance, pursuant to which CEC Finance has agreed to provide a revolving facility of up to RMB110,000,000 (equivalent to approximately HK$133,771,000) to Wuhan OVU for the period from 29 October 2021 to 10 September 2022.

   In light of the expiry of the revolving facility under the 2021 Facility Agreement on 10 September 2022, and taking into consideration the constant need for financing of Wuhan OVU, on 19 September 2022, Wuhan OVU entered into another facility agreement (the "**2022 Facility Agreement**") with CEC Finance, pursuant to which CEC Finance has conditionally agreed to provide the revolving facility of up to RMB880,000,000 (equivalent to approximately HK$995,368,000) (the "**Revolving Facility**") to Wuhan OVU for the period of one year from 20 October 2022 to 19 October 2023.

   Pursuant to the 2022 Facility Agreement, in order to secure Wuhan OVU's repayment obligations of the aggregate outstanding amount(s) owed by Wuhan OVU to CEC Finance contemplated under the 2022 Facility Agreement (and the specific agreements), on 19 September 2022, the following security documents have been entered into by the relevant parties:

   (1) The Company (as guarantor) and CEC Finance (as beneficiary) entered into a guarantee (the "**Guarantee**"), pursuant to which the Company shall, on an unconditional joint and several basis, guarantee the repayment obligations of Wuhan OVU under the 2022 Facility Agreement;

   (2) Huangshi OVU Huangshi Optics Valley Union Development Co., Ltd.* (黃石光谷聯合發展有限公司) ("**Huangshi OVU**") (as chargor) and CEC Finance (as chargee) entered into a charge agreement (the "**Huangshi OVU Charge**"), pursuant to which Huangshi OVU shall grant security in favour of CEC Finance by way of a charge over 53 units in the office buildings for research and development located in No.185 Jinshan Boulevard, Golden Hill Development Zone, Huangshi, Hubei, the PRC* (中國湖北黃石黃金山開發區金山大道185號) with an aggregated gross floor area of approximately 20,324.77 sq.m., as security for due performance of obligations of Wuhan OVU under the 2022 Facility Agreement;

   (3) 武漢光谷金融港發展有限公司 (Wuhan Optics Valley Financial Harbour Development Co., Ltd.*) ("**OV Financial Harbour Development**") (as chargor) and CEC Finance (as chargee) entered into a charge agreement (the "**OV Financial Harbour Development Charge**"), pursuant to which OV Financial Harbour Development shall grant security in favour of CEC Finance by way of a charge over the first floor and second floor of No. A5 Exhibition Centre, OVU Financial Harbour, 77 Guanggu Avenue, East Lake New Technology Development Zone, Wuhan, Hubei, the PRC* (中國湖北武漢東湖新技術開發區光谷大道77號光谷金融港A5號展覽中心一樓及二樓), with a gross floor area of approximately 2,414.06 sq.m, as security for due performance of obligations of Wuhan OVU under the 2022 Facility Agreement; and

(4) 中國電子西安產業園發展有限公司 (China Electronics Xi'an Industrial Park Development Co., Ltd.*) ("**Xi'an Industrial Park**") (as chargor) and CEC Finance (as chargee) entered into a charge agreement (the "**Xi'an Industrial Park Charge**"), pursuant to which Xi'an Industrial Park shall grant security in favour of CEC Finance by way of a charge over 18 commercial units located in No. 1288 Caotan 10th Road, Xi'an Economic Development Zone.

Wuhan OVU is principally engaged in (i) development, sales and leasing services of industrial park properties; and (ii) industrial park operation services (including design and construction services, property management services and digital park services, etc.) in the PRC. Wuhan OVU requires efficient and reliable credit facilities for its daily business operations for the purposes of obtaining services with regards to acceptance and payment of commercial bills of exchange, issuance of letters of guarantee, discounting of commercial bills of exchange, and other international trade finance services. The Group has all along been obtaining both secured and unsecured loans from CEC Finance for the purpose of financing its operational needs.

The maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance pursuant to the 2022 Facility Agreement, being the caps for the Revolving Facility for the period from 20 October 2022 to 31 December 2022 and the period from 1 January 2023 to 19 October 2023 are both RMB880,000,000 (the "**New Caps**"). From 20 October 2022 to 31 December 2022, the maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance did not exceed RMB465,000,000.

CEC is a substantial shareholder of the Company. CEC Finance, being a subsidiary of CEC, is therefore a connected person of the Company under the Rule 14A.07(4) of the Listing Rules. Accordingly, the transactions contemplated under the 2022 Facility Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) calculated in accordance with the Listing Rules in respect of the New Caps is more than 5%, the entering into of the 2022 Facility Agreement, the Guarantee, the Huangshi OVU Charge, the OV Financial Harbour Development Charge and the Xi'an Industrial Park Charge are subject to reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the Company's announcement dated 19 September 2022 and circular dated 21 October 2022.

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

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

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

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

   On 27 May 2019, Shenzhen i-Valley entered into two supplemental agreements to the Lease Agreement (the "**Supplemental Agreements**") with CEIS pursuant to which the term of the Lease Agreement shall be extended to 10 November 2023. Pursuant to the Supplemental Agreements, the relevant monthly rental are (i) RMB1,497,842.96 for the period from 11 December 2020 to 10 December 2021; (ii) RMB1,542,825.97 for the period from 11 December 2021 to 10 December 2022; and (iii) RMB1,589,143.37 for the period from 11 December 2022 to 10 November 2023.

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

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

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

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

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

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

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

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

3. On 24 February 2022, Wuhan OVU (an indirect wholly-owned subsidiary of the Company) entered into a framework agreement (the "**Framework Agreement**") with 中電彩虹智慧照明科技有限公司 (CEC Caihong Intelligent Lighting Technology Co., Ltd.*, "**CEC Lighting**") in relation to the provision of the procurement of floodlighting equipment and related services by CEC Lighting and its subsidiaries (the "**CEC Lighting Group**") to the Group for the period from 1 January 2022 to 31 December 2024. Pursuant to the Framework Agreement, the Group shall, on a non-exclusive basis, engage the CEC Lighting Group as its contractor in procuring floodlighting equipment and providing related services (including designing of lighting effects, formulation of installation work plans, selection and installation of lights and relevant equipment, and provision of relevant technical services). During the term of the Framework Agreement, the Group may, from time to time, enter into specific agreements with the CEC Lighting Group which will set out the detailed terms of the scope of the procurement of lighting equipment and related services of individual projects of the Group.

   The Group is an industrial park integrated operation service provider in the PRC, and in particular, Wuhan OVU is principally engaged in (i) development, sales and leasing services of industrial park properties; and (ii) industrial park operation services (including design and construction services, property management services and digital park services etc.) in the PRC. In the course of the development of the Group's industrial park projects, the Group has demand for quality services in relation to the design, procurement and installation of floodlighting products and equipment.

   Pursuant to the Framework Agreement, the relevant annual caps for the transactions contemplated under the Framework Agreement are RMB21,000,000 for the year ending 31 December 2022, RMB24,000,000 for the year ending 31 December 2023 and RMB28,000,000 for the year ending 31 December 2024, respectively. For the year ended 31 December 2022, the aggregate amount of the transactions under the Framework Agreement amounted to RMB6,390,000.

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

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

   For further details, please refer to the Company's announcement dated 24 February 2022.

4. On 29 April 2022, Western Zhigu, an indirect non-wholly owned subsidiary of the Company entered into a landscape construction contract (the "**Landscape Construction Contract**") with 中電彩虹(大連)建工有限公司 (China Electronics IRICO (Dalian) Construction Co., Ltd.*, "**China Electronics IRICO**"), pursuant to which China Electronics IRICO is engaged to provide certain landscape engineering and construction works to Western Zhigu in respect of the Landscape Construction Project. Pursuant to the Landscape Construction Contract, Western Zhigu appointed China Electronics IRICO as its contractor to carry out certain landscape engineering and construction works under a landscape construction project (the "**Landscape Construction Project**"), which works includes greening, installation of public utility facilities and paving of outdoor car parking spaces for Phase I.II of 中國電子西部智谷項目 (China Electronics Western Zhigu Park Project*) (the "**Western Zhigu Park Project**"). Pursuant to the Landscape Construction Contract, the contract price payable by Western Zhigu to China Electronics IRICO is RMB4,836,164.32 (equivalent to approximately HK$5,734,240.03), which is inclusive of a 9% value-added tax amounting to RMB399,316.32, and is subject to customary adjustments (if any) as set out in the Company's announcement dated 29 April 2022.

   The Group is an industrial park integrated operation service provider in the PRC. The Western Zhigu Park Project is an exemplary industrial park of the Group for promoting the PRC's strategic emerging industries such as electric information and intelligent manufacturing. The construction permit of Phase I.II of the Western Zhigu Park Project was obtained in May 2021, the relevant main civil construction has been completed, and the renovation and installation works is under progress. Accordingly, the Group has a demand for quality services in relation to the landscape engineering and construction works which are expected to be integrated with the overall renovation and installation work for Phase I.II of the Western Zhigu Park Project.

   CEC is a substantial shareholder of the Company. China Electronics IRICO, being a subsidiary of CEC, is therefore a connected person of the Company under the Rule 14A.07(4) of the Listing Rules. Therefore, the entering into of the Landscape Construction Contract constitutes a connected transaction under Chapter 14A of the Listing Rules.

   Since the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Landscape Construction Contract exceeds 0.1% but all of them are less than 5%, the entering into of the Landscape Construction Contract is subject to reporting and announcement requirements but exempt from shareholders' approval and circular requirements under Rule 14A.76(2) of the Listing Rules.

   For further details of the Landscape Construction Contract, please refer to the Company's announcement dated 29 April 2022.

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

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

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

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

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

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

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

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

RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group conducted certain transactions with parties deemed as "related parties" under the applicable accounting standard. The details of these transactions are set out in note 37 to the consolidated financial statements on pages 235 to 237 of this annual report. Apart from the connected transaction and the continuing connected transactions disclosed above, the related party transactions as disclosed in note 37 to the consolidated financial statements are either connected transactions under Chapter 14A of the Listing Rules that are exempt from reporting, annual review, announcement and independent shareholders' approval requirement or do not constitute connected transactions under Chapter 14A of the Listing Rules.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2022, the Group had in total 8,207 employees. During the Reporting Period, the staff cost of the Group was approximately RMB825.6 million.

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

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

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

EQUITY-LINKED AGREEMENTS

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

POST BALANCE SHEET EVENTS

Details of post balance sheet events after 31 December 2022 are set out in note 38 to the consolidated financial statements on page 237 of this annual report.

CORPORATE GOVERNANCE

During the Reporting Period, the Company has complied with all code provisions set forth in the Corporate Governance Code effective for the year ended 31 December 2022 as set out in Appendix 14 to the Listing Rules and Corporate Governance Report.

Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 93 to 115 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers each of the existing independent non-executive Directors, namely, Mr. Qi Min, Mr. Qiu Hongsheng, Ms. Chan Ching Har Eliza (ceased to be an independent non-executive Director on 1 August 2022) and Mr. Qi Liang (appointed as an independent non-executive Director on 1 August 2022) to be independent during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

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

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

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and the external auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2022.

AUDITORS

The consolidated financial statements for the year ended 31 December 2022 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. There has been no change in the auditors of the Company in the preceding three years.

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

Hong Kong, the People's Republic of China,
23 March 2023

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

The Company has adopted the principles and code provisions of the Corporate Governance Code and Corporate Governance Report effective for the year ended 31 December 2022 (the "**CG Code**") as set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has strictly complied with all code provisions of the CG Code set out in Appendix 14 to the Listing Rules. This report will also further clarify how the Company applies the principles of good corporate governance as set out in the CG Code, so as to enable shareholders evaluation of such application.

SECURITIES TRANSACTIONS

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

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

THE BOARD OF DIRECTORS

Board Responsibilities

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

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

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

Delegation by the Board

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

BOARD COMPOSITION

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

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

Independent Non-Executive Directors
Mr. Qi Min
Mr. Qiu Hongsheng
Mr. Qi Liang

Executive Director
Mr. Huang Liping *(President)*

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

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

Non-executive Directors

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

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

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

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism on 16 June 2022 which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2022, all Directors has completed the independence evaluation in the form of a questionnaire individually and supplemented by individual interviews. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2022, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Independent Non-executive Directors

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

Mr. Qi Min has renewed his letter of appointment with the Company for a term of three years commencing from 11 March 2023. Mr. Qiu Hongsheng has entered into a letter of appointment with the Company to serve as an independent non-executive Director for an initial term of three years commencing from 10 March 2023. Mr. Qi Liang has entered into a letter of appointment with the Company to serve as an independent non-executive Director for an initial term of three years commencing from 1 August 2022.

In respect of the re-election of an independent non-executive Director who has served on the Board for more than nine years, the Board and the Remuneration and Nomination Committees would take account of additional factors and reasons to justify why they consider the long serving directors are still independent so as to ensure independent views and comments are sought from long serving independent non-executive Directors.

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

Executive Director

Mr. Huang Liping is an executive Director.

Mr. Huang Liping has entered into a letter of appointment with the Company for an initial term of three years commencing from 11 March 2023, subject to re-election.

CHAIRMAN AND CHIEF EXECUTIVE

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

As the chairman of the Company, Mr. Liu Guilin is responsible for ensuring that the Directors are properly briefed on issues arising at board meetings and receive adequate information in a timely manner, formulating and following good corporate governance practices, regulating and supervising in accordance with the Company's Articles of Association, advocating the Group to maintain the highest level of integrity, fairness and corporate governance, taking the lead to ensure that all Directors are dedicated to perform their duties and make full and active contribution to the Board's affairs, encouraging directors with different views to voice their concerns, allowing sufficient time for discussion of issues and ensuring that the board decisions fairly reflect board consensus, formulating strategies and policies for the Group and assisting the Group in handling current challenges and opportunities. Mr. Liu Guilin has also took the lead in ensuring that the Board acts in the best interests of the Company, ensuring the strategies and policies agreed by the Board are implemented effectively by the management of the Group, reviewing the performance of the Group according to established goals and objectives, strengthening the development and operation of the Group, and ensuring effective communication with the Shareholders and that their views are communicated to the Board. Mr. Liu, as the chairman, also strives to facilitate effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors.

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

APPOINTMENT, RETIREMENT AND RE-ELECTION OF DIRECTORS

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

Hence, according to Article 112 of the Articles of Association, Mr. Qi Liang, who was appointed as the Director by the Board on 1 August 2022, will retire at the annual general meeting to be held in 2023.

Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. According to Article 108(A) of the Articles of Association, Mr. Huang Liping, Mr. Hu Bin, Mr. Qi Min and Mr. Qiu Hongsheng will retire at the annual general meeting to be held in 2023.

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

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

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

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

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

For the year ended 31 December 2022, all of the Directors have received relevant trainings on corporate governance and the relevant training records are as follows:

	Corporate Governance/Updates on Relevant Laws, Rules and Regulations		Accounting/Finance/Management or Other Professional Skills	
Name of Director	Studied Materials	Attended Seminars/Briefings	Studied Materials	Attended Seminars/Briefings
Non-executive Directors:				
Mr. Liu Guilin	✓	✓		
Mr. Xiang Qunxiong	✓	✓		
Mr. Zhang Jie	✓	✓		
Ms. Sun Ying	✓	✓		
Mr. Hu Bin	✓	✓		
Independent non-executive Directors:				
Mr. Qi Min	✓	✓		
Mr. Qiu Hongsheng	✓	✓		✓
Ms. Chan Ching Har Eliza(1)	✓	✓	✓	✓
Mr. Qi Liang(2)	✓	✓		
Executive Director:				
Mr. Huang Liping	✓	✓		

Note:

(1) Ms. Chan Ching Har Eliza had been resigned as Independent non-executive Director with effect from 1 August 2022.

(2) Mr. Qi Liang had been appointed as Independent non-executive Director with effect from 1 August 2022.

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

BOARD MEETINGS

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

Code provision C.5.1. of the CG Code requires that at least four regular Board meetings be held each year at approximately quarterly intervals, with active participation of a majority of directors entitled to attend the meetings, either in person or through other electronic means of communication. The Board held four regular Board meetings at approximately quarterly intervals during the Reporting Period.

INSURANCE FOR DIRECTORS AND SENIOR MANAGEMENT

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

BOARD COMMITTEES

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

Audit Committee

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

The primary functions of the Audit Committee include the following:

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

The terms of reference of the Audit Committee are available on the website of the Company and the designated website of the Stock Exchange. The Audit Committee held 5 meetings during the year ended 31 December 2022 to review the annual results and report for the year ended 31 December 2021 as well as the interim results and report for the six months ended 30 June 2022, and review the effectiveness of the financial control, internal control, risk management system and internal audit function of the Company, and discuss material risks under concern in the audit work and appointment of external auditors.

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

Remuneration Committee

As at the Latest Practicable Date, the Remuneration Committee comprised three members. It was chaired by Mr. Qi Liang (independent non-executive Director), and its other members were Mr. Qi Min (independent non-executive Director, being appointed as the chairman on 1 August 2022) and Mr. Xiang Qunxiong (non-executive Director). The Remuneration Committee had an overall majority of independent non-executive Directors.

The primary functions of the Remuneration Committee include the following:

- assessing, reviewing and making recommendations to the Board in respect of the remuneration packages and overall benefits for the Directors and senior management of the Company;
- making recommendations to the Board on the remuneration policy and structure for all Directors and senior management and on the establishment of a formal and transparent procedure for formulating remuneration policy;
- reviewing and approving the management's remuneration proposals with reference to corporate goals and objectives set by the Board;
- determining, with the delegated responsibility, the remuneration packages of individual executive directors and senior management, or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- making recommendations to the Board on the remuneration of non-executive Directors;
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Company has adopted the new terms of reference of the Remuneration Committee of the Company on 23 March 2023, a copy of which is available on the website of the Company and the designated website of the Stock Exchange. The Remuneration Committee held 6 meetings during the Reporting Period to review the remuneration policies and structures of the Company, the remuneration packages for executive Directors and senior management as well as other relevant matters, assessing the performance of executive Directors, approving the terms of executive Directors' service contracts and make recommendations to the Board in such regard.

Details of the remuneration of the senior management by band are set out in the section headed "Remuneration of Directors and senior management and five individuals with highest emoluments" in the Directors' report on page 78.

Nomination Committee

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

The primary functions of the Nomination Committee include the following:

- reviewing the structure, size and composition of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; identifying suitably qualified senior management of the Company (Chief Executive Officer, Chief Financial Officer, Secretary to the Board of Directors) and selecting or advising the Board of Directors on the nomination of such individuals for appointment; advising the Board of Directors on the appointment and dismissal of senior management of the Company as determined by the Board of Directors; identifying suitably qualified individuals to serve as members of internal bodies of the Board of Directors and selecting or advising the Board of Directors on the nomination of such individuals for appointment to such bodies;

- assessing the independence of independent non-executive Directors;

- making recommendations to the Board on the appointment or re-appointment of Directors and succession plan for Directors; and

- reviewing the board diversity policy regularly.

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

Nomination Policy

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

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

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

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

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

- The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members (if any) for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also nominate candidates who have not been nominated by Board members through various channels such as professional headhunting companies, Shareholders, management recommendation or internal promotion.
- For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
- Until the issue of the Shareholder circular in physical form, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

- The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.

- A Shareholder can serve a notice to the Company Secretary within the lodgement period of its intention to propose a resolution to elect a certain person as a nominated director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the Shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.

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

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

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

Board Diversity Policy

The Company has adopted its board diversity policy on 6 March 2014, and amended it on 13 December 2018. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth. In reviewing and assessing the composition of the Board and nominating Directors, it will consider various factors for the board diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and industry and regional experience. The Nomination Committee will discuss and agree on other measurable objectives for achieving diversity of the Board and make relevant recommendations to the Board. Diversity factors and measurable objectives may be adopted and/or amended by the Board at any time necessary for the requirements of the business of the Company as well as the succession plan of the Board. The Nomination Committee review the structure, size and composition of the Board annually and make recommendations when appropriate on any proposed changes to the Board to complement the Company's corporate strategy. The Board will review the implementation and effectiveness of the board diversity policy on an annual basis.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Name	Gender	Age	Educational background	Industry expert	Risk expert	Financial expert	Human resources expert
Liu Guilin	Male	51	Business Administration	✓			
Xiang Qunxiong	Male	58	Law		✓		
Zhang Jie	Male	53	Engineering	✓			
Sun Ying	Female	40	Economics			✓	
Hu Bin	Male	54	Economic management	✓			
Qi Min	Male	72	Economics	✓			
Qiu Hongsheng	Male	58	Automation control and systems analysis		✓	✓	
Qi Liang	Male	61	Economics			✓	✓
Huang Liping	Male	61	Vessels and ports electrification and law	✓	✓		

The Nomination Committee has reviewed and targeted to maintain the current level for female representation of "not less than 11%" of the Board up to 2025. However, the Nomination Committee will continue reviewing the targeted female representation ratio over time as and whenever is appropriate.

The Nomination Committee and the Board considered that the current composition of Board is sufficiently diverse and the Board has not set any other measurable objectives. The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the board diversity policy.

In considering the Board's succession, the Nomination Committee has already adopted a roadmap for the succession plan. The Nomination Committee would identify and select the potential candidates for Directors in accordance with the Company's Directors nomination policy and may engage independent professional search firm to identify potential candidates for independent non-executive Directors.

Compliance employment

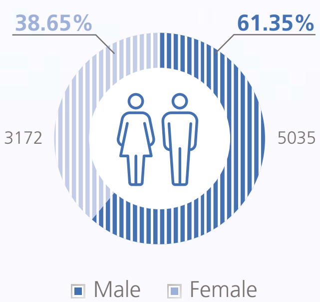
The Group adheres to the principle of equal employment and implements the strategy of diversified development of talents, treats every employee with a sincere heart, respects and embraces the differences of employees in all aspects, providing equal opportunities for recruitment, benefits and promotion regardless of skin colour, nationality, gender, age, ethnicity, marital status, religious beliefs, household registration, etc., and provides a working environment of mutual respect, understanding and integration for employees with different cultural backgrounds. At the same time, the Group supports the employment of people with disabilities and veterans' career development, and provides them with suitable positions according to its employment needs. In addition, the Group requires local projects to implement employee localization policies, gives priority to local talents, and promotes the employment of local labour force as well as the training and development of local talents.

Every year, the Group selects and hires talents through campus recruitment, social recruitment and internal recommendation to bring in talents who meet the Group's business development needs and realize the mutual integration and growth of employees and the Group.

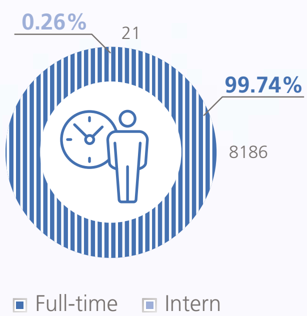
As of 31 December 2022, the Group had a total of 8,207 employees, including 13 disabled employees, and 2,815 new recruits (including 31 fresh graduates). In addition, female employees accounted for 38.65%, and female senior managers (director level and above) accounted for 31.61%. Details of the Group's employee data for 2022 are as follows:

Employment data		Number of individuals	Proportion (%)
Total number of employees	Total	8,207	/
Number of employees by gender	Male	5,035	61.35%
	Female	3,172	38.65%
Number of employees by employment type	Full-time	8,186	99.74%
	Intern	21	0.26%
Number of employees by age group	Aged below 30	1,243	15.15%
	Aged 30 – 50	3,792	46.20%
	Aged above 50	3,172	38.65%
Number of employees by geographical region	Mainland China	8,207	100%
	Hong Kong, Macau and Taiwan	0	/
	Overseas	0	/
Number of senior management by gender	Male	106	68.39%
	Female	49	31.61%

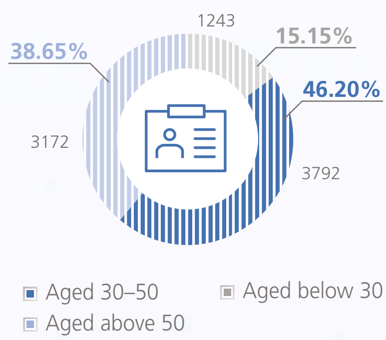
Number of employees by gender



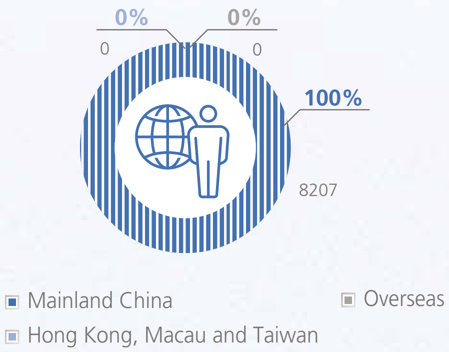
Number of employees by employment type



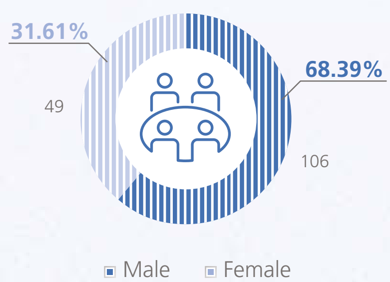
Number of employees by age group



Number of employees by geographical region



Number of senior management by gender



Financial Control Committee

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

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

To date, tax (exclusive of taxes on housing development, construction and sales) realized in the past three years in the place where the Hefei Financial Harbour project is located had been higher than the minimum tax guarantee, and there had been no potential risks. It is therefore recommended that the Financial Control Committee be dissolved, with effect upon approval by the Board.

ATTENDANCE RECORD OF THE DIRECTORS AND COMMITTEE MEMBERS

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

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting[(1)]**
Non-executive Directors:					
Mr. Liu Guilin	14/14			2/2 (C)	1/1
Mr. Xiang Qunxiong	14/14	5/5 (M)	6/6 (M)		1/1
Mr. Zhang Jie	9/14				0/1
Ms. Sun Ying	12/14				0/1
Mr. Hu Bin	14/14				1/1
Independent non-executive Directors:					
Mr. Qi Min	14/14	5/5 (M)	6/6 (M)	2/2 (M)	1/1
Mr. Qiu Hongsheng	13/14	5/5 (C)		2/2 (M)	1/1
Ms. Chan Ching Har Eliza[(3)]	9/10		4/4 (C)		0/1
Mr. Qi Liang[(3)]	4/4		1/2 (C)		
Executive Director:					
Mr. Huang Liping	14/14				1/1

Notes:

(1) The annual general meeting of the Company was held on 16 June 2022.

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

(3) Ms. Chan Ching Har Eliza (ceased to be a member on 1 August 2022) and Mr. Qi Liang (appointed on 1 August 2022)

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

CORPORATE GOVERNANCE FUNCTIONS

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

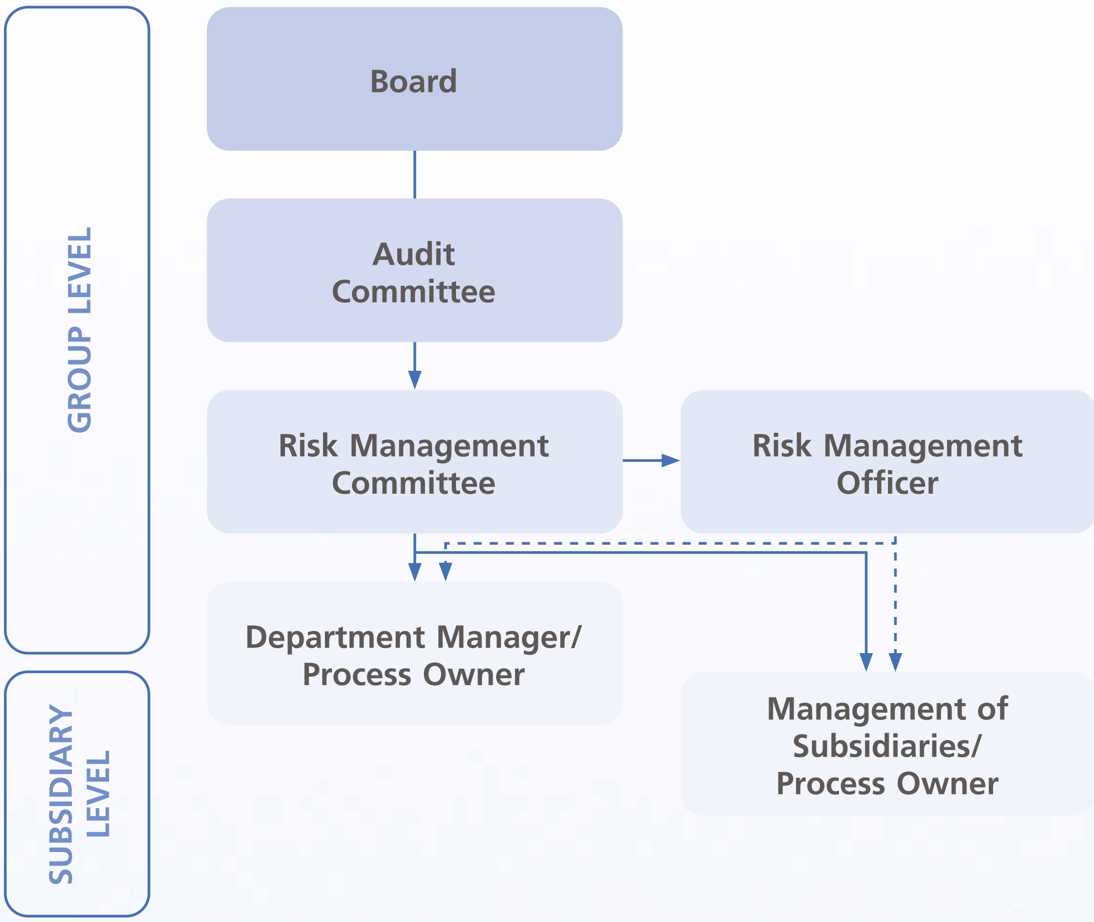
The related risk management system and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

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

RISK MANAGEMENT STRUCTURE AND RESPONSIBILITIES OF EACH LEVEL OF MANAGEMENT

Risk Management Structure:



Duties of each level of management:

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

RISK MANAGEMENT PROCEDURE

Three Steps for Risk Management Procedure:

Step 1: Risk Identification:

- Identify the matrix for measuring risks (to be defined in accordance with different level of the impact and the possibility of occurrence);
- Conduct interviews with senior management and persons-in-charge of business procedures to identify the current risk exposure on company level and business level. Currently, the top five risks on which the Group is required to focus are park business comprehensive cognition risk, compound talent training risk, corporate reputation risk, strategic promotion and implementation risk, organizational development management and control risk.

Step 2: Risk Analysis and Countermeasure:

- Analyze risks and assess the level of risk based on two criteria, namely: the potential impact and the possibility of occurrence;
- Identify and assess the current risk responses and comment the current risk management measures;
- Analyze and determine if it is necessary to formulate additional risk management measures to manage risks at an acceptable level.

Step 3: Risk Report:

- Summarize the result of the risk management analysis, formulate a plan of action and report to the Risk Management Committee;
- Prepare a Risk Management Report, which should include a summary of the results of risk assessment, the highlights on significant risks, and the action plans, etc.;
- Submit the Risk Management Report to the Board for its approval.

INTERNAL CONTROL

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

STRUCTURE AND DUTIES OF THE THREE LINES OF DEFENSE

- First Defense Line: the management formulates appropriate policies and procedures and internal control measures for daily business operation
- Second Defense Line: the risk management, compliance departments and other departments responsible for policy formulation monitor the first defense line on a daily basis, and conduct regular reviews on risk and compliance
- Third Defense Line: the internal audit department carries out reviews and audits with an independent view from the management on a continuous basis

INTERNAL AUDIT

In 2022, the Group continued to implement the existing "Three in One" (enhancing internal control, preventing risks and promoting compliance) internal control system and the internal control responsibility system of the Audit Committee under the leadership of the Board: continued to strengthen its audit supervision function and specifically implemented the Group's internal audit under the leadership of the Audit Committee.

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

ANTI-CORRUPTION

In 2022, through setting up related policies under the guidance of the "three-in-one" work system, the Group established a channel for group staff and the external third parties to report any fraud or breach of ethical conduct, and established a separate mechanism for monitoring and reporting to make sure all the investigations and processing results are in strict confidentiality. On the other hand, the Group focused on the publicity and training for anti-corruption, integrity and ethical values and strictly required compliance with the discipline and laws by the Group's employees in order to create an atmosphere of integrity and self-discipline in the Group and reduce the risk of fraud.

MANAGEMENT OF INSIDE INFORMATION

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

THE EFFECTIVENESS OF THE RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEMS FOR YEAR 2022

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

In 2022, the Group continued to improve the risk management and internal control systems through performing annual risk assessment, reviewing the internal audit functions, and carrying out special internal audits in order to further enhance the company's risk management standards and risk defense capabilities.

With regard to corporate governance and risk management, the Board and the Audit Committee have reviewed compliance records such as the corporate governance report of the Company, the trainings received by the Directors and senior management, and equity trading records. Meanwhile, the Company has also engaged professional institutions to carry out risk assessment and internal control review works, and issued the "2022 Internal Control Review Report (《2022年度內控審閱報告》)" and "2022 Risk Assessment Report (《2022年度風險評估報告》)". During the assessment, the Board and the Audit Committee have reviewed the findings, exchanged opinions with professional institutions, and made relevant audit opinions on important matters. Through the review of the effectiveness of the risk management and the internal control systems in 2022, the Board is of the opinion that the risk management and internal control systems of the Group are basically effective for the year ended 31 December 2022. The Board and the Audit Committee also reviewed the resources for accounting, internal audit financial reporting functions and environmental, social and governance performance and reporting, the qualification and experience of the staff and the training courses that the staff takes and its related budgets, as well as the budget of the Company's accounting and the Company's ESG performance and reporting and they are of the opinion that the above functions are adequate.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Reporting in respect of Financial Statements

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

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

Auditor's Statement

The statement of the Company's independent external auditor, PricewaterhouseCoopers, on its reporting responsibilities in respect of the consolidated financial statements of the Group during the Reporting Period is set out on pages 125 to 132 of this annual report.

Auditor's

For the year ended 31 December 2022, the remuneration payable to PricewaterhouseCoopers by the Company (excluding tax) is set out below:

Services provided by the auditor	**Remuneration** (RMB'000)
Audit services	2,200
Non-audit services	
– Interim review	800
– Other (environmental, social and governance report)	280
Total	3,280

COMPANY SECRETARY

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

The Company will provide funds for Ms. Zhang Xuelian for her to take not less than 15 hours of appropriate continuous professional training in each financial year as required under Rule 3.29 of the Listing Rules. During the financial year ended 31 December 2022, Ms. Zhang Xuelin has attended not less than 15 hours of appropriate continuous professional training.

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meeting and putting forward proposals

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

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

CONSTITUTIONAL DOCUMENTS

On 1 January 2022, the Listing Rules were amended by, among others, adopting a uniform set of 14 core standards for shareholder protections for issuers regardless of their place of incorporation set out in Appendix 3 to the Listing Rules. The Board proposes to make certain amendments to the memorandum and articles of association of Company ("**Memorandum and Articles of Association**") to (a) conform to the said core standards for shareholder protections; (b) permit general meetings to be held either as hybrid or electronic meetings where Shareholders may attend general meetings through electronic means in addition to physical meetings requiring attendance in person to keep up with technological advancements and to provide flexibility over the conduct of general meetings; and (c) incorporate certain housekeeping changes. The Board also proposes to adopt the new Memorandum and Articles of Association in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association. The proposed amendments of the Memorandum and Articles of Association is subject to the passing of a special resolution by the Shareholders in the annual general meeting of the Company to be held in June 2023. For further details, please refer to the announcement of the Company dated 23 March 2023.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

The Company has established a shareholder communication policy to ensure effective communication with its Shareholders. The Company's corporate website also serves as a channel for Shareholders to access information about the Group. Shareholders can obtain access to the Group's key corporate governance policies and documents, including the terms of reference of the various Board committees, as well as all communications for Shareholders including the Group's financial reports and announcements on the website. The Board reviewed the shareholder communication policy in 23 March 2023 and considered that the policy has been properly implemented and is effective. The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors.

The Board and Senior Management recognise their responsibilities to represent the interests of all Shareholders and to maximise shareholder value. Active engagement with our shareholders and accountability to our Shareholders are of high priority of the Company. Our methods used to communicate with Shareholders include the following:

- one-on-one-meetings, conference calls, investor conferences, and non-deal roadshows

- the Company's corporate website. This includes electronic copies of financial reports and hyperlinking of sustainability reports, audio webcasts of analyst presentations given at the time of the interim and annual results announcements, presentation slides given at investor conferences, latest news, public announcements and general information about the Company's businesses

- publication and distribution of interim and annual reports

- any shareholders meeting

- set up of dedicated Investor Relations' email address/hotline to receive enquires from the shareholders and investing public

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

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

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

Major Properties Information

The following table sets forth an overview of the business park projects and residential projects held by the Group and its joint venture companies as of 31 December 2022.

				A		B	C		D	G	E GFA Available for Sale[6]			F
No.	Project	Project Company	Location	Interest Attributed to the Group	Total GFA[2] (sq.m.)	GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground[3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
I.	Completed Properties *Industrial Parks*													
1	Optics Valley Software Park (Phase I–IV)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	508,826	457,360	508,826		1,495	51,466	455,324		172	369
2	Optics Valley Software Park (Phase V)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	238,893	183,098	238,893		3,421	55,794	174,913			4,765
3	Optics Valley Software Park (Phase VI)	Wuhan Optics Valley Software Park	1 Guanshan Avenue, Wuhan, Hubei Province	100%	100,106	80,290	100,106		19,225	19,817	61,065			
4	Optics Valley Software Park Exhibition Center (Phase I)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	1,570	1,570	1,570						1,570	
5	Optics Valley Software Park Exhibition Center (Phase II)	Wuhan OVU	1 Guanshan Avenue, Wuhan, Hubei Province	100%	26,319	20,717	26,319	165		5,602				20,552
6	Financial Harbour (Phase I)	OV Financial Harbour Development	77 Guanggu Avenue, Wuhan, Hubei Province	100%	275,913	256,098	275,913	5,319	4,104	19,815	224,266		2,706	19,704
7	Financial Harbour (Phase II)	Wuhan OVU	77 Guanggu Avenue, Wuhan, Hubei Province	100%	512,367	397,557	517,573		11,096	114,810	380,240		2,112	4,108
8	Creative Capital	Wuhan OVU	16 Yezhihu West Road, Hongshan District, Wuhan, Hubei Province	100%	386,956	308,686	384,532	15,620	8,731	78,270	188,406		32,886	63,043
9	Wuhan Research Innovation Center (Phase I) – Minghong	Wuhan Minghong	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	42,740	40,854	42,740		753	1,887	17,470		3,039	19,592
10	Wuhan Research Innovation Center (Phase I) – Huisheng	Hubei Huisheng	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	18,091	17,681	18,091		548	410	9,536		7,597	
11	Wuhan Research Innovation Center (Phase II) – Huisheng	Hubei Huisheng	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	52,625	42,592	52,625	3,035		10,033	14,762		4,229	20,565
12	Qingdao OVU Software Park Area 1.1-1.6	Qingdao OVU	396 Emeishan Road, Qingdao, Shandong Province	100%	312,005	246,660	300,703		206	65,344	183,100		41,339	22,016
13	Qingdao Research and Innovation Center	Qingdao OVU	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	100%	102,720	86,986	102,720			15,734	63,380			23,607
14	Qingdao Innocenter Public Housing	Qingdao OVU	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	100%	26,481	22,099	26,481			4,382				22,099

No.	Project	Project Company	Location	A Interest Attributed to the Group	Total GFA[2] (sq.m.)	B GFA with Land Use Rights Obtained (sq.m.)	C GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	D Non-Saleable and Non-Leasable GFA[4] (sq.m.)	G GFA Underground[3][9] (sq.m.)	E GFA Available for Sale[6] GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	F Leasable GFA[5][6] (sq.m.)
15	Qingdao Ocean Science and Technology Park (Phase I)	Qingdao OVU	South of Changjiang West Road, West of Jiangshan South Road, North of Binhai Avenue, Qingdao Economic & Technical Development Zone, Qingdao, Shandong Province"	100%	78,481	60,960	78,481		122	17,521	41,940		18,898	
16	Shenyang OVU Science and Technology City	Shenyang OVU	Intersection of Sheng Jing Da Jie and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	80,754	79,892	80,754	1,715	2,660	862	75,517			
17	Shenyang CEOVU Information Harbour	Shenyang OVU	Intersection of Sheng Jing Da Jie and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	166,080	165,061	166,080	1,224	160	1,019	130,904		23,163	9,610
18	Shenyang Maker Corporation	Shenyang OVU	Intersection of Sheng Jing Da Jie and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	47,615	36,877	47,615			10,738	12,397		7,840	16,639
19	Ezhou OVU Science and Technology City Phase I (CD Zone)	Hubei Technology Accelerator	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	80%	282,391	282,391	282,391				258,422		23,969	
20	Hefei Financial Harbour	Heifei OVU	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	100%	646,751	473,540	477,226	8,399	5,120	173,211	367,225		49,496	43,300
21	Huangshi OVU Science Technology City (Phase I.I)	Huangshi OVU	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	100%	58,672	58,672	58,672				19,069		32,740	6,864
22	Huanggang OVU Science and Technology City (Phase I.I / Phase II.I / Phase III.I-III.III)	Huanggang OVU	Junction of Zhonghuan Road and Xingang North Road, Huangzhou District, Huanggang, Hubei Province	70%	125,758	125,758	125,758	274	1,131		105,967		8,708	9,678
23	Xi'an CEC Information Harbour	CEC Xi'an Industrial Park Development Co., Ltd.	West of Caotan Tenth Road, North of Shangji Road, Xi'an, Shaanxi Province	73.91%	191,845	161,548	191,845	3,000		30,297	98,325		17,624	42,598
24	China (Changsha) Information Security Industrial Park (Zone A/B1 / Zone C)	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	201,591	148,343	201,591			53,248	145,218			3,126
25	Chengdu Chip Valley (Lot 6#/8#/Lot 9 Lot 1)	Chengdu Chip Valley Industrial Park Development Co. Ltd.	No.1 Fengle District, Dongsheng street, No. 7 Guangrong District, Pengzhen, Chengdu City, Sichuan Province	80%	154,747	119,909	154,747			34,838	37,493		22,150	60,265
26	China Electronics (Wenzhou) Information Harbour (B28)	China Electronics Wenzhou Industrial Park	Jinhai Park, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Province	95%	136,819	134,816	136,819	3,671		2,003	85,647		13,126	32,372
27	Luoyang CEOVU Information Harbour	Luoyang CEC Optical Valley Information Port Industrial Co., Ltd.	Intersection of Guanlin Road and Longshan Line, Luolong District, Luoyang, Henan Province	70%	62,673	62,673					50,284		12,389	

No.	Project	Project Company	Location	A Interest Attributed to the Group	Total GFA[2] (sq.m.)	B GFA with Land Use Rights Obtained (sq.m.)	C GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	D Non-Saleable and Non-Leasable GFA[4] (sq.m.)	G GFA Underground[3][9] (sq.m.)	E GFA Available for Sale[6] GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	F Leasable GFA[5][6] (sq.m.)
28	China Electronics Western Zhigu (Phase I.I)	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.	No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	100,029	100,029	100,029	2,579	–		92,699			4,752
29	CEOVU Digital Industrial Park (Phase I, II, III & IV)	Wuhan Digital Industrial Park Development Co. Ltd.	Changfu Industrial Park, Caidian District, Wuhan	100%	103,218	102,738	103,218			481	95,001		7,737	
30	China Electronics Western Zhigu (Phase I.II)	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.	No. 3, Xinghuo Avenue, High-tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	51,290	50,053	51,290			1,237			50,053	
31	CEOVU Manufacturing Center (Phase I.I)	Wuhan China Electronics Optics Valley Industrial Park Development Co., Ltd.	No. 9, Wuyi Avenue, Zhengyang Economic Development Zone, Xinzhou, Wuhan	100%	54,294	53,222	54,294		291	1,072	19,138		21,316	12,477
32	China (Changsha) Information Security Industrial Park (Zone D)	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	148,760	120,055	148,760			28,705	87,095		6,088	26,871
33	Shanghai CEC Information Harbour (Phase I)	Shanghai Huayue Investment and Development Co., Ltd.	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District, Shanghai	100%	187,498	131,336	187,498		9,126	56,162	58,350		37,910	25,950
34	Qingdao CEC Information Harbour	Qingdao OVU	396 Emeishan Road, Qingdao, Shandong Province	100%	179,394	125,037	179,394		206	54,357	35,825		84,612	4,395
35	Chengdu Chip Valley (Lot 9 No. 2 Bid/Lot 11 No. 1 Bid/Lot 11 No. 2 Bid/Lot 12 No. 1 Bid)	Chengdu Chip Valley Industrial Park Development Co. Ltd.	No. 1 Fengle District, Dongsheng street and No. 7 Guangrong District, Pengzhen, Chengdu, Sichuan Province	80%	159,934	115,611	123,574			44,323	4,441		58,667	52,503
36	Huangshi Science Technology Union City (Phase I.II)	Huangshi OVU	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	100%	38,404	37,710	37,711			694			37,710	
37	Ezhou Optics Valley Science and Technology Union City Phase I B2B3B7B8B9B10	Hubei Technology Accelerator	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	80%	114,858	114,858	114,858				30,229		84,628	
38	China Electronics (Wenzhou) Information Harbour (B29)	China Electronics Wenzhou Industrial Park	Jinhai Park, Wenzhou Economic and Technological Development Zone, Wenzhou, Zhejiang Province	95%	138,740	136,155	138,740			2,585	11,642		52,443	72,070
	Sub-total				6,116,208	5,159,491	5,838,436	45,001	68,395	956,717	3,635,288	–	766,917	643,891

No.	Project	Project Company	Location	A Interest Attributed to the Group	Total GFA[2] (sq.m.)	B GFA with Land Use Rights Obtained (sq.m.)	C GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	D Non-Saleable and Non-Leasable GFA[4] (sq.m.)	G GFA Underground[3][9] (sq.m.)	E GFA Available for Sale[6] GFA Sold[5] (sq.m.)	GFA Pre-sold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	F Leasable GFA[5][6] (sq.m.)
	Residential Properties													
39	Lidao Top View	Huangshi OVU	76 Hangzhou West Road, Huangshi Development Zone, Hubei Province	100%	148,271	148,271	148,271		1,189		131,203		416	15,462
40	Lidao 2046	Wuhan OVU	175 Xiongchu Avenue, Wuhan, Hubei Province	100%	126,629	114,860	125,510		1,444	11,769	112,956		461	
41	Up Mason	Wuhan Mason	No. 318 Minzu Avenue, Wuhan, Hubei Province	100%	153,437	130,260	151,090		1,363	23,177	128,896			
	Sub-total				428,336	393,390	424,870		3,997	34,946	373,055		877	15,462
	Investment properties													
42	Lidao Garden	Optics Valley Union Holding	1 Luoshi Road, Wuhan, Hubei Provinc	100%	198,119	198,119	198,119				191,197		90	6,832
43	North Harbour Industrial Park (Lidao Property)	Optics Valley Union Holding	38 Shucheng Road, Wuhan, Hubei Province	100%	3,546	3,546	3,546							3,546
44	Lidao Garden (Lidao Property)	Optics Valley Union Holding	1 Luoshi Road, Wuhan, Hubei Province	100%	1,122	1,122	1,122						1,122	
45	North Harbour Industrial Park (Lidao Technology)	Optics Valley Union Holding	38 Shucheng Road, Wuhan, Hubei Province	100%	3,683	3,683	3,683				784			2,899
	Sub-total				206,471	206,471	206,471				191,982		1,213	13,276
46	Ningbo Hangzhouwan, Blue Coast	Excellence Ningbo Optics Valley Real Estate Co., Ltd.	North of Binhai sixth Road and East of Zhong Xing First Road, Hangzhou Bay New District, Zhejiang Province	31%	1,029,840	731,776			54,394	298,064	504,014	121,370	41,999	10,000
47	Hainan Resort Software Community (Land Plots A, B, E, D and C) (Phase I)	Hainan Resort Software Community	Southern section situated 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	10%	590,854	590,854	590,854	32,686			411,859		27,612	118,697
48	Hotel and Car Park of Phase V Project situated at land plot C of Hainan Resort Software Community	Hainan Resort Software Community	Southern section situated 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	10%	61,622	53,581	53,581	53,581		8,042				
	Sub-total				1,682,317	1,376,211	644,435	86,267	54,394	306,106	915,873	121,370	69,611	128,697
	Sub-total				8,433,332	7,135,564	7,114,212	131,268	126,785	1,297,768	5,116,197	121,370	838,617	801,326

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Completion Date[2] (month/year)	A Total GFA[3] (sq.m.)	B GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	C GFA Held for Group's Own Use (sq.m.)	D Non-Saleable and Non-Leasable GFA[4] (sq.m.)	G GFA Underground[3][9] (sq.m.)	E GFA Available for Sale[6]: GFA Sold[5] (sq.m.)	E GFA Available for Sale[6]: GFA Presold[5][8] (sq.m.)	E GFA Available for Sale[6]: GFA Available for Sale[5][7] (sq.m.)	F Leasable GFA[5][6] (sq.m.)
II	Projects under Development *Industrial Parks*														
1	China (Changsha) Information Security Industrial Park Phase II (Expansion Project)	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	1/4/2023	145,117	111,344			11,465	33,773	18,718		35,364	45,798
2	Shanghai CEC Information Harbour (Phase II)	Shanghai Huayue Investment and Development Co., Ltd.	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District	100%	1/4/2024	88,376	77,553				10,823				77,553
3	Ezhou OVU Science and Technology City (B5)	Hubei Technology Accelerator	Ezhou Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	80%	1/12/2023	25,420	25,420							25,420	
4	China Electronics Western Zhigu (Phase I.III)	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.	No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	1/3/2023	17,055	10,345				6,711			10,345	
5	Wuhan CEC Information Harbour – Minghong	Wuhan Minghong	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	1/5/2023	43,562	34,589				8,972	12,300		22,289	
6	Tianjin China Electronics Technological Innovation City	Tianjin China Electronics Optics Valley Development Co., Ltd.	Huayuan Technological City, HighTech Zone, Tianjin	80%	31/5/2023	160,400	111,755		1,800		48,645	12,339		75,225	22,391
7	China Electronics Eastern Zhigu	Nantong Optics Valley Smart Manufacturing Co., Ltd.	No. 217, Xinsheng Road, Chongchuan District, Nantong City, Jiangsu Province	70%	30/6/2023	80,006	77,652				2,354	9,951		67,700	
8	CEOVU Manufacturing Center (Phase I.II)	Wuhan China Electronics Optics Valley Industrial Park (Phase I.II)	No. 9, Wuyi Avenue, Zhengyang Economic Development Zone, Xinzhou, Wuhan	100%	30/4/2023	41,463	41,463							41,463	
9	Chongqing CEOVU Technology City	Chongqing CEOVU Technology City	Xiyong AJ Group, Shapingba District, Chongqing	100%	30/3/2024	49,851	49,102				749	632		48,470	
10	Shenyang CEOVU Technology City	Shenyang Optic Valley United Development Co., Ltd.	Intersection of Shengjing Avenue and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	100%	25/12/2023	81,291	80,312			75	979			80,237	
11	China Electronics Western Zhigu (Phase III.I)	Western Zhigu	No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	19/12/2023	96,330	96,330					36,001		60,329	
12	Shanghai CEC Information Harbour	Shanghai Huayue Investment and Development Co., Ltd.	Lot 114/1, 101 Street, Songjiang Industrial Park, Songjiang District	100%	19/12/2024	88,376	77,553				10,823			77,553	
13	Wuhan CEC Information Harbour – Huisheng	Hubei Huisheng	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	100%	1/5/2023	61,460	48,000				13,460			48,000	
14	CEOVU Digital Industrial Park	Wuhan Digital Industrial Park Development Co. Ltd.	Changfu Industrial Park, Caidian Zone, Wuhan	100%	25/12/2023	20,463	20,463							20,463	

						A	B		C	D	G	E GFA Available for Sale[6]			F
No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Completion Date[2] (month/year)	Total GFA[3] (sq.m.)	GFA with Land Use Rights Obtained (sq.m.)	GFA Completed[3] (sq.m.)	GFA Held for Group's Own Use (sq.m.)	Non-Saleable and Non-Leasable GFA[4] (sq.m.)	GFA Underground[3][9] (sq.m.)	GFA Sold[5] (sq.m.)	GFA Presold[5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	Leasable GFA[5][6] (sq.m.)
15	Huanggang OVU Science and Technology City	Huanggang OVU	Junction of Zhonghuan Road and Xingang North Road, Huangzhou District, Huanggang, Hubei Province	70%	25/12/2023	15,311	15,311							15,311	
16	Yichang Network Information Industrial Park	Yichang CEOVU Industrial Park Development Co., Ltd.	A13-119, Bailian Huigu, No. 118 Yinhe Road, Dianjun District, Yichang City, Hubei Province	100%	25/12/2023	82,330	82,330							82,330	
17	Mianyang CEC Optics Valley Technology City	Mianyang CEC Optics Valley Technology Development Co., Ltd.	Mianyang National High-Tech Industrial Development Zone	100%	1/12/2023	6,127	6,127					3,900		2,227	
18	Changsha Xingsha Digital Intelligence Community	Changsha CEOVU Intelligent Industrial Park Development Co., Ltd.	South of Luoluotang Road, East of Huangxing Road, Changsha Economic and Technological Development Zone	60%	5/3/2024	97,522	84,558			616	12,964	3,204		61,967	18,771
	Sub-total					1,200,461	1,050,208	–	1,800	12,156	150,253	97,046	–	774,694	164,513
19	Ningbo Hangzhouwan, Blue Coast	Excellence Ningbo Optics Valley Real Estate Co., Ltd.	North of Binhai sixth Road and East of Zhong Xing First Road, Hangzhou Bay New District, Zhejiang Province	31%	31/1/2024	378,157	286,377	–	–	4,991	91,780	–	107,455	128,653	45,278
20	Heng Qin Zhi Shu Cloud	Heng Qin Zhi Shu Cloud Computing Industry Research Institute Co., Ltd.	East of Fubang Road, Hengqin New District, Zhuhai City, Guangdong Province	30%	1/3/2023	76,371	53,618			700	22,753			52,918	
21	Hainan Resort Software Community Land Plot C 29 mu Wo Ke Zhi Guang	Hainan Resort Software Community	Southern section situated 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	10%	30/9/2024	71,826	71,826						6,621	65,205	
22	Tencent Ecological Village (Phase I)	Hainan Resort Software Community	Inside Smart New City, Chengmai County Old Town, Hainan Province	10%	14/4/2024	166,620	166,620					43,349		123,272	
23	Software Park Phase I Land Plot G (ACC Project)	Hainan Resort Software Community	Southern section situated 0.7km of the Eastern Extension of Nan Yi Ring Road, Chengmai County Old Town Economic Development Zone, Hainan Province	10%	30/12/2023	334,718	334,718						3,890	330,828	
24	Hainan Yunhai Wuxiang	Hainan Resort Software Community	Inside Smart New City, Chengmai County Old Town, Hainan Province	10%	31/05/2023	422,219	422,219						79,941	342,279	

Relationship among marked columns:

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

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

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Commencement Date[2] (month/year)	A Total GFA[2] (sq.m.)	B GFA with Land Use Rights Obtained (sq.m.)	GFA Completed [3] (sq.m.)	C GFA Held for Group's Own Use (sq.m.)	D Non-Saleable and Non-Leasable GFA[4] (sq.m.)	G GFA Underground [3][9] (sq.m.)	E GFA Available for Sale[6]: GFA Sold[5] (sq.m.)	GFA Presold [5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	F Leasable GFA [5][6] (sq.m.)
III	Projects Planned for Future Development *Industrial Parks*														
1	Qingdao Ocean Science and Technology Park (Phase II)	Qingdao OVU	South of Changjiang West Road, West of Jiangshan South Road, North of Binhai Avenue, Qingdao Economic & Technical Development Zone, Qingdao, Shandong Province	100%	1/12/2023	150,672	116,166		6,800		34,505			109,366	
2	Ezhou Optics Valley Science and Technology Union City Phase I (B1B4B6)	Hubei Technology Accelerator	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	80%	30/6/2024	93,893	93,893							93,893	
3	Huangshi Science Technology Union City (Phase I)	Huangshi OVU	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	100%	1/9/2024	93,524	93,524							93,524	
4	Huanggang OVU Science and Technology City	Huanggang OVU	Junction of Zhonghuan Road and Xingang North Road, Huangzhou District, Huanggang, Hubei Province	70%	1/6/2024	55,074	55,074							55,074	
5	Xi'an CEC Information Harbour (Phase II.III)	CEC Xi'an Industrial Park	West of Caotanshi Road, North of Shangji Road, Xi'an, Shaanxi Province	73.91%	1/5/2023	9,229	9,229							9,229	
6	China (Changsha) Information Security Industrial Park Zone B Section II	Changsha CEC	Yuelu Avenue, Gaoxin District, Changsha City, Hunan Province	100%	1/9/2023	124,954	104,258			2,058	20,696				102,200
7	Chengdu Chip Valley (Land Plots 12# Section II/13#/14#)	Shanghai Huayue Investment and Development Co., Ltd.	No. 1 Fengle District, Dongsheng street and No. 7 Guangrong District, Pengzhen, Chengdu, Sichuan Province	80%	30/6/2024	398,075	312,797				85,278			312,797	
8	China Electronics Western Zhigu Park (Phase I.IV)	Xianyang Western Zhigu	No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	50%	1/12/2025	18,860	18,860							18,860	
9	CEOVU Manufacturing Center	Wuhan CEC Optics Valley Industrial Parks Development Co., Ltd.	About 100m to the West of the Intersection of Jingdong Avenue and Wuyi South Road, Xinzhou District, Wuhan City, Hubei Province	100%	1/11/2024	95,910	91,261			144	4,648			91,117	

No.	Project	Project Company	Location	Interest Attributed to the Group	Actual/ Estimated Commencement Date[2] (month/year)	A Total GFA[2] (sq.m.)	B GFA with Land Use Rights Obtained (sq.m.)	GFA Completed [3] (sq.m.)	C GFA Held for Group's Own Use (sq.m.)	D Non-Saleable and Non-Leasable GFA[4] (sq.m.)	G GFA Underground [3][9] (sq.m.)	E GFA Available for Sale[6] GFA Sold[5] (sq.m.)	GFA Presold [5][8] (sq.m.)	GFA Available for Sale[5][7] (sq.m.)	F Leasable GFA [5][6] (sq.m.)
10	Chongqing CEOVU Technology City	Chongqing China Electricity Optical Valley Technology City Development Co., Ltd.	Xiyong AJ Group, Shapingba, Chongqing	100%	30/3/2027	52,206	52,206							52,206	
11	Luoyang China Electronics Optics Valley Information Harbour	Luoyang CEC Optical Valley Information Port Industrial Co., Ltd.	Intersection of Guanlin Road and Longshan Line, Luolong District, Luoyang, Henan	70%	31/12/2023	35,364	28,834		8,887	7,176	6,530			12,771	
12	China Electronics Eastern Zhigu	Nantong Optics Valley Smart Manufacturing Co., Ltd.	No. 217, Xinsheng Road, Chongchuan District, Nantong City, Jiangsu Province	70%	31/12/2024	227,707	213,877				13,831			213,877	
13	China Electronics Western Smart Creation Park	Chongqing Optic Valley United Technology Development Co., Ltd.	Caijiagang, Beibei District, Chongqing	100%	31/5/2025	65,600	65,600					1,215		64,385	
14	Mianyang CEC Optics Valley Technology City	Mianyang CEC Optics Valley Technology Development Co., Ltd.	Mianyang National High-Tech Industrial Development Zone	100%	31/8/2027	134,392	132,984				1,408			132,984	
15	Xianyang Bio-city	Xianyang China Electronics Optics Valley Biological Industry Development Co., Ltd.	C7, No.3 Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang City, Shaanxi Province	30%	30/6/2023	146,737	146,737							146,737	
	Sub-total					1,702,197	1,535,301	–	15,687	9,378	166,896	1,215	–	1,406,820	102,200
16	Digital Economy Center (Baidu Ecological Village)	Hainan Resort Software Community	Chengmai County, Hainan Province	10%	31/8/2023	101,823	101,823							101,823	
17	Binhe Industrial Project (Baidu Ecological Village)	Hainan Resort Software Community	Chengmai County, Hainan Province	10%	31/10/2023	81,687	81,687							81,687	
18	Digital Innovation Industrial Island (Baidu Ecological Village)	Hainan Resort Software Community	Chengmai County, Hainan Province	10%	31/12/2023	41,463	41,463							41,463	
19	Tencent Ecological Village (Phase II)	Hainan Resort Software Community	Chengmai County, Hainan Province	10%	30/6/2023	86,142	86,142							86,142	
	I to III Total					13,097,014	11,367,565	7,114,212	148,755	154,010	1,729,450	5,257,806	319,276	4,374,400	1,113,317

Notes:

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

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

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

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

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

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

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

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

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

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

11 During the Reporting Period, as only 10% of the equity interest of the Project Company was attributed to the Group, its financial information has not included in our Consolidated Financial Statements.

Relationship among marked columns:

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

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

pwc 羅兵咸永道

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

OPINION

What we have audited

The consolidated financial statements of China Electronics Optics Valley Union Holding Company Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 133 to 242, comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

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

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

- Recognition of revenue from sales of properties over time
- Valuation of investment properties
- Impairment of loans to third parties

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of revenue from sales of properties over time Refer to Note 2.26 'Revenue recognition', Note 4 'Critical accounting estimates and judgments' and Note 5 'Revenue and segment information' to the consolidated financial statements. Revenue from sales of properties is recognised over time or at a point in time when the buyer obtains control of the completed properties, depending on the terms of the sales contract. For the year ended 31 December 2022, revenue of the Group from sales of properties was RMB2,514.6 million, of which RMB624.6 million was recognised over time.	To address this key audit matter, we performed audit procedures as follows: In assessing the appropriateness of management's judgments as to whether the Group has the enforceable right to payment in those sales contracts recognised over time, we have: (i) Understood and evaluated management's procedures in identifying and classifying sales contracts with or without right to payment. (ii) Reviewed the key terms of a sample of sales contracts to assess the presence of right to payment based on the contract terms. (iii) Obtained and reviewed the opinion of the Group's internal lawyer, in particular, the internal lawyer's interpretation of the applicable laws and its implication on the assessment of the enforceability of the right to payment.

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties Refer to Note 4 'Critical accounting estimates and judgments' and Note 15 'Investment properties' to the consolidated financial statements. The Group's investment properties are measured at fair value model and carried at approximately RMB5,960.7 million as at 31 December 2022 and fair value gains of approximately RMB265.8 million were recognised for the year then ended. The fair values of investment properties are determined by the Group based on the valuations performed by an external valuer engaged by the Group. The Group's investment property portfolio includes completed investment properties, investment properties under construction and the associated right-of-use assets for property leases which had been or planned to be subleased out under operating lease. • For completed investment properties: the valuations of these properties are derived at the income approach, or a combination of income approach and direct comparison approach. For the inocme approach, the relevant key assumptions include term yield, reversionary yield and market monthly rental rate. For the direct comparison method, the relevant key assumption is estimated price per square meter, with reference to recent transactions of comparable properties and adjusting for differences in key attributes such as but not limited to location and property size. • For investment properties under construction: the valuations of these properties are derived using the residual method. The relevant key assumptions include term yield, reversionary yield, market monthly rental rate, and estimated price per square meter, development costs to completion and developer's profit margin. • For the associated right-of-use assets for property leases which had been or planned to be subleased out under operating lease: the valuations of these properties are derived using the income approach. For the income approach, the relevant key assumptions include term yield, reversionary yield and market monthly rental rate. All the relevant key assumptions are influenced by the prevailing market conditions and the characteristics of each property of the Group. We focus on this area due to the financial significance of investment properties to the consolidated financial statements and the relevant key assumptions applied in valuation involving significant judgments and estimates.	Our audit procedures included: (i) We assessed the competence, capabilities and objectivity of the external valuer engaged by the Group. (ii) We obtained the valuation report of each property and assessed the appropriateness of the valuation methods applied. (iii) We assessed the reasonableness of relevant key assumptions used in the valuations including term yield, reversionary yield, market rental rate, estimated price per square meter and developer's profit margin of the selected properties by independently gathering and analysing the data of comparable properties in the market with similar characteristics such as but not limited to location and property size. (iv) We checked the key assumption, estimated development costs to completion, of the selected investment properties under construction with the approved budget, of which the reasonableness was assessed by comparison with the actual costs of completed investment properties of the Group. In light of the above, we found the significant judgments and estimates made by management on relevant key assumptions were supportable by available evidences.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of loans to third parties Refer to Note 3.1 'financial risk factors', Note 4 'critical accounting estimates and judgments' and Note 22 'Trade and other receivables-loans to third parties' to the consolidated financial statements. As at 31 December 2022, the Group's gross loans to third parties amounted to RMB884.4 million, and a provision for impairment of loans receivables of RMB135.7 million was recognised in the Group's consolidated statement of financial position. The credit impairment losses on loans to third parties in the Group's consolidated statement of profit or loss for the year ended 31 December 2022 amounted to RMB51.4 million. The balance of provision for impairment of loans to third parties represents the management's best estimates at the balance sheet date of expected credit losses under International Financial Reporting Standard 9: Financial Instruments. We focused on this area due to the magnitude of the loans to third parties and the significant estimates and judgment involved in determining the expected credit losses allowance on the loans to third parties.	Our audit procedures in relation to management's assessment on provision for impairment losses of loans to third parties included: (i) Understood, evaluated and validated the key control procedures over management's estimation of expected credit losses allowance and periodic review on overdue receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors in association with estimation of expected credit losses; (ii) for the historical information, discussed with management to understand the management's identification of significant increase in credit risk, defaults and credit-impaired loans to third parties, corroborated management's explanation with supporting evidence; (iii) for forward-looking measurement, we assessed the reasonableness of economic indicator selection, economic scenarios and weightings application, assessed the reasonableness of the estimation by comparing with industry data; and (iv) assessed the appropriateness of the expected credit loss provisioning methodology and valuation methodology of impairment assessment of loans to third parties and reasonableness of key assumptions, including probability of default and loss given default rate for expected credit losses Based on the above, we found that the estimates and judgment made by management in respect of the expected credit losses allowance and the collectability of the loans to third parties were supportable by the available evidence.

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 March 2023

Consolidated Statement of Profit or Loss

	Note	Year ended 31 December 2022 RMB'000	2021 RMB'000
Revenue	5	**5,523,204**	4,530,568
Cost of sales	7	**(3,963,445)**	(3,232,603)
Gross profit		**1,559,759**	1,297,965
Other income and gains – net	6	**215,757**	485,272
Selling and distribution expenses	7	**(171,622)**	(129,577)
Administrative expenses	7	**(432,031)**	(450,097)
Net impairment losses on financial and contract assets	7	**(103,406)**	(76,119)
Fair value gains on investment properties	15	**265,793**	51,081
Operating profit		**1,334,250**	1,178,525
Finance income	9	**53,691**	77,462
Finance costs	9	**(290,664)**	(271,096)
Net finance costs		**(236,973)**	(193,634)
Share of (losses)/profits of associates	10(b)	**(81,069)**	76,158
Share of (losses)/profits of joint ventures	10(b)	**(25,270)**	23,834
Profit before income tax		**990,938**	1,084,883
Income tax expense	11	**(468,554)**	(472,273)
Profit for the year		**522,384**	612,610
Profit for the year attributable to:			
– Owners of the Company		**536,091**	640,203
– Non-controlling interests		**(13,707)**	(27,593)
Profit for the year		**522,384**	612,610
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted (RMB cents)	12	**7.08**	8.45

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

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2022 **RMB'000**	2021 RMB'000
Profit for the year	**522,384**	612,610
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
– Changes in the fair value of equity investments at fair value through other comprehensive income	**12,277**	–
– Income tax relating to these items	**(3,069)**	–
– Currency translation differences	**(24,687)**	(2,695)
Other comprehensive income for the year, net of tax	**(15,479)**	(2,695)
Total comprehensive income for the year	**506,905**	609,915
Total comprehensive income for the year is attributable to:		
– Owners of the Company	**520,612**	637,508
– Non-controlling interests	**(13,707)**	(27,593)
Total comprehensive income for the year	**506,905**	609,915

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

Consolidated Statement of Financial Position

	Note	At 31 December 2022 RMB'000	2021 RMB'000
Non-current assets			
Property, plant and equipment	13	471,646	426,200
Right-of-use assets	14	93,945	98,063
Investment properties	15	5,960,733	5,091,625
Intangible assets	16	53,746	57,442
Investments in associates	10(b)	1,798,126	1,963,666
Investments in joint ventures	10(b)	138,693	161,956
Financial assets at fair value through profit or loss	18	718,591	693,237
Financial assets at fair value through other comprehensive income		18,528	–
Trade and other receivables	22	718,024	414,731
Deferred income tax assets	28	43,276	79,927
		10,015,308	8,986,847
Current assets			
Properties under development	19	3,115,116	3,904,555
Completed properties held for sale	20	3,481,948	2,707,251
Inventories and contracting work-in-progress	21	72,482	91,187
Trade and other receivables	22	2,277,809	1,941,971
Current income tax assets		124,389	111,867
Financial assets at fair value through profit or loss	18	13,400	194,974
Contract assets	5(d)	635,824	920,085
Deposits in banks with original maturities over three months		4,050	56,300
Restricted cash	23	384,997	237,547
Cash and cash equivalents	24	2,254,209	2,155,136
		12,364,224	12,320,873
Current liabilities			
Contract liabilities	5(e)	530,576	507,875
Trade and other payables	25	3,346,072	4,532,253
Corporate bonds	26	–	258,097
Bank and other borrowings	27	3,836,854	3,117,511
Lease liabilities	14	90,026	82,992
Current income tax liabilities		807,111	551,338
Current portion of deferred income	29	70,114	77,983
		8,680,753	9,128,049
Net current assets		3,683,471	3,192,824
Total assets less current liabilities		13,698,779	12,179,671

	Note	At 31 December 2022 RMB'000	2021 RMB'000
Non-current liabilities			
Bank and other borrowings	27	3,231,461	1,984,469
Lease liabilities	14	501,331	479,399
Deferred income tax liabilities	28	458,202	508,633
Non-current portion of deferred income	29	631,021	701,847
		4,822,015	3,674,348
Net assets		8,876,764	8,505,323
Equity			
Share capital	30	623,048	623,048
Treasury shares	30	(121,056)	(121,056)
Reserves	31	2,870,664	2,947,927
Retained earnings	32	4,376,003	3,941,505
Total equity attributable to owners of the Company		7,748,659	7,391,424
Non-controlling interests		1,128,105	1,113,899
Total equity		8,876,764	8,505,323
Total equity and non-current liabilities		13,698,779	12,179,671

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

The financial statements on pages 133 to 140 were approved by the Board of Directors on 23 March 2023 and were signed on its behalf.

Huang Liping **Hubin**

Consolidated Statement of Changes In Equity

	Note	Attributable to owners of the Company											
		Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Property Revaluation reserve RMB'000	Statutory reserve RMB'000	Other reserves RMB'000	Total reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 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
Profit for the period		–	–	–	–	–	–	–	–	536,091	536,091	(13,707)	522,384
Other comprehensive income		–	–	–	–	–	–	9,208	9,208	–	9,208	–	9,208
Currency translation differences		–	–	–	(24,687)	–	–	–	(24,687)	–	(24,687)	–	(24,687)
Total comprehensive income for the year		–	–	–	(24,687)	–	–	9,208	(15,479)	536,091	520,612	(13,707)	506,905
Appropriation to statutory reserve		–	–	–	–	–	101,593	–	101,593	(101,593)	–	–	–
Capital injection from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	45,104	45,104
Transaction with non-controlling interests		–	–	–	–	–	–	–	–	–	–	(610)	(610)
Dividends	33	–	–	(163,377)	–	–	–	–	(163,377)	–	(163,377)	(13,891)	(177,268)
Disposal of subsidiaries		–	–	–	–	–	–	–	–	–	–	(2,690)	(2,690)
Total transactions with owners, recognised directly in equity		–	–	(163,377)	–	–	101,593	–	(61,784)	(101,593)	(163,377)	27,913	(135,464)
Balance at 31 December 2022		623,048	(121,056)	1,566,932	(9,467)	49,772	718,264	545,163	2,870,664	4,376,003	7,748,659	1,128,105	8,876,764

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Property Revaluation reserve RMB'000	Statutory reserve RMB'000	Other reserves RMB'000	Total reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the Company											
Balance at 1 January 2021		623,048	(121,056)	1,855,942	17,915	49,772	502,521	537,204	2,963,354	3,415,452	6,880,798	1,118,998	7,999,796
Profit for the period		–	–	–	–	–	–	–	–	640,203	640,203	(27,593)	612,610
Currency translation differences		–	–	–	(2,695)	–	–	–	(2,695)	–	(2,695)	–	(2,695)
Total comprehensive income for the year		–	–	–	(2,695)	–	–	–	(2,695)	640,203	637,508	(27,593)	609,915
Transactions with owners, recognised directly in equity													
Appropriation to statutory reserve		–	–	–	–	–	114,150	–	114,150	(114,150)	–	–	–
Capital injection from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	55,734	55,734
Transaction with non-controlling interests		–	–	–	–	–	–	(1,249)	(1,249)	–	(1,249)	(21,395)	(22,644)
Dividends	33	–	–	(125,633)	–	–	–	–	(125,633)	–	(125,633)	(10,600)	(136,233)
Liquidation of certain subsidiaries		–	–	–	–	–	–	–	–	–	–	(1,245)	(1,245)
Total transactions with owners, recognised directly in equity		–	–	(125,633)	–	–	114,150	(1,249)	(12,732)	(114,150)	(126,882)	22,494	(104,388)
Balance at 31 December 2021		623,048	(121,056)	1,730,309	15,220	49,772	616,671	535,955	2,947,927	3,941,505	7,391,424	1,113,899	8,505,323

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

	Note	Year ended 31 December 2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
Cash generated from operations	34(a)	**441,551**	347,248
Income tax paid		**(246,761)**	(191,568)
Cash flows generated from operating activities		**194,790**	155,680
Cash flows from investing activities			
Net cash outflow from disposal of a subsidiary, net of cash received		**(2,556)**	–
Interest received		**44,827**	71,304
Proceeds from disposal of investment properties		**141,046**	132,290
Proceeds from disposal of property, plant and equipment		**2,562**	19,380
Proceeds from disposal of financial assets at fair value through profit or loss	18	**462,808**	1,244,316
Purchase of financial assets at fair value through profit or loss	18	**(279,969)**	(1,102,643)
Purchase of financial assets at fair value through other comprehensive income	3.3(c)	**(6,251)**	–
Investments in associates	10(b)	**(14,973)**	(122,670)
Investments in joint ventures	10(b)	**(1,721)**	(10,918)
Proceeds from disposal of associates		**1,613**	76,360
Proceeds from disposal of joint ventures	10(b)	**–**	60,000
Purchase of property, plant and equipment		**(91,332)**	(43,419)
Purchase of intangible assets		**(3,730)**	(4,271)
Decrease/(increase) in deposits in banks with original maturities over three months		**52,250**	(34,784)
Loans to related parties and third parties		**(426,532)**	(37,323)
Loans repaid from related parties and third parties		**11,211**	58,175
Dividends received from associates		**91,321**	–
Cash flows (used in)/generated from investing activities		**(19,426)**	305,797

	Note	Year ended 31 December 2022 RMB'000	2021 RMB'000
Cash flows from financing activities			
Proceeds from bank and other borrowings	34(b)	5,355,441	4,447,458
Repayment of bank and other borrowings	34(b)	(4,221,886)	(3,621,173)
Proceeds from issue of corporate bonds		–	350,000
Repayment of corporate bonds	34(b)	(260,171)	(1,457,315)
Increase in restricted cash		6,650	9,031
Repayment of loans due to related parties	34(b)	(255)	(1,515)
Receipt from loans due to related parties	34(b)	–	20,000
(Repayment of)/receipt from loans due to third parties	34(b)	(377,000)	346,280
Interest paid		(332,480)	(308,458)
Dividends paid to the owners of the Company	33	(163,377)	(125,633)
Dividends paid to non-controlling interests		(13,891)	(10,600)
Capital injection by non-controlling interests		45,104	55,734
Consideration paid for acquisition of further equity interests in subsidiaries from non-controlling interests		(610)	(22,644)
Principal elements of lease payments	34(b)	(114,863)	(111,841)
Cash flows used in financing activities		(77,338)	(430,676)
Net increase in cash and cash equivalents		98,026	30,801
Cash and cash equivalents at beginning of the year		2,155,136	2,124,958
Effect of foreign exchange rate changes		1,047	(623)
Cash and cash equivalents at end of the year		2,254,209	2,155,136

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

1 GENERAL INFORMATION

China Electronics Optics Valley Union Holding Company Limited (the "Company", formerly known as "Optics Valley Union Holding Company Limited") and its subsidiaries (together, the "Group") are principally engaged in 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. The address of its 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.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 March 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Compliance with IFRS and HKCO

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

2.1.2 Historical cost convention

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

2.1.3 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022.The adoption of these standards and amendments does not have significant impact on the consolidated financial statements of the Group.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.4 New and amended standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
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 2	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS 17 and IFRS 9	Initial Application of IFRS 17 and IFRS 9-Comparative Information	1 January 2023
Amendments to IAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback	1 January 2024

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

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

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

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

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

2.2.2 Associates

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

2.2.3 Joint arrangements

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Principles of consolidation and equity accounting *(continued)*

2.2.4 Equity accounting

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

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

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

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

2.2.5 Changes in ownership interests

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Principles of consolidation and equity accounting *(continued)*

2.2.5 Changes in ownership interests (continued)

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

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

2.3 Business combinations

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 *Business combinations (continued)*

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

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

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

2.4 *Separate financial statements*

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Foreign currency translation *(continued)*

(c) Group companies

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

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

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

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

2.7 Property, plant and equipment

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.7 Property, plant and equipment *(continued)*

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

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

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

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

2.8 Investment property

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

If an item of properties under development or completed properties held for sale becomes an investment property because its use has changed, any difference between the fair value of the property at that date and its previous carrying amount is recognised in statement of profit or loss as part of a valuation gain or loss in 'fair value gains on investment properties'.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Intangible assets

2.9.1 Goodwill

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

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

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

2.9.2 Software

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 *Impairment of non-financial assets*

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

2.11 *Investments and other financial assets*

2.11.1 Classification

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

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

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

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

2.11.2 Recognition and derecognition

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Investments and other financial assets (continued)

2.11.3 Measurement

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

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

Debt instruments

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.11 Investments and other financial assets *(continued)*

2.11.3 Measurement (continued)

Equity instruments

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

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

2.11.4 Impairment

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

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

2.12 Offsetting financial instruments

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.13 *Properties under development*

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

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

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

2.14 *Completed properties held for sale*

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

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

2.15 *Inventories*

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 *Trade receivables*

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

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

2.17 *Contract assets and contract liabilities*

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

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

2.18 *Cash and cash equivalents*

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

2.19 *Share capital*

Ordinary shares are classified as equity.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 *Treasury shares*

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

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

2.21 *Trade payables*

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

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

2.22 *Borrowings*

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.23 Borrowing costs

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

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

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

2.24 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Inside basis differences

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.24 *Current and deferred income tax (continued)*

(b) Deferred income tax (continued)

Outside basis differences

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

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

(c) Offsetting

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

2.25 *Employee benefits*

(a) Pension obligations

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 *Employee benefits* *(continued)*

(b) Profit-sharing and bonus plans

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

2.26 *Revenue recognition*

(1) Sales of properties and construction services

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.26 Revenue recognition *(continued)*

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

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

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

(2) Energy supply initial fee

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

(3) Service fee income

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

2.27 Dividend income

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

2.28 Leases

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.28 Leases *(continued)*

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.28 *Leases (continued)*

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

The Amendment to IFRS 16-Covid-19-Related Rent Concessions provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments due on or before 30 June 2022; and (iii) there is no substantive change to other terms and conditions of the lease. The Group has applied the practical expedient to all qualifying COVID-19-related rent concessions.

2.29 *Dividend distribution*

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

2.30 *Government grants*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a on a systematic basis over the periods in which the related costs towards which they are intended to compensate are recognised as expenses.

2.31 *Earnings per share*

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.31 Earnings per share (continued)

(b) Diluted earnings per share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.32 Interest income

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

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

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(a) Market risk

(i) Foreign exchange risk

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. As at 31 December 2022 and 2021, the group companies had no significant foreign currency denominated monetary assets and monetary liabilities with respect to their respective functional currencies, therefore the directors of the Company consider that the Group has no significant exposure to foreign exchange risk.

(ii) Interest rate risk

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

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

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

At 31 December 2022, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been RMB6,649,000 (2021: RMB5,094,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. The sensitivity analysis has not excluded the financial impact of capitalised interest expense.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 *Financial risk factors (continued)*

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

	2022 RMB'000	2021 RMB'000
Variable rate borrowings	**5,093,314**	2,568,469
Fixed rate borrowings		
1 year or less	**1,713,811**	2,664,993
1 – 2 years	**–**	126,615
2 – 5 years	**61,190**	–
Over 5 years	**200,000**	–
	7,068,315	5,360,077

(b) Credit risk

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

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

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

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

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables-current and contract assets

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

To measure the ECL, trade receivables-current have been grouped based on shared credit risk characteristics. The ECL also incorporate forward-looking information on macroeconomic factors for different group customers affecting the ability of the customers to settle the receivables. The Group has identified the relevant factors for different group customers, and accordingly adjusts the historical loss rates based on expected changes in these factors. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables-current for the same types of contracts.

As at 31 December 2022, the loss allowance provision for the trade receivables -current and contract assets was determined as follows.

RMB'000	With 1 years	1 to 2 years	2 to 3 years	3 to 4 years	over 4 year	Total
At 31 December 2022						
Gross carrying amount	**1,508,946**	**200,211**	**83,014**	**10,286**	**49,635**	**1,852,092**
Expected loss rate	**1.4%**	**8.1%**	**26.1%**	**57.5%**	**73.4%**	**5.5%**
Loss allowance provision	**21,319**	**16,269**	**21,683**	**5,914**	**36,432**	**101,617**

RMB'000	With 1 years	1 to 2 years	2 to 3 years	3 to 4 years	over 4 year	Total
At 31 December 2021						
Gross carrying amount	1,492,776	317,259	30,552	30,847	34,920	1,906,354
Expected loss rate	2.1%	10.3%	13.9%	56.1%	59.1%	5.6%
Loss allowance provision	31,139	32,608	4,252	17,303	20,649	105,951

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 *Financial risk factors (continued)*

(b) Credit risk (continued)

(ii) Other receivables (excluding prepayments) and long-term trade receivables

A summary of the assumptions underpinning the Group's expected credit loss model for other receivables (excluding prepayments) and long-term trade receivables is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Performing ("Stage 1")	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime ("12 months ECL method")
Underperforming ("Stage 2")	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Non-performing ("Stage 3")	Interest and/or principal repayments are 90 days past due	Lifetime expected losses

On that basis, as at 31 December 2022 and 2021, the loss allowance provision for the other receivables (excluding prepayments) and long-term trade receivables were determined as follows. The ECL below also incorporated forward looking information.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 *Financial risk factors (continued)*

(b) Credit risk (continued)

(ii) Other receivables (excluding prepayments) *(continued)*

	Performing	Under-performing	Non-performing	Total
As at 31 December 2022				
Gross carrying amount (RMB'000)	**1,322,508**	**952**	**278,995**	**1,602,455**
Expected loss rate	**1.8%**	**16.4%**	**47.0%**	
Loss allowance provision (RMB'000)	**24,268**	**156**	**131,075**	**155,499**
As at 31 December 2021				
Gross carrying amount (RMB'000)	628,860	9,189	509,977	1,148,026
Expected loss rate	0.3%	3.7%	15.5%	
Loss allowance provision (RMB'000)	1,914	337	79,259	81,510

(iii) Loss allowance movement during the year

The loss allowance for financial assets as at 31 December 2022 are analysed as follows:

	Contract assets RMB'000	Trade receivables RMB'000	Other receivables (excluding prepayments) RMB'000	Total RMB'000
At 1 January 2022	**30,617**	**75,334**	**81,510**	**187,461**
Increase/(reverse) in loss allowance recognised in profit or loss during the year	**(21,560)**	**17,226**	**107,740**	**103,406**
Others	**–**	**–**	**(33,751)**	**(33,751)**
At 31 December 2022	**9,057**	**92,560**	**155,499**	**257,116**

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 *Financial risk factors (continued)*

(c) *Liquidity risk*

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

For the year ended 31 December 2022

	Carrying amount RMB'000	Contractual cash flow RMB'000	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000
Bank and other borrowings	7,068,315	8,243,574	4,092,523	636,129	2,190,348	1,324,574
Lease liabilities	591,357	783,112	121,047	103,935	199,432	358,698
Trade and other payables, excluding accrual payroll, other taxes payables and advances from tenants	3,115,952	3,115,952	3,115,952	–	–	–
	10,775,624	12,142,638	7,329,522	740,064	2,389,780	1,683,272

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 *Financial risk factors (continued)*

(c) Liquidity risk (continued)

For the year ended 31 December 2021

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

3.2 *Capital management*

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

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

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.2 Capital management *(continued)*

The Net debt to equity ratios ratios at 31 December 2022 and 2021 were as follows:

	2022 RMB'000	2021 RMB'000
Net debt (Note 34(b))	**5,602,979**	4,431,821
Total equity	**8,876,764**	8,505,323
Total capital	**14,479,743**	12,937,144
Net debt to equity ratio	**38.70%**	34.26%

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2022 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 *Fair value estimation (continued)*

The following table presents the Group's financial assets that are measured at fair value at 31 December 2022:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
– Equity securities	–	–	718,591	718,591
– Wealth management products	–	–	13,400	13,400
	–	–	731,991	731,991
Financial assets at fair value through other comprehensive income				
– Equity securities	–	–	18,528	18,528

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

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

(a) *Financial instruments in level 1*

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

(b) Financial instruments in level 2

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

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.

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

Valuation techniques used to derive level 2 fair values

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

(c) Financial instruments in level 3

The following table presents the changes in level 3 instruments for the years ended 31 December 2022 and 2021:

	Financial assets at fair value through profit or loss	
	2022 RMB'000	2021 RMB'000
Opening balance at 1 January	888,211	617,101
Transfer from investment in an associate	–	129,673
Net gain from transfer from investment in an associate	–	276,659
Fair value changes	222	6,451
Other additions	306,366	1,102,643
Disposals	(462,808)	(1,244,316)
Closing balance at 31 December	731,991	888,211
Recognised gains for the year included in 'other income and gains-net' (Note 6)	222	283,110

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 *Fair value estimation (continued)*

(c) Financial instruments in level 3 (continued)

	Financial assets at fair value through other comprehensive income	
	2022 **RMB'000**	2021 RMB'000
Opening balance at 1 January	**–**	–
Additions	**6,251**	–
Fair value changes	**12,277**	–
Disposals	**–**	–
Closing balance at 31 December	**18,528**	–

Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follow:

The Group manages the valuation of level 3 instruments for financial reporting purpose on a case by case basis. At least once every reporting year, the Group would assess the fair value of the Group's level 3 instruments by using valuation techniques.

If the fair values of the financial assets at FVPL held by the Group had been 5% higher/lower, the profit before income tax for the year ended 31 December 2022 would have been approximately RMB36,599,550 higher/lower.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

4.1 *Critical accounting estimates and assumptions*

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

(a) Revenue recognition from sales of properties

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

4.1 Critical accounting estimates and assumptions (continued)

(b) Revenue recognition for construction design and management contracts

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

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

(c) Expected credit loss for receivables

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

(d) Fair value of investment properties

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

4.1 *Critical accounting estimates and assumptions* *(continued)*

(e) Write-down of inventories for property development

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

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

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

Based on management's best estimates, there was no impairment for completed properties held for sale and properties under development as at 31 December 2022 and 2021.

(f) Recognition of deferred tax assets

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

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

4.1 *Critical accounting estimates and assumptions* *(continued)*

(h) Income tax

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

5 REVENUE AND SEGMENT INFORMATION

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

At 31 December 2022, the Group has the following three segments:

- Industrial park operation services: this segment provides services including design and construction services, property management service, sub-leasing services, 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, sales and rental of industrial parks. During the year, the chief operating decision-maker decided to transfer the rental income from self-developed properties from the segment of industrial park operation services to industrial park development services, to better match the Group's business strategy of industrial park development. The comparative figures of the segment results have been revised accordingly.

- Industrial investment: this segment represents the Group's industrial-related industry investment businesses in various theme parks. The management considers this segment not reportable for the year ended 31 December 2022 according to IFRS 8.

5 REVENUE AND SEGMENT INFORMATION *(continued)*

(a) *Segment results*

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

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

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

For the year ended 31 December 2022

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Revenue from contracts with customers	4,166,662	2,514,577	–	6,681,239
– Recognition at point in time	133,966	1,889,947	–	2,023,913
– Recognition over time	4,032,696	624,630	–	4,657,326
Revenue from other source – Rental income	105,483	228,525	–	334,008
Segment revenue	4,272,145	2,743,102	–	7,015,247
Inter-segment revenue	(1,457,309)	(34,734)	–	(1,492,043)
Revenue from external customers	2,814,836	2,708,368	–	5,523,204
Segment results	134,708	1,013,781	237	1,148,726
Depreciation and amortisation	(55,166)	(25,088)	(15)	(80,269)

5 REVENUE AND SEGMENT INFORMATION *(continued)*

(a) *Segment results (continued)*

For the year ended 31 December 2021

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Revenue from contracts with customers	3,219,088	2,568,288	–	5,787,376
– Recognition at point in time	114,037	2,046,459	–	2,160,496
– Recognition over time	3,105,051	521,829	–	3,626,880
Revenue from other source				
– Rental income	81,818	261,724	–	343,542
Segment revenue	3,300,906	2,830,012	–	6,130,918
Inter-segment revenue	(1,372,939)	(227,411)	–	(1,600,350)
Revenue from external customers	1,927,967	2,602,601	–	4,530,568
Segment results	116,719	763,600	331,741	1,212,060
Depreciation and amortisation	(56,657)	(27,435)	(524)	(84,616)

5 REVENUE AND SEGMENT INFORMATION *(continued)*

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

	2022 RMB'000	2021 RMB'000
Segment results	**1,148,726**	1,212,060
Fair value gains on investment properties	**265,793**	51,081
Share of (losses)/profits of joint ventures	**(25,270)**	23,834
Share of (losses)/profits of associates	**(81,069)**	76,158
Finance income	**53,691**	77,462
Finance costs	**(290,664)**	(271,096)
Depreciation and amortisation	**(80,269)**	(84,616)
Income tax expense	**(468,554)**	(472,273)
Profit for the year	**522,384**	612,610

5 REVENUE AND SEGMENT INFORMATION *(continued)*

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

	2022 RMB'000	2021 RMB'000
Industrial park operation services		
Property management services	830,902	759,455
Design and construction services	1,316,627	726,704
Sub-leasing services	77,228	69,241
Energy services	176,255	120,298
Group catering and hotel services	126,363	104,501
Others	287,461	147,768
	2,814,836	1,927,967
Industrial park development services		
Sales of industrial park	2,514,577	2,381,111
Self-owned industrial park property leasing	193,791	221,490
	2,708,368	2,602,601
Total	5,523,204	4,530,568

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

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

5 REVENUE AND SEGMENT INFORMATION *(continued)*

(d) Assets and liabilities related to contracts with customers

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

	Notes	31 December 2022 RMB'000	31 December 2021 RMB'000
Current contract assets relating to construction services		**457,322**	644,791
Current contract assets relating to sales of properties		**187,559**	305,526
Current asset recognised for costs incurred to obtain contracts		**–**	385
Less: allowance provisions	3.1(b)	**(9,057)**	(30,617)
Total contract assets		**635,824**	920,085
Contract liabilities relating to sales of properties		**530,576**	507,875

(e) Contract liabilities

For the year ended 31 December 2022, the Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties.

Out of the contract liabilities amounting to RMB507,875,000 (2021: RMB382,995,000) at the beginning of the year of 2022, RMB273,847,000 (2021: RMB253,420,000) was recognised as revenue in the current reporting period relates to carried-forward contract liabilities.

The Group has elected the practical expedient for not to disclose transaction price allocated to the remaining performance obligations of sales of properties contracts as the performance obligations are part of contracts that have original expected durations of one year or less.

6 OTHER INCOME AND GAINS– NET

	2022 RMB'000	2021 RMB'000
Government grants	215,344	117,642
Gain on partial disposal of associates	–	37,433
Gain from deemed partial disposals	–	50,394
Net gain on transfer from investment in an associate to financial assets at fair value through profit or loss	–	276,659
Fair value gains on financial assets at fair value through profit of loss(Note 18)	222	6,451
Net gain on disposal of property, plant and equipment	440	884
Gains/(Loss) on liquidation of subsidiaries	53	(224)
Loss on liquidation of a joint venture	(433)	(2,899)
Loss on disposal of investment properties	(5,951)	(7,772)
Gain on disposal of associates	1,817	–
Loss on disposal of subsidiaries	(130)	–
Others	4,395	6,704
	215,757	485,272

7 EXPENSES BY NATURE

	2022 RMB'000	2021 RMB'000
Cost of properties sold	**1,504,998**	1,556,392
Employee benefit expenses (Note 8)	**825,591**	765,126
Outsourcing costs for industrial park operation	**806,913**	660,164
Cost of construction services	**1,139,812**	594,722
Depreciation (Note 13 and 14)	**72,843**	78,356
Net impairment losses on financial and contract assets	**103,406**	76,119
Other professional service fees	**37,119**	33,497
Advertising costs	**19,177**	19,455
Amortisation (Note 16)	**7,426**	6,260
Auditors' remuneration		
– Audit services	**2,200**	2,200
– Non-audit services	**1,080**	1,079
Other expenses	**149,939**	95,026
Total cost of sales, selling and distribution expenses, administrative expenses and net impairment losses on financial and contract assets	**4,670,504**	3,888,396

8 EMPLOYEE BENEFIT EXPENSE

	2022 RMB'000	2021 RMB'000
Salaries, wages and other benefits	**779,747**	727,793
Contributions to defined contribution retirement schemes	**45,844**	37,333
	825,591	765,126

(a) Defined contribution retirement schemes

As stipulated by the Government regulations in the PRC, the Group is required to contribute to the state-sponsored retirement scheme for all of its employees in the PRC at 16% to 20%(2021: 16% to 20%) of the eligible salary of its employees on a monthly basis. The state-sponsored retirement scheme is responsible for the entire pension obligations payable to all retired employees and the Group has no further obligations for the actual pension payments or post-retirement benefits

Forfeited contributions is nil (2021: nil) were utilised during the year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include nil (2021: nil) directors whose emoluments are reflected in the analysis shown in Note 40. The emoluments payable to those five (2021: five) individuals during the year are as follows:

	2022 RMB'000	2021 RMB'000
Salaries and other emoluments	**17,546**	19,187
Retirement schemes contribution	**196**	124
	17,742	19,311

8 EMPLOYEE BENEFIT EXPENSE *(continued)*

(b) *Five highest paid individuals (continued)*

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

	2022	2021
HK$2,500,001 to HK$3,000,000	1	–
HK$3,500,001 to HK$4,000,000	2	2
HK$4,000,001 to HK$4,500,000	–	1
HK$4,500,001 to HK$5,000,000	1	–
HK$5,000,001 to HK$5,500,000	1	1
HK$6,000,001 to HK$6,500,000	–	1
	5	5

9 FINANCE INCOME AND COSTS

	2022 RMB'000	2021 RMB'000
Interest expenses of bank and other borrowings	(373,704)	(355,460)
Capitalised interest expenses	137,995	118,266
Interest expenses on leasing liabilities (Note 14)	(31,419)	(32,017)
Net foreign exchange losses	(23,536)	(1,885)
Finance costs	(290,664)	(271,096)
Interest income from deposits	27,000	63,583
Interest income from sublease (Note 14)	3,825	6,158
Income from wealth management products	–	5,506
Interest income from loans provided to related parties (Note 37(b))	–	2,215
Interest income from loans provided to third parties	22,866	–
Finance income	53,691	77,462
Net finance costs	(236,973)	(193,634)

Borrowing costs arising on financing specifically arranged for the construction of properties were capitalised using the rates ranged from 3.28% to 10.00%(2021:4.05% to 5.70%) per annum, and other borrowing costs were capitalised using an average interest rate of 4.72% (2021: 5.14%) per annum.

10(A) SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2022:

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

10(A)SUBSIDIARIES *(continued)*

Name of company	Place of incorporation and kind of legal entity	Paid-in/registered capital	Effective interest held by the Company		Principal activities and place of operation
			Direct	Indirect	
Shenyang Optics Valley Union Development Co., Ltd. 瀋陽光谷聯合發展有限公司*	The PRC limited liability company	RMB150,000,000/ RMB150,000,000	–	100%	Property development in the PRC
Hubei Technology Enterprise Accelerator Co., Ltd. 湖北科技企業加速器有限公司*	The PRC limited liability company	RMB150,000,000/ RMB150,000,000	–	80%	Property development in the PRC
Hefei Optics Valley Union Development Co., Ltd 合肥光谷聯合發展有限公司*	The PRC limited liability company	RMB180,000,000/ RMB180,000,000	–	100%	Property development in the PRC
Huanggang Optics Valley Union Development Co Ltd. 黃岡光谷聯合發展有限公司*	The PRC limited liability company	RMB200,000,000/ RMB200,000,000	–	70%	Property development in the PRC
Wuhan Ziyuantang Art Co., Ltd 武漢紫緣堂藝術品有限公司*	The PRC limited liability company	RMB58,300,000/ RMB100,000,000	–	100%	Exhibition related service in the PRC
Chengdu xingu industrial park development co. LTD 成都芯谷產業園發展有限公司*	The PRC limited liability company	RMB500,000,000/ RMB500,000,000	–	80%	Property development in the PRC
Wuhan Optics Valley Union Properties Investment Fund Limited Partnership 武漢光谷聯合產業投資基金合夥企業(有限合夥)*	The PRC Limited Partnership	RMB99,300,000/ RMB100,000,000	–	100%	Investment fund in the PRC
China Electronics Wenzhou Industrial Park Development Co., Ltd. ("CEC Wenzhou Industrial Park) 中國電子溫州產業園發展有限公司*	The PRC limited liability company	RMB500,000,000/ RMB500,000,000	–	95%	Property development in the PRC
China Electronics Xi'an Industrial Park Development Co., Ltd. 中國電子西安產業園發展有限公司*	The PRC limited liability company	RMB103,500,000/ RMB103,500,000	–	73.91%	Property development in the PRC
Wenzhou China Electronics United municipal infrastructure Co., Ltd. 溫州中電聯合市政基礎設施有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	100%	Construction services in the PRC

10(A) SUBSIDIARIES *(continued)*

Name of company	Place of incorporation and kind of legal entity	Paid-in/registered capital	Effective interest held by the Company: Direct	Effective interest held by the Company: Indirect	Principal activities and place of operation
Wuhan Yudatong Venture Investment Fund Limited Partnership 武漢譽達通創業投資基金合夥企業(有限合夥)*	The PRC Limited Partnership	RMB100,000,000/ RMB100,000,000	–	60%	Investment fund in the PRC
CEC Optics Valley Architecture Design Institute Co., Ltd. 中電光谷建築設計院有限公司*	The PRC limited liability company	RMB52,500,000/ RMB300,000,000	–	100%	Construction services in the PRC
CEC Optics Valley (Shenzhen) Industry Development Co., Ltd. 中電光谷(深圳)產業發展有限公司*	The PRC limited liability company	RMB500,000,000/ RMB500,000,000	–	100%	Investment fund in the PRC
Luoyang CEC Optical Valley Information Port Industrial Co., Ltd. 洛陽中電光谷信息港實業有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	70%	Property development in the PRC
Hubei Han Bo Yuan Thermal Equipment Company Limited 湖北瀚博源熱力設備有限公司*	The PRC limited liability company	RMB22,450,000/ RMB22,450,000	–	51%	Energy-saving technique development in the PRC
Hubei zhongchuang financing guarantee co. LTD 湖北中創融資擔保有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	80%	Investment fund in the PRC
Shenzhen Jia Xin Growth Investment Co., Ltd. 深圳嘉信成長投資有限公司*	The PRC limited liability company	RMB20,000,000/ RMB20,000,000	–	100%	Investment fund in the PRC
Changsha CEC Industrial Park Development Co., Ltd. 長沙中電產業園發展有限公司*	The PRC limited liability company	RMB300,000,000/ RMB300,000,000	–	100%	Property development in the PRC
Shanghai huayue investment and development co. LTD 上海華悅投資發展有限公司*	The PRC limited liability company	RMB390,000,000/ RMB390,000,000	–	100%	Property development in the PRC
Xianyang CEC Company 咸陽中電西部智谷實業有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	50%	Property development in the PRC
Nantong Optical Valley Intelligent Manufacturing Co., Ltd 南通光谷智能製造有限公司*	The PRC limited liability company	RMB70,000,000/ RMB200,000,000	–	70%	Property management services in the PRC

10(A)SUBSIDIARIES *(continued)*

Name of company	Place of incorporation and kind of legal entity	Paid-in/registered capital	Effective interest held by the Company		Principal activities and place of operation
			Direct	Indirect	
Wuhan Optics Valley Software Park Co., Ltd. 武漢光谷軟件園有限公司*	The PRC limited liability company	RMB10,000,000/ RMB10,000,000	–	100%	Property management services in the PRC
Wuhan Optics Valley Energy Conservation Engineering Co., Ltd 武漢光谷節能能源服務有限公司*	The PRC limited liability company	RMB5,000,000/ RMB5,000,000	–	100%	Energy-saving technique development in the PRC
Wuhan Meisheng Real Estate Co., Ltd 武漢美生置業有限公司*	The PRC limited liability company	RMB5,000,000/ RMB5,000,000	–	100%	Property management services in the PRC
Chongqing China Electricity Optical Valley Technology Industry Development Co., Ltd 重慶中電光谷科技產業發展有限公司*	The PRC limited liability company	RMB25,000,000/ RMB100,000,000	–	60%	Property management services in the PRC
Wuhan China Electricity Fenggong Energy Saving Engineering Technology Co., Ltd 武漢中電豐功節能技術有限公司*	The PRC limited liability company	RMB15,000,000/ RMB50,000,000	–	100%	Energy-saving technique development in the PRC
Tianjin China Electricity Optical Valley Development Co., Ltd 天津中電光谷發展有限公司*	The PRC limited liability company	RMB200,000,000/ RMB200,000,000	–	80%	Property development in the PRC
Shanghai China Electricity Optical Valley Energy Saving Technology Co., Ltd 上海中電光谷節能科技有限公司*	The PRC limited liability company	RMB2,000,000/ RMB10,000,000	–	100%	Energy-saving technique development in the PRC
Fujian China Electricity Optical Valley Kechuang Industry Development Co., Ltd 福建中電光谷科創產業發展有限公司*	The PRC limited liability company	RMB10,000,000/ RMB100,000,000	–	80%	Property management services in the PRC
Wuhan Digital Industrial Park Development Co., Ltd 武漢數字產業園發展有限公司*	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	100%	Property development in the PRC
Wuhan China Electricity Optical Valley Industrial Park Development Co., Ltd 武漢中電光谷產業園發展有限公司*	The PRC limited liability company	RMB163,000,000/ RMB200,000,000	–	100%	Property development in the PRC

10(A) SUBSIDIARIES *(continued)*

Name of company	Place of incorporation and kind of legal entity	Paid-in/registered capital	Effective interest held by the Company		Principal activities and place of operation
			Direct	Indirect	
Mianyang China Electricity Optical Valley Technology Development Co., Ltd 綿陽中電光谷科技產業發展有限公司*	The PRC limited liability company	RMB50,000,000/ RMB50,000,000	–	100%	Property development in the PRC
Chongqing Optical Valley United Technology Development Co., Ltd 重慶光谷聯合科技發展有限公司*	The PRC limited liability company	RMB50,000,000/ RMB50,000,000	–	100%	Property development in the PRC
Chongqing China Electricity Optical Valley Technology City Development Co., Ltd 重慶中電光谷科技城開發有限公司*	The PRC limited liability company	RMB91,000,000/ RMB100,000,000	–	100%	Property development in the PRC
Yichang Zhongdian Optical Valley Industrial Park Development Co., Ltd. 宜昌中電光谷產業園發展有限公司	The PRC limited liability company	RMB35,000,000/ RMB50,000,000	–	100%	Property development in the PRC
Xianyang Zhongdian Optics Valley Biological Industry Development Co., Ltd. 咸陽中電光谷生物產業發展有限公司	The PRC limited liability company	RMB100,000,000/ RMB100,000,000	–	60%	Property development in the PRC

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

As at 31 December 2022 and 2021, none of the non-controlling interest of the non-wholly owned subsidiaries was material to the Group.

10(B) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	2022 RMB'000	2021 RMB'000
Associates	**1,798,126**	1,963,666
Joint ventures	**138,693**	161,956
At 31 December	**1,936,819**	2,125,622

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

	2022 RMB'000	2021 RMB'000
Associates	**(81,069)**	76,158
Joint ventures	**(25,270)**	23,834
For the year ended 31 December	**(106,339)**	99,992

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

Investments in associates

	2022 RMB'000	2021 RMB'000
At 1 January	**1,963,666**	1,883,044
Additions	**16,443**	122,670
Share of (losses)/profits	**(81,069)**	76,158
Gain from deemed partial disposals (Note 6)	**–**	50,394
Disposals	**(9,593)**	(38,927)
Transfer to financial assets at fair value through profit or loss (Note 18)	**–**	(129,673)
Dividends	**(91,321)**	–
At 31 December	**1,798,126**	1,963,666

List of material associate as at 31 December 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 ("Hainan Software Community")	PRC, limited liability company	PRC, development and management of electronic information technology industrial parks	RMB1,600,000,000	20.00%

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

Investment in associates (continued)

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

	As at 31 December 2022 RMB'000	As at 31 December 2021 RMB'000
Identifiable current assets and liabilities assumed		
Assets	13,991,398	12,061,268
Liabilities	(8,688,349)	(5,249,311)
Identifiable net current assets	5,303,049	6,811,957
Identifiable non-current assets and liabilities assumed		
Assets	4,582,710	4,525,273
Liabilities	(5,353,207)	(6,197,053)
Identifiable net non-current liabilities	(770,497)	(1,671,780)
Identifiable net assets	4,532,552	5,140,177
Identifiable net assets attributable to owners of the associate	4,527,951	5,117,178
Interest held by the Group	20%	20%
Carrying amount	905,590	1,023,436

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

Investment in associates (continued)

	2022 RMB'000	2021 RMB'000
Revenue	**590,906**	840,986
(Loss)/profit after income tax	**(175,259)**	92,523
Total comprehensive income	**(175,259)**	92,523

Investment in joint ventures

	2022 RMB'000	2021 RMB'000
At 1 January	**161,956**	190,103
Share of (losses)/profits	**(25,270)**	23,834
Additions	**2,007**	10,918
Disposals	**–**	(60,000)
Others	**–**	(2,899)
At 31 December	**138,693**	161,956

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

11 INCOME TAX EXPENSE

	2022 RMB'000	2021 RMB'000
Current tax:		
PRC Corporate Income Tax ("CIT")	**279,637**	249,039
Land Appreciation Tax ("LAT")	**205,766**	161,812
Total current tax	**485,403**	410,851
Deferred tax (Note 28):		
– (Origination) and reversal of temporary differences	**(25,307)**	53,722
– Withholding income tax	**8,458**	7,700
Income tax expense	**468,554**	472,273

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

	2022 RMB'000	2021 RMB'000
Profit before tax	**990,938**	1,084,883
Tax calculated at domestic statutory tax rate of 25% (Note (i) (ii) (iii))	**247,735**	271,221
Tax effects of:		
– Share of results of associates and joint ventures	**26,585**	(24,998)
– Income not subject to income tax	**1,022**	832
– Expenses not deductible for tax purposes	**4,697**	6,765
– Adopting prescribed tax calculation method by PRC subsidiaries (Note (iii))	**(4,868)**	(4,893)
– Tax losses for which no deferred income tax asset was recognised (Note 28)	**30,600**	94,287
LAT in relation to properties sold (Note (iv))	**205,766**	161,812
Tax effects of LAT	**(51,441)**	(40,453)
Withholding income tax on profit	**8,458**	7,700
Income tax expense	**468,554**	472,273

11 INCOME TAX EXPENSE *(continued)*

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

(ii) No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong in 2022.

(iii) The Group's PRC subsidiaries are subject to PRC income tax at 25% unless otherwise specified. According to the approvals from the local tax authorities, the assessable profits of certain subsidiaries of the Group were calculated based on 2.5%-15% of their respective gross revenues for the year.

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

12 EARNINGS PER SHARE

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

	2022	2021
Profit attributable to owners of the Company (RMB'000)	**536,091**	640,203
Weighted average number of ordinary shares in issue (thousands)	**7,574,352**	7,574,352
Basic earnings per share (RMB cents)	**7.08**	8.45

There were no potential dilutive ordinary shares in 2022 and 2021, diluted earnings per share therefore equals to basic earnings per share.

13 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machines RMB'000	Motor vehicles RMB'000	Furniture, office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2022						
Opening net book amount	312,470	58,407	2,109	19,880	33,334	426,200
Other additions	67,311	405	2,108	8,364	13,145	91,333
Transfer from construction in progress	–	38,436	–	–	(38,436)	–
Transfer from completed properties held for sale	25,329	–	–	–	–	25,329
Depreciation charges	(40,234)	(15,584)	(2,006)	(8,213)	–	(66,037)
Other disposals	(3,706)	(7)	(307)	(425)	–	(4,445)
Disposal of a subsidiary	(266)	(113)	(279)	(76)	–	(734)
Closing net book amount	360,904	81,544	1,625	19,530	8,043	471,646
At 31 December 2022						
Cost	559,080	204,010	26,796	105,278	8,043	903,207
Accumulated depreciation	(198,176)	(122,466)	(25,171)	(85,748)	–	(431,561)
Net book amount	360,904	81,544	1,625	19,530	8,043	471,646

13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Buildings RMB'000	Machines RMB'000	Motor vehicles RMB'000	Furniture, office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2021						
Opening net book amount	333,503	62,486	7,040	22,085	10,857	435,971
Other additions	3,861	10,368	4,760	23,093	24,311	66,393
Transfer from construction in progress	–	1,628	–	206	(1,834)	–
Transfer from completed properties held for sale	65,475	–	–	–	–	65,475
Transfer to completed properties held for sale	(38,117)	–	–	–	–	(38,117)
Depreciation charges	(33,502)	(14,744)	(3,205)	(21,502)	–	(72,953)
Other disposals	(18,750)	(1,331)	(6,486)	(4,002)	–	(30,569)
Closing net book amount	312,470	58,407	2,109	19,880	33,334	426,200
At 31 December 2021						
Cost	470,412	165,289	49,632	175,413	33,334	894,080
Accumulated depreciation	(157,942)	(106,882)	(47,523)	(155,533)	–	(467,880)
Net book amount	312,470	58,407	2,109	19,880	33,334	426,200

13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

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

	2022 RMB'000	2021 RMB'000
Cost of sales	**48,758**	59,259
Administrative expenses	**13,540**	12,194
Selling and distribution expenses	**3,739**	1,500
	66,037	72,953

14 LEASES

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2022 RMB'000	31 December 2021 RMB'000
Right-of-use assets		
– Properties	**93,945**	98,063
Lease liabilities		
Current	**90,026**	82,992
Non-current	**501,331**	479,399
	591,357	562,391

14 LEASES *(continued)*

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

The following table presents the changes of right-of-use assets for the year ended 31 December 2022:

	2022 RMB'000
Balance at 31 December 2021	**98,063**
Additions	**2,688**
Depreciation/amortisation	**(6,806)**
Closing net book amount	**93,945**

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2022 RMB'000	2021 RMB'000
Depreciation charge of right-of-use assets		
Properties	**6,806**	5,403
Interest expense (included in finance cost) (Note 9)	**(31,419)**	(32,017)
Interest income (included in finance income) (Note 9)	**3,825**	6,158

The total cash outflow for leases in 2022 was RMB114,863,000.

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties. Rental contracts are typically made for fixed periods of 3 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

15 INVESTMENT PROPERTIES

	2022 RMB'000	2021 RMB'000
Opening balance at 1 January	**5,091,625**	4,697,854
Transfer from properties under development and completed properties held for sale	**413,768**	316,705
Other additions	**365,489**	362,098
Fair value changes	**265,793**	51,081
Transfer to completed properties held for sale	**(25,496)**	(175,942)
Disposals	**(150,446)**	(160,171)
Closing balance at 31 December	**5,960,733**	5,091,625

Amounts recognised in profit and loss for investment properties

	2022 RMB'000	2021 RMB'000
Rental income from self-owned properties	**193,791**	221,490
Rental income from subleasing	**77,228**	69,241
Direct operating expenses from property that generated rental income	**17,120**	45,709

As at 31 December 2022, the Group had no contractual obligations for future repairs and maintenance (2021: nil).

Investment properties with an aggregate carrying value of RMB1,248,646,000 (2021: RMB1,458,660,000) as at 31 December 2022 were pledged for certain bank loans granted to the Group (Note 27).

15 INVESTMENT PROPERTIES *(continued)*

Investment properties comprise a number of commercial and residential properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 1 years to 16 years.

As at 31 December 2022, title certificates of certain investment properties of the Group with carrying value of RMB2,154,540,000 (2021: RMB1,431,570,000) were in progress of being obtained.

The Group's investment properties are leased to tenants under operating leases with rentals payable quarterly in general. There are no variable lease payments that depend on an index or rate.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

For minimum lease payments receivable on leases of investment properties, refer to Note 36(b).

Fair value measurements using significant unobservable inputs (Level 3)

	Investment properties	
	2022 **RMB'000**	2021 RMB'000
Opening balance at 1 January	**5,091,625**	4,697,854
Transfer from properties under development and completed properties held for sale	**413,768**	316,705
Other additions	**365,489**	362,098
Fair value changes	**265,793**	51,081
Transfer to completed properties held for sale	**(25,496)**	(175,942)
Disposals	**(150,446)**	(160,171)
Closing balance at 31 December	**5,960,733**	5,091,625
Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year	**265,793**	51,081

15 INVESTMENT PROPERTIES *(continued)*

Valuation processes of the Group

The Group's investment properties were valued at transfer dates and at 31 December 2022 and 2021 by Cushman & Wakefield International properties Advisers ("C&W"), cation and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. During 2022, a total gain of RMB265,793,000 (2021:RMB51,081,000), and deferred tax thereon of RMB66,448,250 (2021: RMB12,770,250), were recognised in the consolidated statement of profit or loss.

The Group's management will review the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the management and valuers at least on a semi-annual basis, in line with the Group's interim and annual reporting dates.

At each financial year end the finance department:

- Verifies all major inputs to the independent valuation reports;
- Assess property valuations movements when compared to the prior year valuation reports;
- Holds discussions with the independent valuers.

Valuation techniques

Valuations are based on:

(i) Direct comparison approach assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as locations and property size; and/or

(ii) Income approach taking into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield are then applied respectively to derive the market value of the property; or

(iii) Residual method of valuation which is commonly used in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees, contingency, marketing and legal cost, and interest payments to be incurred, anticipated developer's profits, as well as land acquisition costs, interest payment and profit on land.

There were no changes to the valuation techniques during the year.

15 INVESTMENT PROPERTIES *(continued)*

Valuation techniques (continued)

Information about fair value measurements using significant unobservable inputs (level 3):

Description	Fair value at 31 Dec 2022 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Completed investment properties (including investment properties used for sublease)	5,272,583	Direct comparison approach	Adjusted market price (RMB/sq.m)	6,050	The higher the direct comparison price, the higher the fair value.
		Income approach	Market monthly rental rate (RMB/sq.m)	14 – 153	The higher the market monthly rental rate, the higher the fair value.
			Term yield	3.25% – 8.50%	The higher the term yield, the lower the fair value.
			Reversionary rate	3.75% – 9.00%	The higher the reversionary rate, the lower the fair value.
Investment properties under construction	688,150	Direct comparison approach	Adjusted market price (RMB/sq.m)	1,290	The higher the direct comparison price, the higher the fair value.
		Residual method	Residential unit rates (RMB/sq.m)	4,194 – 6,911	The higher the residential unit rates, the higher the fair value.
			Budgeted construction costs to be incurred	11,996 – 361,514	The higher the budgeted construction cost, the higher the fair value.
			Remaining percentage to completion	16.88% – 81.83%	The higher the remaining percentage to completion, the lower the fair value.
			Anticipated developer's profit margin	5.00% – 15.00%	The higher the anticipated developer's profit, the higher the fair value.

15 INVESTMENT PROPERTIES *(continued)*

Valuation techniques (continued)

Description	Fair value at 31 Dec 2021 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Completed investment properties (including investment properties used for sublease)	4,307,825	Direct comparison approach	Adjusted market price (RMB/sq.m)	8,020 – 32,696	The higher the direct comparison price, the higher the fair value.
		Income approach	Market monthly rental rate (RMB/sq.m)	15 – 153	The higher the market monthly rental rate, the higher the fair value.
			Term yield	3.25% – 8.50%	The higher the term yield, the lower the fair value.
			Reversionary rate	3.75% – 9.00%	The higher the reversionary rate, the lower the fair value.
Investment properties under construction	783,800	Direct comparison approach	Adjusted market price (RMB/sq.m)	1,810 – 6,503	The higher the direct comparison price, the higher the fair value.
		Residual method	Residential unit rates (RMB/sq.m)	4,313 – 10,955	The higher the residential unit rates, the higher the fair value.
			Budgeted construction costs to be incurred	100,719 – 193,497	The higher the budgeted construction cost, the higher the fair value.
			Remaining percentage to completion	3.00% – 91.89%	The higher the remaining percentage to completion, the lower the fair value.
			Anticipated developer's profit margin	5.00% – 10.00%	The higher the anticipated developer's profit, the higher the fair value.

There were no significant inter-relationships between unobservable inputs that materially affect fair values, except for those stated in these financial statements.

16 INTANGIBLE ASSETS

	Goodwill RMB'000	Software RMB'000	Total RMB'000
Year ended 31 December 2022			
Opening net book amount	8,528	48,914	57,442
Additions	–	3,730	3,730
Amortisation charge	–	(7,426)	(7,426)
Closing net book amount	8,528	45,218	53,746
At 31 December 2022			
Cost	8,528	70,989	79,517
Accumulated amortisation and impairment	–	(25,771)	(25,771)
Net book amount	8,528	45,218	53,746

	Goodwill RMB'000	Software RMB'000	Total RMB'000
Year ended 31 December 2021			
Opening net book amount	8,528	48,814	57,342
Additions	–	6,360	6,360
Amortisation charge	–	(6,260)	(6,260)
Closing net book amount	8,528	48,914	57,442
At 31 December 2021			
Cost	8,528	67,259	75,787
Accumulated amortisation and impairment	–	(18,345)	(18,345)
Net book amount	8,528	48,914	57,442

Amortisation of RMB7,426,000 (2021: RMB6,260,000) is included in the 'administrative expenses' of the consolidated statement of profit or loss.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	At amortised cost RMB'000	At fair value RMB'000	Total RMB'000
Assets			
At 31 December 2022			
Cash and cash equivalents	**2,254,209**	**–**	**2,254,209**
Trade and other receivables excluding prepayments	**2,561,607**	**–**	**2,561,607**
Restricted cash	**384,997**	**–**	**384,997**
Deposits in banks with original maturities over three months	**4,050**	**–**	**4,050**
Financial assets at fair value through profit or loss	**–**	**731,991**	**731,991**
Financial assets at fair value through other comprehensive income	**–**	**18,528**	**18,528**
Total	**5,204,863**	**750,519**	**5,955,382**
Assets			
At 31 December 2021			
Cash and cash equivalents	2,155,136	–	2,155,136
Trade and other receivables excluding prepayments	1,946,834	–	1,946,834
Restricted cash	237,547	–	237,547
Deposits in banks with original maturities over three months	56,300	–	56,300
Financial assets at fair value through profit or loss	–	888,211	888,211
Total	4,395,817	888,211	5,284,028

17 FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

	At amortised cost RMB'000
Liabilities	
At 31 December 2022	
Bank and other borrowings	**7,068,315**
Trade and other payables excluding non-financial liabilities	**3,115,952**
Lease liabilities	**591,357**
Total	**10,775,624**
Liabilities	
At 31 December 2021	
Bank and other borrowings	5,101,980
Trade and other payables excluding non-financial liabilities	4,199,299
Lease liabilities	562,391
Corporate bonds	258,097
Total	10,121,767

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 RMB'000	2021 RMB'000
At 1 January	**888,211**	617,101
Additions	**306,366**	1,102,643
Transfer from investment in associates (Note 10(b))	**–**	129,673
Net gain from transfer from investment in an associate (Note 6)	**–**	276,659
Fair value gains on financial assets at fair value through profit of loss (Note 6)	**222**	6,451
Disposals	**(462,808)**	(1,244,316)
At 31 December	**731,991**	888,211
Less: non-current portion	**(718,591)**	(693,237)
Current portion	**13,400**	194,974

Financial assets at fair value through profit or loss include the following:

	2022 RMB'000	2021 RMB'000
Unlisted securities – PRC (i)	**718,591**	693,237
Trust plan products	**–**	129,974
Wealth management products (ii)	**13,400**	65,000
	731,991	888,211

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

(i) As at 31 December 2022, the investments mainly represent equity investments in certain companies. The fair values of these investments were determined mainly based on direct comparison approach by making reference to its recent transaction prices, the fair value measurement is categorised within level 3 of the fair value hierarchy.

(ii) As at 31 December 2022, these wealth management products were issued by banks in the PRC with expected annual return at 2.2%-4.3% (2021: 2.15%-4.88%). The returns on all of these products are not guaranteed, therefore the Group designated them as financial assets at fair value through profit or loss. The fair values are determined based on cash flow discounted using the expected return based on management's judgment and are within level 3 of the fair value hierarchy. The fair values of these investments approximated their carrying values as at 31 December 2022.

None of these financial assets is either past due or impaired.

19 PROPERTIES UNDER DEVELOPMENT

Properties under development in the consolidated statement of financial position comprise:

	At 31 December	
	2022 RMB'000	2021 RMB'000
Expected to be completed for sale within one year		
Properties under development for sale	**2,075,929**	1,337,458
Expected to be completed for sale after more than one year		
Properties under development for sale	**1,039,187**	2,567,097
	3,115,116	3,904,555

All properties under development are located in the PRC are stated at the lower of cost and net realisable value.

Properties under development with an aggregate carrying value of RMB2,899,691,000 (2021: RMB3,247,351,000) as at 31 December 2022 were pledged for certain bank loans granted to the Group (Note 27).

20 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in the PRC are stated at the lower of cost and net realisable value.

Completed properties held for sale with an aggregate carrying value of RMB1,100,224,000 (2021: RMB934,840,000) as at 31 December 2022 were pledged for certain bank loans granted to the Group (Note 27).

21 INVENTORIES

	At 31 December	
	2022	2021
	RMB'000	RMB'000
Raw materials	**2,261**	2,297
Work in progress	**3,258**	19,477
Finished goods	**66,963**	69,413
	72,482	91,187

22 TRADE AND OTHER RECEIVABLES

	At 31 December 2022 RMB'000	2021 RMB'000
Current portion		
Trade receivables (a)	**1,207,211**	955,652
Loans to third parties	**529,845**	549,649
Prepayments for construction cost and raw materials	**246,851**	269,684
Prepaid turnover tax and other taxes	**187,375**	140,184
Notes receivables	**17,995**	32,146
Deposits receivable	**133,484**	30,984
Loans to related parties (Note 37(c))	**687**	8,490
Others	**197,677**	112,026
	2,521,125	2,098,815
Non-current portion		
Trade receivables (a)	**344,365**	369,774
Receivables from finance leases	**19,316**	40,716
Loans to related parties (Note 37(c))	**4,558**	4,162
Loans to third parties	**354,528**	79
	722,767	414,731
Less: allowance provisions for		
– Trade receivables	**(92,560)**	(75,334)
– Other receivables	**(155,499)**	(81,510)
	(248,059)	(156,844)
Total	**2,995,833**	2,356,702

22 TRADE AND OTHER RECEIVABLES *(continued)*

(a) Trade receivable are generally due within 1 year from the date of billing. The non-current trade receivables are due and payable within eight years from the end of the reporting period. As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable, based on the invoice date (or date of revenue recognition, if earlier), is as follows:

	At 31 December	
	2022	2021
	RMB'000	RMB'000
Within one year	**963,340**	633,454
One to two years	**143,540**	596,420
Two to three years	**384,775**	29,957
Over three years	**10,286**	30,675
Over four years	**49,635**	34,920
	1,551,576	1,325,426

Trade receivables are primarily related to the sale of properties. Proceeds from the sale of properties are made in one-off payments upfront or paid by instalments in accordance with the terms of the corresponding sale and purchase agreements. If payment is made in one-off payment upfront, settlement is normally required by date of signing the sales contract. If payments are made in instalments, settlement is in accordance with the contract terms.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. As at 31 December 2022, the loss allowance provision increased to RMB92,560,000 for trade receivables (31 December 2021:RMB75,334,000).

As at 31 December 2022, the loss allowance increased to RMB155,499,000 for other receivables during the current reporting period (31 December 2021: RMB81,510,000).

As at 31 December 2021 and 2022, the fair value of trade and other receivables approximated their carrying amounts.

23 RESTRICTED CASH

	At 31 December 2022 RMB'000	2021 RMB'000
Pledged for:		
– Supervised accounts for construction of pre-sale properties	**314,112**	160,012
– Mortgage deposits	**31,219**	37,475
– Interest-bearing loans deposits	**10**	22,319
– Letter of guarantee	**32,135**	10,841
– Others	**7,521**	6,900
Total	**384,997**	237,547

24 CASH AND CASH EQUIVALENTS

	At 31 December 2022 RMB'000	2021 RMB'000
Cash in hand	**138**	163
Cash at bank	**2,221,236**	1,852,316
Other cash deposited in a related party's financial institutions (Note 37(c))	**32,835**	302,657
Cash and cash equivalents	**2,254,209**	2,155,136

25 TRADE AND OTHER PAYABLES

	At 31 December	
	2022	2021
	RMB'000	RMB'000
Trade creditors and bills payable	**1,993,290**	2,684,881
Advances from third parties	**154,445**	631,445
Other taxes payables	**101,954**	203,235
Construction guaranteed deposits payable	**331,021**	187,378
Advances from related parties(Note 37(c))	**113,956**	110,579
Accrued payroll	**80,871**	87,496
Interests payable	**31,000**	49,753
Other payables and accruals	**539,535**	577,486
Total	**3,346,072**	4,532,253

As at 31 December 2022, the ageing analysis of trade creditors and bills payables, based on the invoice date, is as follows:

	At 31 December	
	2022	2021
	RMB'000	RMB'000
Within one year	**1,520,440**	2,193,746
One to two years	**129,255**	441,219
Two to three years	**304,980**	6,779
Over three years	**38,615**	43,137
	1,993,290	2,684,881

As at 31 December 2021 and 2022, the fair value of trade and other payables approximated their carrying amounts.

26 CORPORATE BONDS

	2022 RMB'000	2021 RMB'000
As at 1 January	**258,097**	1,334,501
Net proceeds from bonds issued	**–**	350,000
Interest expenses	**2,074**	30,911
Principal paid during the year	**(250,000)**	(1,400,000)
Coupon interest paid	**(10,171)**	(57,315)
As at 31 December	**–**	258,097
Representing:		
Current portion	**–**	258,097

In May 2021, the Group issued a short-term note with maturity of 270 days with face value of RMB250,000,000 bearing annual interest rate of 5.50%. The note has been repaid in February 2022.

27 BANK AND OTHER BORROWINGS

	At 31 December	
	2022 RMB'000	2021 RMB'000
Current		
Secured		
– Bank and other borrowings	738,990	681,000
– Current portion of non-current bank and other borrowings	939,585	542,482
	1,678,575	1,223,482
Unsecured		
– Bank and other borrowings	1,727,594	1,730,897
– Current portion of non-current bank and other borrowings	430,685	163,132
	2,158,279	1,894,029
	3,836,854	3,117,511
Non-current		
Secured		
– Bank and other borrowings	2,877,024	2,233,430
Less: Current portion of non-current bank and other borrowings	(939,585)	(542,482)
	1,937,439	1,690,948
Unsecured		
– Bank and other borrowings	1,724,707	456,653
Less: Current portion of non-current bank and other borrowings	(430,685)	(163,132)
	1,294,022	293,521
	3,231,461	1,984,469

27 BANK AND OTHER BORROWINGS *(continued)*

The bank and other borrowings bear interest ranging from 2.50% to 10.00% per annum for year ended 31 December 2022 (2021: from 2.50% to 6.00%).

The Group's borrowings were repayable as follows:

	At 31 December 2022 RMB'000	At 31 December 2021 RMB'000
Within 1 year or on demand	**3,836,854**	3,117,511
After 1 year but within 2 years	**495,306**	849,980
After 2 years but within 5 years	**1,837,359**	366,667
After 5 years	**898,796**	767,822
	7,068,315	5,101,980

The bank loans were secured by the following assets with book values of:

	At 31 December 2022 RMB'000	At 31 December 2021 RMB'000
Properties under development (Note 19)	**2,899,691**	3,247,351
Investment properties (Note 15)	**1,248,646**	1,458,660
Completed properties held for sale (Note 20)	**1,100,224**	934,840
Restricted cash (Note 23)	**10**	22,319
	5,248,571	5,663,170

The fair value of borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 4.80% (2021: 5.07%) and are within level 2 of the fair value hierarchy.

27 BANK AND OTHER BORROWINGS *(continued)*

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2022, none of the covenants relating to drawn down facilities had been breached (2021: nil).

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 3.1(a)(ii).

28 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	At 31 December	
	2022 RMB'000	2021 RMB'000
Before offsetting		
Deferred tax assets:	213,512	180,086
Deferred tax liabilities:	(628,438)	(608,792)
After offsetting		
Deferred tax assets	43,276	79,927
Deferred tax liabilities	(458,202)	(508,633)

28 DEFERRED INCOME TAX *(continued)*

The gross movement on the deferred income tax account is as follows:

	2022 RMB'000	2021 RMB'000
At 1 January	(428,706)	(390,209)
Credited/(charged) to statement of profit or loss (Note 11)	16,849	(61,422)
Other comprehensive income	(3,069)	–
Withholding tax paid	–	22,925
At 31 December	(414,926)	(428,706)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Temporary differences arising from LAT provision RMB'000	Unused tax losses RMB'000	Unrealised profit resulting from inter-group transactions RMB'000	Allowance on doubtful debts RMB'000	Others RMB'000	Total RMB'000
At 1 January 2021	55,150	2,442	50,271	26,049	8,833	142,745
Recognised in profit or loss	23,165	12,888	9,493	(5,680)	(2,525)	37,341
At 31 December 2021	78,315	15,330	59,764	20,369	6,308	180,086
Recognised in profit or loss	6,973	19,066	2,156	6,428	(1,197)	33,426
At 31 December 2022	85,288	34,396	61,920	26,797	5,111	213,512

Note: In assessing the realisability of deferred tax assets in respect of the Group's subsidiaries which suffered tax losses in current or preceding period, management considers the projected future taxable income of these subsidiaries. Accordingly, the Group has recognised deferred tax assets of RMB34,396,000 as at 31 December 2022 (2021: RMB15,330,000) as the Group estimates that these subsidiaries have properties development or leasing projects which are probable to generate sufficient future taxable profits to support their utilisation.

28 DEFERRED INCOME TAX *(continued)*

Deferred income tax assets (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB155,188,000 (2021: RMB131,846,000) in respect of losses amounting to RMB620,752,000 (2021: RMB527,384,000) that can be carried forward against future taxable income.

The unrecognised tax losses will expire in the following years:

	At 31 December	
	2022	2021
	RMB'000	RMB'000
2022	**–**	29,032
2023	**53,816**	53,816
2024	**28,848**	28,848
2025	**38,540**	38,540
2026	**377,148**	377,148
2027	**122,400**	–
	620,752	527,384

28 DEFERRED INCOME TAX *(continued)*

Deferred income tax liabilities

	Revaluation of investment properties RMB'000	Revaluation arising from business combination RMB'000	Recognition of revenue over time RMB'000	Revaluation of financial assets at fair value through profit of loss RMB'000	Revaluation of financial assets at fair value through other comprehensive income RMB'000	Withholding income tax on profit tax to be distributed in future RMB'000	Others RMB'000	Total RMB'000
At 1 January 2021	(402,383)	(89)	(60,758)	(40,463)	–	(15,225)	(14,036)	(532,954)
Recognised in profit or loss	(13,027)	6	3,571	(82,089)		(7,700)	476	(98,763)
Withholding tax paid	–	–	–	–	–	22,925	–	22,925
At 31 December 2021	(415,410)	(83)	(57,187)	(122,552)	–	–	(13,560)	(608,792)
Recognised in profit or loss	(48,148)	83	35,853	(8,746)	–	(8,458)	12,839	(16,577)
Other comprehensive income	–	–	–	–	(3,069)	–	–	(3,069)
At 31 December 2022	**(463,558)**	**–**	**(21,334)**	**(131,298)**	**(3,069)**	**(8,458)**	**(721)**	**(628,438)**

Pursuant to the PRC tax law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those foreign invested subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

At 31 December 2022, the Company controls the dividend policy of these subsidiaries and it has been determined that these profits will not be distributed in the foreseeable future.

29 DEFERRED INCOME

	At 31 December	
	2022	2021
	RMB'000	RMB'000
Deferred government grants	**652,562**	715,356
Service fees received in advance (a)	**48,573**	64,474
Less: Current portion	**(70,114)**	(77,983)
	631,021	701,847

(a) The deferred income primarily represents the prepaid service fees from customers for energy supply service in the industrial parks.

30 SHARE CAPITAL AND TREASURY SHARES

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

	At 31 December 2022 and 2021		
	No. of Shares		**Treasury shares**
	('000)	RMB'000	RMB'000
Ordinary shares, issued and fully paid:			
At the end of the year	7,574,352	623,048	(121,056)

30 SHARE CAPITAL AND TREASURY SHARES *(continued)*

(a) During the year ended 31 December 2022 and 2021, movement of the Company's treasury shares are analysed as follows:

	Shares repurchased for the purpose of		
	Share award	Cancellation	Total
	('000)	('000)	('000)
Year ended 31 December 2022 and 2021			
Opening and closing No. of shares	**152,998**	**–**	**152,998**

31 RESERVES

	Share premium	Exchange reserve	Property Revaluation reserve	Statutory reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2022	1,730,309	15,220	49,772	616,671	535,955	2,947,927
Appropriation from retained earnings	–	–	–	101,593	–	101,593
Currency translation differences	–	(24,687)	–	–	–	(24,687)
Dividends paid (Note 33)	(163,377)	–	–	–	–	(163,377)
Other comprehensive income	–	–	–	–	9,208	9,208
Balance at 31 December 2022	1,566,932	(9,467)	49,772	718,264	545,163	2,870,664
Balance at 1 January 2021	1,855,942	17,915	49,772	502,521	537,204	2,963,354
Appropriation from retained earnings	–	–	–	114,150	–	114,150
Currency translation differences	–	(2,695)	–	–	–	(2,695)
Dividends paid (Note 33)	(125,633)	–	–	–	–	(125,633)
Transaction with non-controlling interests	–	–	–	–	(1,249)	(1,249)
Balance at 31 December 2021	1,730,309	15,220	49,772	616,671	535,955	2,947,927

31 RESERVES *(continued)*

(a) PRC statutory reserve

Pursuant to the Articles of Association of the PRC subsidiaries now comprising the Group, appropriations to the general reserve fund were made at a certain percentage of profit after taxation determined in accordance with the accounting rules and regulations of the PRC. The percentage for this appropriation was decided by the directors of the respective subsidiaries. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the subsidiaries and is non-distributable other than in liquidation.

(b) Exchange reserve

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB. The reserve is dealt with in accordance with the accounting policy set out in Note 2.6.

(c) Other reserves

The balances of other reserve comprise capital reserve surplus/deficit arising from difference between disposal/acquisition consideration and its net assets at the respective date of disposal/acquisition and the changes in fair value of debt instrument at fair value through other comprehensive income.

32 RETAINED EARNINGS

	2022 RMB'000	2021 RMB'000
At 1 January	**3,941,505**	3,415,452
Profit for the year	**536,091**	640,203
Appropriation to statutory reserve	**(101,593)**	(114,150)
At 31 December	**4,376,003**	3,941,505

33 DIVIDENDS

	2022 RMB'000	2021 RMB'000
Ordinary shares		
Final dividend for the year ended 31 December 2021 of HK$2.50 cents per fully paid share (2020: HK$2.00 cents)	**163,377**	125,633
Dividends not recognised at the end of the reporting date		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of HK$2.50 cents per fully paid share (2021: HK$2.50 cents). The aggregate amount of the proposed dividend expected to be paid in August 2023 out of share premium account of the Company at 31 December 2022, but not recognised as a liability at year end, is	**165,784**	153,950

34 CASH FLOW INFORMATION

(a) Cash generated from operations

	2022 RMB'000	2021 RMB'000
Profit before income tax	**990,938**	1,084,883
Adjustments for:		
Finance costs	**290,664**	269,211
Depreciation (Note 7)	**72,843**	78,356
Net impairment losses on financial and contract assets	**103,406**	76,119
Loss on disposal of investment properties (Note 6)	**5,951**	7,772
Amortisation (Note 7)	**7,426**	6,260
Loss on liquidation of a joint venture (Note 6)	**433**	2,899
(Gains)/losses on liquidation of subsidiaries (Note 6)	**(53)**	224
Gains on disposal of property, plant and equipment (Note 6)	**(440)**	(884)
Fair value gains on financial assets at fair value through profit or loss (Note 6)	**(222)**	(6,451)
Share of losses/(profits) of joint ventures (Note 10(b))	**25,270**	(23,834)
Gains on disposal of associates (Note 6)	**(1,817)**	(37,433)
Loss on disposal of subsidiaries (Note 6)	**130**	–
Gains from deemed partially disposals (Note 6)	**–**	(50,394)
Fair value gains on investment properties (Note 15)	**(265,793)**	(51,081)
Share of losses/(profits) of associates (Note 10 (b))	**81,069**	(76,158)
Finance income (Note 9)	**(53,691)**	(77,462)
Gains on transfer an associate to financial assets at fair value through profit or loss (Note 6)	**–**	(276,659)
Changes in working capital:		
– Contract liabilities, deferred income and trade and other payables	**(81,635)**	899,795
– Restricted cash	**(154,100)**	(58,118)
– Contract assets and trade and other receivables	**(92,091)**	(386,433)
– Properties under development and completed properties held for sale	**(486,737)**	(1,033,364)
Cash generated from operations	**441,551**	347,248

34 CASH FLOW INFORMATION *(continued)*

(b) Net debt reconciliation

	2022 RMB'000	2021 RMB'000
Cash and cash equivalents	**2,254,209**	2,155,136
Restricted cash	**70,885**	77,535
Corporate bonds	**–**	(258,097)
Advances from related parties	**(113,956)**	(110,579)
Advances from third parties	**(154,445)**	(631,445)
Lease liabilities	**(591,357)**	(562,391)
Bank and other borrowings	**(7,068,315)**	(5,101,980)
Net debt	**(5,602,979)**	(4,431,821)

(c) Reconciliation of liabilities arising from financing activities

	Liabilities from financing activities					
	Corporate bonds RMB'000 (Note 26)	Bank and other borrowings RMB'000 (Note 27)	Lease liabilities RMB'000 (Note 14)	Advances from related parties RMB'000 (Note 25)	Advances from third parites RMB'000 (Note 25)	Total RMB'000
Gross debt as at 1 January 2021	(1,334,501)	(4,275,695)	(539,666)	(92,094)	(269,445)	(6,511,401)
Cash (inflows)/outflows	1,107,315	(826,285)	111,841	(18,485)	(346,280)	28,106
Others	(30,911)	–	(134,566)	–	(15,720)	(181,197)
Gross debt as at 31 December 2021	(258,097)	(5,101,980)	(562,391)	(110,579)	(631,445)	(6,664,492)
Cash (inflows)/outflows	**260,171**	**(1,133,555)**	**114,863**	**255**	**377,000**	**(381,266)**
New leases	**–**	**–**	**(112,410)**	**–**	**–**	**(112,410)**
Foreign exchange adjustments	**–**	**–**	**–**	**(3,632)**	**–**	**(3,632)**
Interest expense	**(2,074)**	**–**	**(31,419)**	**–**	**–**	**(33,493)**
Factoring arrangement	**–**	**(832,780)**	**–**	**–**	**100,000**	**(732,780)**
Gross debt as at 31 December 2022	**–**	**(7,068,315)**	**(591,357)**	**(113,956)**	**(154,445)**	**(7,928,073)**

34 CASH FLOW INFORMATION *(continued)*

(c) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Transferred of other receivables to financial assets at fair value through profit or loss under a debt restructuring arrangement.

35 CONTINGENCIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owned by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the time when the buyer has obtained the individual property ownership certificate and the mortgage loan has been fully settled by the buyer.

The maximum amount of guarantees given to banks for mortgage facilities granted to the purchasers of the Group's properties at the end of the reporting period is as follows:

	At 31 December	
	2022 **RMB'000**	2021 RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**939,767**	463,397

The directors consider that Group does not sustain a significant loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

36 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted but not provided for mainly represents properties development at the end of the year but not yet incurred is as follows:

	At 31 December	
	2022	2021
	RMB'000	RMB'000
Contracted but not provided for		
– Properties development expenditure	**857,030**	885,665

(b) Operating lease commitments – Group as lessor

The Group leases out a number of building facilities under non-cancellable operating lease agreements. Minimum lease receivables on leases of investment properties are as follows:

	At 31 December	
	2022	2021
	RMB'000	RMB'000
No later than 1 year	**298,278**	296,790
Later than 1 year and no later than 5 years	**474,568**	531,750
Later than 5 years	**101,805**	115,996
	874,651	944,536

37 RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel is as follows:

	2022 RMB'000	2021 RMB'000
Wages, salaries and other benefits	**27,573**	44,033
Retirement scheme contributions	**410**	310
	27,983	44,343

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

(b) Transactions with related parties

Save as disclosed in above, the following is a summary of the significant transactions carried out between the Group and its related parties during the period.

	2022 RMB'000	2021 RMB'000
(i) Joint ventures		
Design and construction services	**1,136**	2,296
Energy services	**–**	917
Industrial park financial services	**9,741**	185
Others	**664**	2,738
(ii) Associates		
Management consultation services	**10,199**	9,622
Interest income from loans provided to related parties	**–**	2,215
Industrial park property leasing income	**25**	62
Property management services	**949**	31
Others	**40**	8

37 RELATED PARTY TRANSACTIONS *(continued)*

(b) *Transactions with related parties (continued)*

	2022 RMB'000	2021 RMB'000
(iii) Major shareholders		
Accumulated amount of cash deposited in major shareholder's financial institution	**1,812,332**	2,402,745
Repayment of borrowing from major shareholder's financial institution	**900,000**	1,020,000
Borrowing from major shareholder's financial institution	**1,279,827**	1,010,000
Interest expense of other borrowings	**28,834**	42,251
Operating lease paid	**9,831**	3,981
Interest income from deposits	**492**	328
Design and construction services	**28**	250
Others	**2,028**	–

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

37 RELATED PARTY TRANSACTIONS *(continued)*

(c) Balances with related parties

	At 31 December 2022 RMB'000	At 31 December 2021 RMB'000
(i) Joint ventures		
Loans to related parties – current portion	**687**	599
(ii) Associates		
Advances from related parties	**71,085**	71,340
Loans to related parties – current portion	**–**	7,888
(iii) Major shareholder		
Borrowing	**1,279,827**	900,000
Cash deposited in major shareholder's financial institution	**32,835**	302,657
Lease liabilities	**46,221**	66,255
Advances from related parties	**42,871**	39,239
Loans to related parties – non-current portion	**4,558**	4,162
Loans to related parties – current portion	**–**	3

38 EVENTS AFTER THE REPORTING PERIOD

(a) Please refer to Note 33 for the final dividend recommended by the directors, which is expected to be paid on or before August 2023.

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	Note	At 31 December 2022 RMB'000	2021 RMB'000
Non-current assets			
Property, plant and equipment		–	1
Investments in subsidiaries		**3,387,192**	3,100,155
		3,387,192	3,100,156
Current assets			
Cash and cash equivalents		**23,521**	16,876
Other receivables		**867,603**	370,782
		891,124	387,658
Current liabilities			
Payables to subsidiaries		**1,003,019**	1,069,091
Bank borrowings		**44,263**	–
		1,047,282	1,069,091
Non-current liabilities			
Bank borrowings		**815,450**	–
		815,450	–
Net current liabilities		**(156,158)**	(681,433)
Total assets less current liabilities		**3,231,034**	2,418,723
Net assets		**2,415,584**	2,418,723
Equity			
Capital and reserves			
Share capital	30	**623,048**	623,048
Treasury shares	30	**(121,056)**	(121,056)
Reserves	(a)	**2,358,217**	2,269,422
Accumulated losses	(b)	**(444,625)**	(352,691)
Total equity		**2,415,584**	2,418,723

The balance sheet of the Company was approved by the Board of Directors on 23 March 2023 and was signed on its behalf:

Huang Liping **Hu Bin**

39 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(continued)*

Balance sheet of the Company (continued)

Note:

(a) Reserve movement of the Company

	Share premium RMB'000	Exchange reserve RMB'000	Total RMB'000
Balance at 1 January 2022	**1,730,309**	**539,113**	**2,269,422**
Currency translation differences	**–**	**252,172**	**252,172**
Dividends paid	**(163,377)**	**–**	**(163,377)**
Balance at 31 December 2022	**1,566,932**	**791,285**	**2,358,217**
Balance at 1 January 2021	1,855,942	476,978	2,332,920
Currency translation differences	–	62,135	62,135
Dividends paid	(125,633)	–	(125,633)
Balance at 31 December 2021	1,730,309	539,113	2,269,422

(b) Accumulated losses movement of the Company

	2022 RMB'000	2021 RMB'000
At 1 January	**(352,691)**	(280,221)
Loss for the year	**(91,934)**	(72,470)
At 31 December	**(444,625)**	(352,691)

40 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors and chief executive's emoluments

For the year ended 31 December 2022:

Name	Fees RMB'000	Salaries, allowances and welfare benefits RMB'000	Discretionary bonuses RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Chief executive and executive Director:					
Huang Liping	–	529	955	40	1,524
Non-executive directors:					
Hu Bin	–	899	261	40	1,200
Liu Guilin (Chairman)	–	–	–	–	–
Sun Ying	–	–	–	–	–
Zhang Jie	–	–	–	–	–
Xiang Qunxiong	–	–	–	–	–
Independent non- executive directors:					
Qi Min	200	–	–	–	200
Chan Ching Har Eliza (i)	156	–	–	–	156
Qiu Hongshen	200	–	–	–	200
Qi Liang (ii)	64	–	–	–	64
Total	620	1,428	1,216	80	3,344

(i) Ms. Chan Ching Har Eliza has tendered her resignation as an independent non-executive Director with effect from 1 August 2022.

(ii) Mr. Qi Liang ("Mr. Qi") has been appointed as an independent non-executive Director, and the Chairman of the Remuneration Committee with effect from 1 August 2022.

40 BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(a) Directors and chief executive's emoluments *(continued)*

For the year ended 31 December 2021:

Name	Fees	Salaries, allowances and welfare benefits	Discretionary bonuses	Employer's contribution to a retirement benefit scheme	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chief executive and executive Director:					
Huang Liping	–	516	1,344	26	1,886
Hu Bin	–	344	655	17	1,016
Non-executive directors:					
Hu Bin	–	172	327	9	508
Liu Guilin (Chairman)	–	–	–	–	–
Sun Ying	–	–	–	–	–
Zhang Jie	–	–	–	–	–
Xiang Qunxiong	–	–	–	–	–
Independent non- executive directors:					
Qi Min	200	–	–	–	200
Chan Ching Har Eliza	245	–	–	–	245
Qiu Hongshen	200	–	–	–	200
Total	645	1,032	2,326	52	4,055

No emoluments was paid or receivable in respect of directors' other services in connection with the management of the Company or its subsidiaries undertaking during the year.

During the years ended 31 December 2022 and 2021, no director waived any emoluments. Neither incentive payment for joining the Group nor compensation for loss of office was paid or payable to any directors during the years ended 31 December 2022 and 2021.

40 BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(b) Directors' retirement benefits

No retirement benefits was paid to or receivable by directors during the year by defined benefit pension plans operated by the Group.

(c) Directors' termination benefits

No director's termination benefit subsisted at the end of the year or at any time during the year.

(d) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available directors' services subsisted at the end of the year or at any time during the year.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the ends of the year or at any time during the year.

"Company", "we", "us", "our" or "CEOVU"	China Electronics Optics Valley Union Holding Company Limited (中電光谷聯合控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2013 under the Cayman Islands Companies Law
"Group"	the Company and its subsidiaries
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"connected persons"	has the meaning ascribed to it under the Listing Rules
"associates" or "close associates"	has the meaning ascribed to it under the Listing Rules
"Articles of Association"	the amended and restated articles of association of the Company
"Board"or "Board of Directors"	the board of directors of the Company
"Director(s)"	director(s) of the Company
"Audit Committee"	the audit committee of the Company
"Nomination Committee"	the nomination committee of the Company
"Remuneration Committee"	the remuneration committee of the Company
"Financial Control Committee"	the financial control committee of the Company
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"BVI"	the British Virgin Islands
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Renminbi" or "RMB"	the lawful currency of China

"Reporting Period"	the 12-month period from 1 January 2022 to 31 December 2022
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of our Share(s) from time to time
"Shares"	ordinary shares of HKD0.10 each in the capital of the Company
"CEC"	China Electronics Corporation Limited* (中國電子信息產業集團有限公司), a state-owned company established under the laws of the PRC and the ultimate controlling shareholder of CE Huada Technology
"CEIS"	China Electronics International Information Service Co., Ltd.* (中國中電國際信息服務有限公司), a limited liability company incorporated in the PRC on 24 May 1985 and a 100% owned subsidiary of China Electronics Co. Ltd.* (中國電子有限公司), which is wholly owned by CEC
"CE Huada Technology"	China Electronics Huada Technology Company Limited (中國電子華大科技有限公司), formerly known as China Electronics Corporation Holdings Company Limited* (中國電子集團控股有限公司), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability
"AAA Finance"	AAA Finance and Investment Holdings Limited, a limited liability company incorporated in the BVI on 10 July 2013 which is wholly owned by Mr. Huang Liping, one of the Company's substantial Shareholders
"Lidao BVI"	Lidao Investment Limited, a limited liability company incorporated in the BVI on 10 July 2013, which is wholly-owned by Mr. Huang Liping, one of the Company's substantial Shareholders
"Hubei Science & Technology Investment"	Hubei Science & Technology Investment Group Co., Ltd.* (湖北省科技投資集團有限公司), a limited liability company incorporated in the PRC on 28 July 2005 and a substantial Shareholder of the Company as at 30 June 2016
"Technology Investment HK"	Hubei Science & Technology Investment Group (Hong Kong) Company Limited (湖北省科技投資集團(香港)有限公司), a limited liability company incorporated in Hong Kong on 11 July 2013 and a substantial Shareholder of the Company
"CEOVU HK"	China Electronics Optics Valley Union Company Limited (formerly known as AAA Finance & Investment Limited), a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

"OVU"	Optics Valley Union Holding Limited Company* (光谷聯合控股有限公司), formerly known as United Real Estate (Wuhan) Co., Ltd.* (聯合置業(武漢)有限公司), a limited liability company incorporated in the PRC on 23 July 1993 and a wholly-owned subsidiary of China Electronics Optics Valley Union Holding Company Limited, and an indirect subsidiary of the Company
"Wuhan OVU"	Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司, formerly known as 武漢光谷聯合股份有限公司), a limited liability company incorporated in the PRC on 24 July 2000 and a wholly-owned subsidiary of OVU, and an indirect subsidiary of the Company
"CEC Technology"	China Electronics Technology Development Co., Ltd.* (中國電子科技開發有限公司), a company established under the laws of the PRC and a non wholly- owned subsidiary of the Company
"Easylinkin Technology"	Wuhan Easylinkin Technology Co., Ltd.* (武漢慧聯無限科投有限公司), a limited liability company incorporated in the PRC on 15 October 2013 and a 15.8% owned company of Wuhan OVU
"Hefei OVU"	Hefei Optics Valley Union Development Co., Ltd.* (合肥光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 13 September 2013 and a wholly-owned subsidiary of Wuhan OVU
"Huada Beidou"	Shenzhen Huada Beidou Technology Company Limited* (深圳華大北斗科技有限公司), a limited liability company incorporated in the PRC on 26 January 2016 and a 9.78% owned subsidiary of China Electronics Optics Valley (Shenzhen) Industrial Development Co., Ltd.* (中電光谷(深圳)產業發展有限公司), and an indirect subsidiary of the Company
"Huangshi OVU"	Huangshi Optics Valley Union Development Co., Ltd.* (黃石光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 24 January 2005 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Hubei Huisheng"	Hubei Huisheng Technology Development Co., Ltd.* (湖北匯盛科技發展有限公司), a limited liability company incorporated in the PRC on 8 December 2005 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Lingdu Capital"	Wuhan Lingdu Capital Investment Co., Ltd* (武漢零度資本投資管理有限公司), a limited liability company incorporated in the PRC on 22 May 2015 and a 45% owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company

"OV Financial Harbour Development"	Wuhan Optics Valley Financial Harbour Development Co., Ltd.* (武漢光谷金融港發展有限公司), a limited liability company incorporated in the PRC on 24 July 2008 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Qingdao OVU"	Qingdao Optics Valley Union Development Co., Ltd.,* (青島光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 1 September 2011 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Shenyang OVU"	Shenyang Optics Valley Union Development Co., Ltd.* (瀋陽光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 29 May 2012 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Wuhan East Lake High Technology"	Wuhan East Lake High Technology Group Co., Ltd.* (武漢東湖高新集團股份有限公司), a limited liability company incorporated in the PRC on 12 January 1993 and listed on the Shanghai Stock Exchange (stock code: 600133)
"Wuhan Lidao Property Management"	Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司), a limited liability company incorporated in the PRC on 19 July 2000 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Wuhan Lidao Technology"	Wuhan Lidao Technology Co., Ltd.* (武漢麗島科技有限公司), a limited liability company incorporated in the PRC on 13 December 2000 and an indirect subsidiary of the Company
"Wuhan Mason"	Wuhan Mason Co., Ltd.* (武漢美生置業有限公司), formerly known as Mason (Wuhan) Co., Ltd., a limited liability company incorporated in the PRC on 11 January 2007 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Wuhan Minghong"	Wuhan Minghong Technology Development Co., Ltd.* (武漢鳴鴻科技發展有限公司), a limited liability company incorporated in the PRC on 8 February 2001 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company

"Wuhan Optics Valley Software Park"	Wuhan Optics Valley Software Park Co., Ltd.* (武漢光谷軟件園有限公司), a limited liability company incorporated in the PRC on 8 September 2005 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Changsha CEC"	Changsha CEC Industrial Park Development Co., Ltd.* (長沙中電產業園發展有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
"CEC Finance"	China Electronics Financial Co., Ltd.* (中國電子財務有限責任公司), a company established under the laws of the PRC and a subsidiary of CEC
"Western Zhigu"	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有限公司), formerly known as Xianyang China Electronics Western Zhigu Development Company Limited* (咸陽中電西部智谷發展有限公司), a limited liability company established in the PRC and a 50% indirectly owned subsidiary of the Company
"Xianyang IRICO"	咸陽中電彩虹集團控股有限公司 (Xianyang China Electronics IRICO Group Holdings Co., Ltd.*), a limited company established in the PRC and an indirect wholly-owned subsidiary of CEC
"Shenzhen i-Valley"	Shenzhen CEC i-Valley Operation Co., Ltd.* (深圳中電智谷運營有限公司), a limited liability company established in the PRC, and an indirect subsidiary of the Company
"IRICO Group"	彩虹集團有限公司 (formerly known as IRICO Group Corporation* 彩虹集團公司), a limited liability company established in the PRC, and an indirect wholly–owned subsidiary of CEC
"Nantong Administrative Committee"	南通市崇川經濟開發區管委會 (Administrative Committee of the Nantong Economic and Technological Development Zone*), being the branch office of Chongchuan District Government of Nantong and the provincial regulatory agency of the Nantong Economic and Technological Development Zone
"Cailian Metal"	Xianyang Cailian Metal Products Co., Ltd.* (咸陽彩聯金屬製品有限公司), a limited liability company established in the PRC and is wholly-owned by 咸陽彩聯包裝材料有限公司 (Xianyang Cailian Packing Materials Co.Ltd.*)

"Shenzhen CEC"	China Electronics ShenZhen Company Limited* (深圳中電投資股份有限公司), a limited liability company established in the PRC and an indirect non wholly-owned subsidiary of CEC
"CEC Energy Conservation"	Wuhan CEC Energy Conservation Co., Ltd.* (武漢中電節能有限公司), a limited liability company incorporated in the PRC on 26 July 2010 and a 78.79% owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company
"Latest Practicable Date"	14 April 2023, being the latest practicable date prior to the printing of this annual report for ascertaining certain information in this annual report

In this annual report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language which are marked with "*" is for identification purpose only.

中電光谷聯合控股有限公司

China Electronics Optics Valley Union Holding Company Limited