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

2023 INTERIM 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
Mr. Qi Liang

Executive Director

Mr. Huang Liping *(President)*

COMPANY SECRETARY

Ms. Zhang Xuelian

AUTHORIZED REPRESENTATIVES

Mr. Liu Guilin
Ms. Zhang Xuelian

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Mr. Qi Liang *(Chairman)*
Mr. Qi Min
Mr. Xiang Qunxiong

NOMINATION COMMITTEE

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

FINANCIAL CONTROL COMMITTEE

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

REGISTERED OFFICE

Windward 3
Regatta Office Park
P. O. Box 1350
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Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
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Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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PRINCIPAL BANKS

Industrial and Commercial Bank of China
Bank of Communications
Industrial Bank

COMPANY WEBSITE

http://www.ceovu.com/

Financial Summary

The summary of the unaudited results and assets and liabilities of the Group for the six months ended 30 June 2023 is as follows:

	For the six months ended 30 June		
	2023 **RMB'000**	2022 RMB'000	Change %
Results			
Revenue from continuing operations	**2,203,326**	1,607,557	37.1%
Gross profit	**576,568**	500,595	15.2%
Profit before income tax	**183,774**	178,555	2.9%
Profit attributable to owners of the Company	**81,863**	119,448	-31.5%
Profit attributable to non-controlling interests	**(42,607)**	(46,364)	-8.1%
Profit for the period	**39,256**	73,084	-46.3%

	As at **30 June** **2023** **RMB'000**	As at 31 December 2022 RMB'000	Change %
Assets and liabilities			
Non-current assets	**9,870,648**	10,015,308	-1.4%
Current assets	**13,261,572**	12,364,224	7.3%
Current liabilities	**9,130,953**	8,680,753	5.2%
Net current assets	**4,130,619**	3,683,471	12.1%
Total assets less current liabilities	**14,001,267**	13,698,779	2.2%
Total equity	**8,740,597**	8,876,764	-1.5%
Non-current liabilities	**5,260,670**	4,822,015	9.1%
Total equity and non-current liabilities	**14,001,267**	13,698,779	2.2%

2023 is a crucial year for CEOVU to implement the 14th Five-Year Plan and grow through challenges and adversity. In the face of a complex and severe economic situation, CEOVU has focused on the framework of national strategies, kept pace with the strategic deployment of CEC, capitalized on CEOVU's strategic framework of "one body and two wings (一體兩翼)", insisted on seeking progress stably, made unwavering efforts to innovate business structure, made endeavors to expand the market, put forward cost reduction and efficiency enhancement, exercised strict control over business risks, and set its eyes on the annual business goals. In 2023, we overcame adversities, broke through the constraints of the industry, achieved steady growth in operating performance, became the leader in the development of industrial parks, and contributed the unique value of CEOVU.

CONTINUOUSLY IMPROVING THE POLITICAL POSITION AND STRENGTHENING THE ROLE OF STRATEGIC SUPPORT

As an important member of CEC's business, CEOVU stayed strongly committed to the strategic intent of CEC of supporting national strategies, accelerating the development of the core strategic technological force of the national network information industry, pushing forward high-quality development, and building a world-class enterprise, and has further promoted the profound integration of the value system, development vision, and strategic goals with CEC, continuously improved its political position, unified thinking, and presented high spirit. CEOVU constantly explored new directions, paths, and methods through learning and practice, gave full play to its industry advantages, and became an important strategic support force for CEC.

CONSOLIDATING THE BUSINESS LAYOUT OF "ONE BODY, TWO WINGS (一體兩翼)" AND LEADING THE NEW DIRECTION OF INDUSTRY DEVELOPMENT

CEOVU weighed up the market environment and policy from a dialectical perspective, turned crises into new opportunities, and maintained a positive attitude towards opportunities and challenges in the market under the new situation. We secured conditions to enhance our operational capabilities and ensure our business quality, and achieved the operation target with the business layout of "One Body, Two Wings (一體兩翼)". In terms of business development, on the one hand, we carried out expansion actively, and on the other hand, we made choices carefully, which not only stabilized growth expectations, but also controlled risk probability. At the same time, we continued to seek breakthroughs in business model, actively explored the models of "fund + park" and "minority shareholder operation", generated new development ideas for industry reform, and became a critical minority to promote the development of the industry.

ACCELERATING THE DIGITALIZATION OF INDUSTRIAL PARKS AND EXPLORING NEW BREAKTHROUGHS IN BUSINESS TRANSFORMATION

Digitalization, as a fundamental driving force and a core aspect of innovation and transformation and upgrading of the business model, is the "third curve" for facilitating CEOVU's sustainable growth. With "industrial cloud" and "low-carbon cloud", digitalization of industrial parks enabled connection within the closed loop of exploration-development-operation, and initially realized the "two full coverage" of digital governance, which set a benchmark and laid the foundation for the construction of digital industrial clusters, and also contributed to the development of a digital economy in a modern industrial system.

OPTIMIZING THE ESTABLISHMENT OF RISK MANAGEMENT SYSTEM AND IMPROVING THE STANDARD OF RISK MANAGEMENT AND CONTROL

In line with CEC's strategic adjustment, with a focus on "restructuring value system", with an intent to "reconstruct industrial system" and to "reconstruct management system", CEOVU further improved the comprehensive risk management system and built and optimized internal control management system. CEOVU strictly controlled its asset scale and debt ratio, strengthened process control, enhanced risk prevention, further improved its professional management level and systematic operation capabilities, and provided support and guarantee for transformation and upgrading, compliance, and efficient operation.

In the first half of 2023, although the macroeconomic environment fell short of expectations, we have made certain achievements. In the second half of the year, we will forge ahead with an indomitable attitude and a pioneering spirit. We will go all out to secure the "three stability (三穩)" and focus on the "three growths (三增)" in the long run to gain more certainty in an uncertain market environment and start a new chapter of CEOVU.

Liu Guilin
Chairman

Wuhan, the PRC, 24 August 2023

REVIEW OF FINANCIAL INFORMATION

The independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information for the six months ended 30 June 2023 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

HIGHLIGHTS OF THE FIRST HALF OF 2023

2023 is the key year for CEC to build the core strategic technological force of the national network information industry and to push forward high-quality development. CEOVU has adhered to the national strategies of cyber power, manufacturing power, technological power and digital China and the Group's goal of building a core strategic technology force in the national network information industry, maintained the business structure of "One Body, Two Wings (一體兩翼)", focused on the systematic capacity for high-quality development of industrial parks and carried out a wide range of work.

During the Reporting Period, the Group entered into new contracts with aggregated contracted value of approximately RMB2,979.0 million, representing an increase of 44.4% as compared to the same period of last year, and recorded sales collection of RMB2,367.0 million, representing an increase of 20.3% as compared to the same period of last year.

During the Reporting Period, the Group achieved a revenue of RMB2,203.3 million, representing an increase of 37.1% as compared to the same period of the previous year; and achieved profit continually with the profit attributable to the owners of the Company of RMB81.9 million, representing a decrease of 31.5% as compared to the same period of the previous year.

The income from industrial park operation services of RMB1,291.9 million accounted for 58.6% of the total revenue of the Group, which well reflected the Company's strategic development landscape based on the integrated operation business of the industrial parks.

As at 30 June 2023, the Group has approximately 6.862 million sq.m. of high-quality land bank for industrial parks in various cities. The high-quality lands for industrial parks are mainly located in cities such as Chengdu, Changsha, Tianjin, Qingdao, Shanghai and Xianyang.

BUSINESS REVIEW

As of 30 June 2023, the Group has established the business layout of "One Body Two Wings" which based on the operational services in the industrial parks, supported by the development of the industrial parks and driven by the investment in the industry. The Group has the following three segments: (i) industrial park operation services (including design and construction services, property management 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 (including sales of industrial park and leasing services of self-owned park); and (iii) industrial investment (industrial investment business related to the industries in various themed industrial parks). In recent years, the income structure and composition of profit reflected the result of the Group's strategic transformation and reform to a certain extent.

REVENUE BY BUSINESS SEGMENTS

	Six months ended 30 June			
	2023		2022	
	Revenue RMB'000	**% of total revenue**	Revenue RMB'000	% of total revenue
Industrial park operation services	**1,291,909**	**58.6%**	1,089,765	67.8%
Design and construction services	**602,325**	**27.3%**	458,144	28.5%
Property management services	**418,426**	**19.0%**	373,616	23.2%
Energy services	**58,582**	**2.7%**	76,284	4.7%
Group catering and hotel services in the industrial parks	**72,747**	**3.3%**	54,645	3.4%
Sub-leasing services	**55,611**	**2.5%**	50,900	3.2%
Others	**84,218**	**3.8%**	76,176	4.7%
Industrial park development services	**911,417**	**41.4%**	517,792	32.2%
Sales of industrial parks	**812,137**	**36.9%**	429,276	26.7%
Self-owned park leasing	**99,280**	**4.5%**	88,516	5.5%
Total	**2,203,326**	**100.0%**	1,607,557	100.0%

Industrial Park Operation Services

With profound experience and professional expertise in the development and operation of a wide range of industrial parks in various cities over more than ten years, and based on the "OVU Industrial Cloud (OVU產業雲)", CEOVU provides systematic operation services for the local government or local state-owned platform companies, including promotion of investment and operation, property management, professional operation of incubators and co-working spaces, group catering, hotels and apartments, and has established a full-life cycle industrial park operation service system led by digitalization.

During the Reporting Period, the Group provided comprehensive operation services such as planning consultation, EPC (Engineering Procurement Construction), property management and regional energy for key projects of local government platform companies and large enterprises, while offering diversified and one-stop industrial park operation services to enterprises stationed in our industrial parks. The operating revenue of the industrial park operation services of the Group was RMB1,291.9 million, representing an increase of 18.5% as compared with the same period in 2022.

Design and Construction Services

The "P+OEPC" integrated operation services

In recent years, CEOVU has been making vigorous efforts in the promotion of P+OEPC innovative integrated operation business model, based on the needs of investment and operation, to provide whole-process integrated services. In particular, "P" stands for industrial park consulting, "OEPC" stands for whole-process project management in relation to promotion of investment and operation of industrial parks, which are generally welcomed by the local government.

Under the guidance of "one platform and two methodologies (一平台兩方法論)", CEVOU's Planning and Development Center, Research Institute of Industrial Economics and Industrial Cooperation Center give full play to the leading and strategic outpost functions of consulting and planning business, provide a full range of consulting services, including strategic planning, industrial planning, spatial planning and operational planning, throughout the business process and life cycle of projects, further develop the sustainable mode of "consulting +", explore more industrial resources, diversify the platform for sharing industrial resources of CEOVU.

CEOVU has accumulated rich strategic emerging industry resources by virtue of its systematic operation capability, and has played the role of cross-regional collaborative investment promotion platform, with the unique "OEPC" model, to provide local governments and large enterprises with whole-process project management service in relation to promotion of investment and operation of industrial parks. During the Reporting Period, the Group signed a new contract for the "OEPC" project in Sanlong Bay, Foshan, with the contracted value amounting to RMB743.7 million.

By optimizing and integrating its industrial chain resources including architectural design institute and construction subsidiaries (namely Jitian Construction, Lidao Technology and Qianbao Design), CEOVU provides EPC integrated design and construction services throughout the whole process from design to tendering and procurement to construction for governments, institutions and related enterprises. During the Reporting Period, the Group's design and construction service income was RMB602.3 million, representing an increase of 31.5% as compared to the same period of 2022.

Property Management Services

On the basis of the established "five-heart" service, Lidao Property has devoted active efforts to transform and upgrade and promote the development of information technology. At present, an ecological system comprising intelligent communities and intelligent industrial parks has been built, and a three-in-one management system comprising "i-Lidao" APP (i麗島APP), OVU Park Pass (OVU園區通) and EMS Integrated Operation Platform has been established, providing households and enterprises in the industrial parks with real estate services, infrastructure services, financial services, big data services and living facility services.

Lidao Property actively integrates its resources and develops the "whole industry chain" of property services, and owns industry chain companies such as Domainblue Smart* (藍域智能), ChuWei Defense* (楚衛防綫), Quanpai Catering* (全派餐飲), China Electronics Optics Valley Industrial Operation Service Co., Ltd.* (中電光谷產業運營服務有限公司), Lidao Human Resources* (麗島人力資源) and Lixiang Life* (麗享生活), which provide consulting and early intervention services for the development and construction companies, intelligent operation and asset management services for industrial parks, professional support services for other property management companies, and all-around and one-stop property management services for property owners.

Lidao Property had continuously won bids on providing property services to office building projects outside the Group's properties, which includes governments, schools, art galleries, office buildings of large corporates, rail transit, and multi-city mobile business offices with its smart service system. During the Reporting Period, the Group had new contracted projects including Wuhan Textile University* (武漢紡織大學), Mapletree Logistic Park* (豐樹物流園) and Wuhan Metro* (武漢軌道交通), amounting to RMB3,846.5 million. During the Reporting Period, the income from the property management services of the Group was RMB418.4 million, representing an increase of 12.0% as compared to the same period in 2022. At the end of June 2023, the area which property management services covered by Lidao Property reached 25,714,000 sq.m., representing an increase of 624,000 sq.m. or 2.5% as compared to the same period in 2022, of which corporate customer services accounted for 69.3%. In the future, Lidao Property will continue to promote the community management model of intelligent industrial parks and intelligent communities and at that time, the revenue of property management services is expected to grow rapidly.

Sub-leasing Services – Incubator and Office Sharing Services

Founded in August 2015, OVU Maker Star* (OVU創客星) is a professional operator of technology business incubator and co-working space under CEOVU. Adhering to the principle of "bridging all resources for entrepreneurs", the company is committed to creating a super-innovative value-sharing ecosystem. Operating 37 sites with a total area of 400,000 sq.m. in 21 innovative and entrepreneurial cities across the country such as Shanghai, Shenzhen, Wuhan, Chengdu, Xi'an and Changsha, serving over 2,000 innovation teams and start-ups and gathering over 80,000 innovative businessmen and entrepreneurs, it has become the largest shared office brand in Central China.

As of 30 June 2023, OVU Maker Star has received honorary qualifications for its site operations with 21 awards in relation to industrial space of national standard, including 2 national demonstration bases, 7 national technology business incubators, 9 national co-working spaces, 2 national demonstration bases for small and micro enterprise entrepreneurs and 1 national advertising incubating platform that are up to national standard. It was awarded over 40 awards from institutions including the National Development and Reform Commission ("**NDRC**"), Torch High Technology Industry Development Center of the Ministry of Science and Technology, China Innovation and Entrepreneurship Trading Office and China Association for Science and Technology Enterprise Service Center. The digital space management platform self-developed by OVU Maker Star was recognized by the NDRC as a significant national level dual innovation construction project and demonstration base which fully supports the office incubation trends for emerging industries, including mobile working and cross-city resource sharing.

During the Reporting Period, benefiting from the Group's comprehensive park integrated operation service model, the leasing business of the industrial parks has demonstrated a steady upward trend. As of 30 June 2023, the total area of leased properties was 228,000 sq.m., achieving a revenue of RMB55.6 million, with a revenue growth of 9.3% as compared to the same period in 2022 and formed a joint force with the industrial park development business to achieve a better concentration effect for various industries.

Energy Services

CEC Energy Conservation is a high-tech enterprise specialized in the provision of integrated energy service and comprehensive services across the entire industry chain, ranging from investment, construction to operation, of low carbon smart parks. Capitalizing on the advantages of CEOVU's industrial chain and integrating various sectors including information technology (IT), operational technology (OT), heating and ventilation, power distribution, equipment and operation, the company has spared no effort in building the OVU Low-carbon Cloud (OVU 低碳雲) and has adopted the big data + cloud computing + Internet of Things technology and cloud-based distributed micro-service framework to provide a digital solution of integrated energy service on the "double carbon path". This system is the first integrated energy low-carbon digital system based on the PKS system in China with dual functions of experimentation and production. In line with the concept of integrated energy service, it integrates the "1+N" industrial ecological business system focusing on low-carbon smart park services.

As of 30 June 2023, CEC Energy Conservation had over 52 district cooling and heating system ("**DHC**") related patents, with an energy service area exceeding 12,000,000 sq.m..

During the Reporting Period, CEC Energy Conservation contracted new projects including Zhongjian OVU Star Operation Project* (中建光谷之星運營項目), Changsha Xingsha Photovoltaic Project* (長沙星沙光伏項目), air-conditioning and heating of SF Baitan Lake Training Center* (順豐白潭湖培訓中心) (Phase I), air-conditioning of Phase I (A1, A2) of Yichang Zhongdian Network Information Industrial Park* (宜昌中電網信園), Bangbu State Grid Office Building Ground Source Heat Pump Project* (蚌埠國網辦公樓地源熱泵項目), Nantong Jieran International Access Operation Service Contract* (南通捷冉國際接入運營服務合同) and air-conditioning of Chongqing Beibei China Electronics Western Innovation Base Exhibition Hall* (重慶北碚中國電子西部創新基地展廳), with contracted value of approximately RMB71.0 million. During the Reporting Period, the income from energy services of the Group was RMB58.6 million, which represents a decrease of 23.2% as compared to the same period of 2022.

Group Catering and Hotel Services

Established in 2011, Quanpai Catering is experienced in group catering management. It has put in place an independent operating mechanism and a well-established business model, in line with the service concept of "being trustworthy to improve quality, maintaining good quality to improve health, and maintaining good health to improve life", and provides customers with three service models, including contractual operation, service outsourcing and entrusted management. At the current stage, its annual catering capacity has reached 10 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.

Ziyuan Hotel* (紫緣酒店), a hotel brand under CEOVU, with high-end hotel industry chain service capabilities, provides consulting, design, construction, operation and other services for hotels or apartment projects.

During the Reporting Period, the revenue from group catering and hotel services reached RMB72.7 million, representing an increase of 33.1% as compared to the same period of 2022.

Industrial Park Development Services

During the Reporting Period, the revenue from industrial park development services of the Group was RMB911.4 million, representing an increase of 76.0% as compared to the same period in 2022.

For the six months ended 30 June 2023, properties sold and delivered include:

	Six months ended 30 June					
	2023			2022		
Properties sold and delivered	**Revenue (RMB'000)**	**Gross Floor Area (GFA) sold and delivered (sq.m.)**	**Recognized average selling price (RMB per sq.m.)**	Revenue (RMB'000)	Gross Floor Area (GFA) sold and delivered (sq.m.)	Recognized average selling price (RMB per sq.m.)
Northern Region	**155,499**	**35,112**	**4,429**	44,615	9,714	4,593
Southern Region	**99,008**	**19,611**	**5,049**	43,777	6,586	6,647
OVUD Business Group	**71,108**	**13,409**	**5,303**	56,298	14,511	3,880
Wuhan City Cycle	**6,067**	**530**	**11,450**	25,949	8,166	3,178
Qingdao and Yantai	**108,723**	**10,591**	**10,266**	95,353	12,238	7,792
Shanghai and Wenzhou	**11,432**	**984**	**11,624**	35,243	7,063	4,990
Chengdu and Mianyang	**45,025**	**5,508**	**8,175**	–	–	–
Hefei Optics Valley Union Development Co., Ltd* (合肥光谷聯合發展有限公司) ("**Hefei Company**")	**313,644**	**41,388**	**7,578**	128,041	15,619	8,198
Tianjin China Electronics Optics Valley Development Co., Ltd.* (天津中電光谷發展有限公司) ("**Tianjin Company**")	**1,631**	**123**	**13,220**	–	–	–
Total	**812,137**	**127,256**	**6,382**	429,276	73,897	5,809

1. Sales of Self-owned Industrial Parks

During the Reporting Period, the revenue from the sales of self-owned industrial parks of the Group was mainly contributed by three cities, namely Hefei, Qingdao and Nantong. Among which, Hefei Company retained its major customers and attracted investments and sales in a refined and orderly manner, and secured new customers such as Shenhua Engineering Technology Co., Ltd.* (神華工程技術有限公司), CGN New Energy Anhui Co., Ltd.* (中廣核新能源安徽有限公司) and CGN New Energy Fuyang Co., Ltd.* (中廣核新能源阜陽有限公司), with contracted value of RMB388.9 million, and achieved sales revenue of RMB313.6 million, accounting for 38.6% of the revenue from the sales of self-owned industrial parks. Qingdao Optics Valley Union Development Co., Ltd.* (青島光谷聯合發展有限公司) ("**Qingdao Company**") gave full play to the blue high-tech industrial cluster effect formed after the transformation and upgrading of industrial park, strengthened the three-level ecological construction, gained differentiated competitive advantages, focused on high-tech industries, attracted major customers effectively, secured new customers such as Qingdao Yuzhou Ocean Technology Co., Ltd.* (青島宇洲海洋科技有限公司) and Qingdao Kexin Marine Technology Co., Ltd.* (青島科信海洋科技有限公司), with contracted value of RMB99.4 million, and achieved sales revenue of RMB108.7 million, accounting for 13.4% of the revenue from the sales of self-owned industrial parks. Nantong Company, with "responsive customization (敏捷定制)", explored customer needs, assured the progress of the project, improved fulfillment rate, secured new customers such as Jiangsu Hangkai Power Technology* (江蘇杭開電力科技), Nantong Youjiu Medical Supplies* (南通市優玖醫療用品), Nantong Fude Electronic Technology* (南通福德電子科技), with contracted value of RMB121.9 million, and achieved sales revenue of RMB92.0 million, accounting for 11.3% of the revenue from the sales of self-owned industrial parks.

During the Reporting Period, the income from sales of industrial park of the Group was mainly contributed by up to 19 projects across 17 cities. The layout of the Group's industrial park business in other major cities across the country has been widely recognized by the market and our clients, the multi-zone park layout is conducive to lowering system risks and ensuring the annual target of the revenue from sales of industrial parks can be achieved.

Overview of the Sales of Industrial Park Projects

During the Reporting Period, the Group achieved a contracted sales of industrial parks for the area of 180,000 sq.m., representing an increase of 4.1% as compared to the same period of last year, and achieved the contracted sales of industrial parks of RMB1,277.8 million, representing an increase of 24.5% as compared to the same period of last year.

For the six months ended 30 June 2023, the details of the Group's contracted sales amount and contracted area of sales of industrial parks are as follows:

	Contracted amount (RMB'000) **Six months ended 30 June**		**Contracted area** (sq.m.) **Six months ended 30 June**	
	2023	2022	**2023**	2022
Northern Region	**333,850**	281,550	**67,751**	58,200
Southern Region	**250,098**	97,070	**40,060**	17,400
OVUD Business Group	**49,850**	120,160	**12,509**	28,400
Wuhan City Cycle	**86,271**	214,260	**11,310**	29,300
Qingdao and Yantai	**99,354**	96,080	**7,898**	10,621
Shanghai and Wenzhou	**(37,838)**	103,500	**(12,992)**	13,900
Chengdu and Mianyang	**70,535**	13,840	**5,214**	4,000
Hefei Company	**388,890**	102,520	**44,959**	11,200
Tianjin Company	**36,748**	(2,530)	**3,380**	(100)
Total	**1,277,758**	1,026,450	**180,089**	172,921

Development and Completion of Industrial Parks

During the Reporting Period, the total area of new development in industrial parks was 238,000 sq.m. and the total area of new completion was 323,000 sq.m.. As of 30 June 2023, the total area under construction was 1,021,000 sq.m..

Land Bank of Industrial Parks

During the Reporting Period, the Group owned approximately 6.862 million sq.m. of high-quality land bank for the industrial parks in various cities, including Wuhan, Shanghai, Qingdao, Changsha, Chengdu, Hefei, Shenyang, Chongqing, Xi'an, Wenzhou, Luoyang, Ezhou, Huangshi, Huanggang, Chengmai (Hainan), Zhuhai and Ningbo etc., which laid the foundation for the scale of industrial parks business to grow steadily during the "14th Five-Year Plan" period, and continues to play the role of "anchor" (壓艙石) for the Group.

Table of Land bank of Industrial Parks

An overview of the land bank for the industrial parks as of 30 June 2023 is as follows:

	Project	City	Location	Usage	Interest Attributable to the Group	Land Bank (sq.m.)
1	Optics Valley Software Park (光谷軟件園)	Wuhan	1 Guanshan Avenue, Wuhan, Hubei Province	Industrial	100%	39,821
2	Financial Harbour (Phase I) (金融港一期)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	27,215
3	Financial Harbour (Phase II) (金融港二期)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	15,389
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%	155,673
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%	99,624
9	Qingdao CEC Information Harbour (青島中電信息港)	Qingdao	396 Emeishan Road, Qingdao, Shandong Province	Industrial	100%	136,824
10	Qingdao Research and Innovation Center (青島研創中心)	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Residential/Industrial	100%	66,531
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%	181,080
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
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%	47,263

	Project	City	Location	Usage	Interest Attributable to the Group	Land Bank (sq.m.)
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%	23,628
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%	184,753
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 Harbour (合肥金融港)	Hefei	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	Commercial	100%	191,193
21	Xi'an CEC Information Harbour (西安CEC信息港)	Xi'an	West of Caotanshi Road, North of Shangji Road, Xi'an, Shaanxi Province	Industrial	73.91%	90,287
22	Wenzhou Industrial Park (溫州產業園)	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	Scientific Research	100%	202,316
24	Chengdu Chip Valley (成都芯谷)	Chengdu	Group 1 of Fengle Community, Dongsheng Street, Group 7 of Guangrong Community, Peng Town, Chengdu, Sichuan Province	Commercial/Scientific Research	80%	547,061
25	Yichang Zhongdian Network Information Industrial Park (宜昌中電網信園)	Yichang	Intersection of Tuanjie Road and Tiantai Road, Dianjun District Electronic Information Industrial Park, Yichang, Hubei Province	Industrial	100%	68,350
26	Luoyang CEOVU Information Harbour (洛陽中電光谷信息港)	Luoyang	Intersection of Guanlin Road and Longshan Line, Luolong District, Luoyang, Henan Province	Industrial	70%	41,223
27	China (Changsha) Information Security Industrial Park (中國(長沙)信息安全產業園)	Changsha	Yuelu Avenue, High-tech Industrial Development Zone, Changsha City, Hunan Province	Industrial	100%	308,989
28	Xianyang Western Zhigu (咸陽西部智谷)	Xianyang	3 Xinghuo Avenue, High-tech Industrial Development Zone, Qindu District, Xianyang City, Shaanxi Province	Industrial	50%	212,147

	Project	City	Location	Usage	Interest Attributable to the Group	Land Bank (sq.m.)
29	Tianjin Zhongdian Technology Innovation Park (天津中電科創園)	Tianjin	Huayuan Science and Technology Park, Tianjin High-tech Zone	Commercial	80%	140,290
30	CEOVU Manufacturing Center (中電光谷智造中心)	Wuhan	100 meters northwest of the intersection fof Jingdong Avenue and Wuyi South Road, Xinzhou District, Wuhan, Hubei Province	Industrial	100%	163,643
31	Wuhan CEC Optics Valley Digital Industrial Park (中電光谷數字產業園)	Wuhan	Changfu Industrial Park, Caidian District, Wuhan, Hubei Province	Industrial	100%	65,173
32	Wuhan CEC Optics Valley Digital Industrial Park (Phase II) (中電光谷數字產業園二期)	Wuhan	Changfu Industrial Park, Caidian District, Wuhan, Hubei Province	Industrial	100%	117,485
33	Chongqing CEOVU Technology City (重慶中電光谷科技城)	Chongqing	Xiyong AJ Group, Shapingba, Chongqing	Industrial	100%	63,762
34	China Electronics Western Smart Creation Park (中電西部智造園)	Chongqing	Caijiagang, Beibei, Chongqing	Industrial	100%	61,587
35	Changsha Xingsha Digital Intelligence Community (長沙星沙數智園)	Changsha	East of Huangxing Avenue, South of Luositang Road, Economic and Technological Development Zone, Changsha, Hunan Province	Industrial	60%	79,396
36	Mianyang CEC Optics Valley Technology City (綿陽中電光谷科技城)	Mianyang	National High-tech Industries Development Zone, Mianyang, Sichuan Province	Industrial	100%	130,650
37	China Electronic Eastern Zhigu (中國電子東部智谷)	Nantong	Nantong Chongchuan Economic Development Zone, Jiangsu Province	Industrial	70%	264,382
38	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%	80,435
39	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%	1,705,493
40	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, Zhejiang Province	Residential/Industrial	31%	593,757
Total						6,862,241

Note: Items No. 38-39 are projects invested by the Group through its subsidiary, CEC Technology

2. *Leasing of Self-owned Industrial Parks*

As of 30 June 2023, the Group owned 658,000 sq.m. of leasable area of self-owned properties and 483,000 sq.m. of leased area, with an occupancy rate of 73.4%. During the Reporting Period, the rental income amounted to RMB99.3 million, representing an increase of 12.2% as compared to the same period of last year. High-quality self-owned properties enriched the ecological system of industrial parks, enhanced the dynamic of the parks, helped attract investment and improved the branding of the Group.

Industrial Investment

"CEC & CICC" and "Lingdu Capital" under CEOVU have established a number of industrial investment funds and completed equity investment for nearly 60 technology companies. The valuation of the invested companies has increased by more than RMB3.1 billion. The industrial ecology featuring digital city, smart manufacturing, network information, new materials, integrated circuits, smart devices and precision machinery 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 industrial park businesses, and drive high-quality development of industrial park businesses through industrial investment.

Lingdu Capital is a professional investment institution initiated and established by CEOVU. The company mainly engages in private equity investment, mergers and acquisitions, matching between investing and financing, investment consulting, and venture capital services, and jointly established angel investment funds, industrial investment funds, and merger and acquisition funds with a number of local governments. Lingdu Capital has invested in equity in the areas of digital city, smart manufacturing, network information and new materials, 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. As of the end of the Reporting Period, under Lingdu Capital, there were 8 funds including Donghu Lingdu Fund* (東湖零度基金) and Guorui New Fox Fund* (國瑞新福克斯基金), which promoted the development of four major fields: digital city, network information, smart manufacturing, and new materials.

The Group, together with CICC Capital Operation Co., Ltd.* (中金資本運營有限公司) and others, established CEC & CICC (Xiamen) Electronic Industry Private Equity Investment Management Co. Ltd.* (中電中金(廈門)電子產業私募股權投資管理有限公司), which is responsible for the establishment and management of CEC & CICC (Xiamen) Intelligent Industry Equity Investment Fund Partnership (L.P.)* (中電中金 (廈門)智能產業股權投資基金合夥企業(有限合夥)) ("**CEC & CICC Fund**"). CEC & CICC Fund makes full use of the industrial presence and network resources of CEC, leverages the capabilities of CICC's professional investment team in investment and financing, and gives full play to its strengths to provide investors with excellent financial returns; at the same time, it draws on the business advantages of CEC as a top company in the field of electronic information technology and the investment experience of its professional investment team to make mid-to-long-term investments in upstream and downstream related companies in the industry, and promotes the company's sustainable development through multiple business cooperation with CEC.

During the Reporting Period, CEC & CICC Fund added 7 investment projects, including Shanghai Yihua Technology Co., Ltd.* (上海翼華科技有限公司), WellRun Technology Co., Ltd.* (惠然科技有限公司), Shanghai Yanding Tech Co., Ltd.* (上海研鼎信息技術有限公司), Fuyang Sineva Material Technology Co., Ltd.* (阜陽欣奕華材料科技有限公司), Beijing Eternal Material Technology Co., Ltd.* (北京鼎材科技有限公司), Xiamen Yaxon Network Co., Ltd.* (廈門雅迅網絡股份有限公司) and Shandong Tsaker New Materials Co., Ltd.* (山東彩客新材料有限公司), with an additional investment of RMB229.9 million, boosting the development of 6 major fields including integrated circuits, smart devices, new materials, precision machinery, new energy, and big data. It focused on the industrial value chain of advanced manufacturing industries related to semiconductors and electronics and made complementary investments to technology and innovation based small and medium-sized enterprises.

SUBSEQUENT IMPORTANT EVENTS

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

FUTURE PROSPECT

Further enhancing thematic education and keeping on learning ideas, prioritizing practice, and making new achievements

During the first half of the year, in accordance with the requirements of the thematic education mobilization session and joint session convened by CEC, the Company arranged seminars on the theme "acquiring knowledge and enhancing work through learning", having regard to actual business practice. The Company has currently completed the seminars on three topics: "transformation of park project investment model", "strengthening of risk management and control of comprehensive operation business" and "deepening digital transformation to give a good start to 'the third curve' depiction", and also put forward specific requirements and directions for improvement of relevant work. In the second half of the year, with the theme "Promoting Work through Learning and In-depth Thematic Education", the Company will continue to conduct studies on three topics: "Innovation in ideology and methodology of park consultation", "Taking the Long March again, and looking at the turning point" and "Opportunities and challenges for AI development".

Aiming at the annual operation target and giving full play to the role of "anchor" of the industrial park development business

The Group will focus on Wuhan, Shenzhen and Shanghai to promote cross-regional collaboration, share industrial resources all over the country, ensure the success of "anchor" projects against all odds, and achieve the annual operation target of investment return. The Group will continue to adopt the "responsive customization" model for manufacturing parks, further explore high-quality customers, control development risks with customized models, and ensure healthy operating cash flow of projects.

Taking all efforts to capture more contracted value, especially the EPC contracts of integrated operation business

It is our established policy to achieve deterministic growth in an uncertain market environment. In the second half of the year, we will focus on the signing of EPC contracts, and push forward projects such as Handan, Xinyu, Baoding, Zhangzhou, Bazhou, Yantai and Luoyang Mengjin as well as cooperation with Chedu Corporation* (車都集團) from Wuhan Economic and Technological Development Zone, and cooperation with Tianjin Chengtou* (天津城投) in order to achieve deterministic results in the third quarter and lay the groundwork for business operation.

Constructing the "third curve" of digital transformation of industrial parks with"dual-wheel drive"

Leveraging on the occasion of mid-term adjustment of the "14th Five-Year Plan", the Group will give full play to the dual-wheel driving role of "industrial cloud" and "low-carbon cloud", create a digital mechanism for cross-regional industrial organizations, and form a digital industrial interconnection system with the unique advantages of CEOVU, promote the all-round digitalization of operation management and industrial services, and build a spatial organization business structure that fosters high-quality development of industrial digitalization and digital industrialization. The Group will complete the annual task of data governance as scheduled; speed up the construction of the "dynamic target" management system; speed up the iterative innovation of the "iLeasing" app. The business department of digital park business will speed up the research and development of "industrial cloud (產業雲)", and develop Shuanglonggang project into a benchmark for digital parks; CEC Energy Conservation will speed up the research and development and application of "OVU Low-carbon Cloud (OVU低碳雲)", and expand more than 5 "low-carbon cloud (低碳雲)" projects within the year.

Further strengthening the construction of internal control and management system

In order to "strengthen the awareness of risk management and control" and "improve risk management", the internal control management system will be optimized, and further improvement of professional management and systematic operation capability will be made through restructuring the management system. The Group will also rationally analyze the operating market environment, promptly address market risks and grasp market opportunities, and put risk control into practice and incorporate it to the business objectives accountability system.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the revenue of the Group was RMB2,203.3 million, representing an increase of 37.1% as compared to the same period of 2022. The following table sets forth the revenue of the Group by business segment:

	For the six months ended 30 June			
	2023		2022	
	Revenue RMB'000	% of total	Revenue RMB'000	% of total
Industrial park operation services	**1,291,909**	**58.6%**	1,089,765	67.8%
Design and construction services	**602,325**	**27.3%**	458,144	28.5%
Property management services	**418,426**	**19.0%**	373,616	23.2%
Energy services	**58,582**	**2.7%**	76,284	4.7%
Group catering and hotel services	**72,747**	**3.3%**	54,645	3.4%
Sub-leasing services	**55,611**	**2.5%**	50,900	3.2%
Others	**84,218**	**3.8%**	76,176	4.7%
Industrial park development services	**911,417**	**41.4%**	517,792	32.2%
Sales of industrial parks	**812,137**	**36.9%**	429,276	26.7%
Self-owned park leasing	**99,280**	**4.5%**	88,516	5.5%
Total	**2,203,326**	**100.0%**	1,607,557	100.0%

Cost of Sales

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

During the Reporting Period, cost of sales of the Group amounted to RMB1,626.8 million, representing an increase of RMB519.8 million or 47.0% over the same period in 2022. As of 30 June 2022 and 30 June 2023, the cost of sales of the Group represented 68.9% and 73.8%, respectively, of the revenue of the Group.

Gross Profit and Gross Profit Margin

During the Reporting Period, the overall gross profit of the Group was RMB576.6 million, representing an increase of RMB76.0 million as compared with the same period in 2022. Overall gross profit margin was 26.2%, representing a decrease of 4.9% from 31.1% in the same period of 2022.

Other Income and Gains – Net

During the Reporting Period, other income and gains – net of the Group was net gains of RMB46.4 million, decreased RMB29.3 million as compared the same period in 2022 primarily due to the disposal of investment properties including Wuhan Creative Capital and Qingdao Optics Valley Software Park in the same period of last year.

Selling and Distribution Expenses

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

During the Reporting Period, selling and distribution expenses of the Group was RMB80.8 million, which increased by RMB7.3 million as compared to the same period of 2022, mainly due to the increase in sales and distribution expenses such as advertising fee and service fee for intermediaries.

Administrative Expenses

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

During the Reporting Period, administrative expenses of the Group was RMB190.4 million, which have decreased by RMB2.7 million as compared to the same period of 2022. The decrease was mainly due to strengthened administrative expenses control proactively carried out by the Group during the Reporting Period.

Fair Value Changes of Investment Properties

During the Reporting Period, fair value gains on the Group's investment properties was RMB12.9 million, representing a decrease of 79.2% as compared with the same period in 2022, primarily due to (i) the recognition of gains arising from fair value changes in self-owned properties in the current period of RMB62.1 million, representing an increase of RMB8.9 million from gains of RMB53.2 million for the same period last year; and (ii) the recognition of losses arising from fair value changes in sub-leased properties in the current period of RMB49.2 million, representing a decrease of RMB58.0 million from gains of RMB8.8 million for the same period last year, mainly as a result of the expiry of contracts of Shenzhen Zhigu Difu Building* (深圳智谷迪富大廈) and Chongqing Institute of Life Sciences* (重慶生命科學院), and the new contracts signed for youth apartments in the same period last year, leading to a decrease in valuation in the current period as compared with the same period last year.

Income Tax Expense

During the Reporting Period, income tax expense of the Group was RMB144.5 million, representing an increase of 37.0% as compared with the same period in 2022, which was primarily due to (i) the increase in PRC land appreciation tax of RMB15.6 million; and (ii) the increase in PRC corporate income tax expense of RMB23.4 million.

Profit for the Reporting Period

As a result of the foregoing, during the Reporting Period, the profit attributable to owners of the Group was RMB81.9 million, representing a decrease of 31.5% as compared with the same period in 2022.

FINANCIAL POSITION

Properties under Development

The carrying amount of properties under development of the Group decreased by RMB236.8 million from RMB3,115.1 million as at 31 December 2022 to RMB2,878.3 million as at 30 June 2023, primarily due to the decrease in properties under construction of the Group for the Reporting Period compared to the beginning of the period.

Completed Properties Held for Sale

The carrying amount of completed properties held for sale of the Group increased by RMB1,041.6 million from RMB3,481.9 million as at 31 December 2022 to RMB4,523.5 million as at 30 June 2023, primarily due to the excess in the amount transferred upon completion of the projects filed over the amount transferred to cost of sales of the Group in the Reporting Period.

Trade and Other Receivables

The Group's trade and other receivables increased by RMB195.6 million from RMB2,995.8 million as at 31 December 2022 to RMB3,191.4 million as at 30 June 2023, which was primarily due to the increase in prepaid turnover tax and other taxes..

Trade and Other Payables

The Group's trade and other payables increased by RMB468.0 million from RMB3,346.1 million as at 31 December 2022 to RMB3,814.1 million as at 30 June 2023, which was primarily due to the significant increase in progress of construction work of the Group in the first half of 2023 that caused the increase in the corresponding payables for related construction work.

Liquidity and Capital Resources

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

During the Reporting Period, the Group's net cash outflow from operating activities was RMB584.3 million, mainly consists of the expenses from new land bank and project construction.

During the Reporting Period, the Group's net cash inflow from financing activities was RMB4.0 million, mainly used in replenishment of liquidity and optimization of debt structure.

KEY FINANCIAL RATIOS

Current Ratio

Current ratio of the Group, representing total current assets divided by total current liabilities, increased from 1.4 as at 31 December 2022 to 1.5 as at 30 June 2023, primarily due to a greater increase in current assets as compared to the increase in current liabilities of the Group for the Reporting Period.

Net Gearing Ratio

Net gearing ratio of the Group, representing the ratio of net debt divided by total capital, which is the sum of total borrowings less total cash (excluding supervision accounts for construction of pre-sale properties) divided by the sum of net debt and total equity, increased from 34.8% as at 31 December 2022 to 39.0% as at 30 June 2023. The ratio is still within the range of controllable risk.

Indebtedness

The Group's total outstanding indebtedness increased by RMB238.1 million from RMB7,068.3 million as at 31 December 2022 to RMB7,306.4 million as at 30 June 2023.

Contingent Liabilities

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

As at 31 December 2022 and 30 June 2023, the outstanding guarantees for mortgage loans granted to customers of its pre-sale properties were approximately RMB939.8 million and RMB761.9 million, respectively.

Net Current Assets

Current assets of the Group consist primarily of properties under development, completed properties held for sale, trade and other receivables, and cash and cash equivalents. Total current assets of the Group were approximately RMB13,261.6 million as at 30 June 2023, as compared to RMB12,364.2 million as at 31 December 2022.

As at 31 December 2022 and 30 June 2023, total cash and cash equivalents of the Group amounted to approximately RMB2,254.2 million and RMB1,661.0 million, respectively. The Group primarily financed its expenditures through internally-generated cash flows, being primarily cash generated through pre-sale and sale of its properties and cash from bank loans and other borrowings.

Current liabilities of the Group consist primarily of trade and other payables, banks and other borrowings and current tax liabilities. Trade and other payables represent costs related to its development activities. Total current liabilities of the Group were approximately RMB9,131.0 million as at 30 June 2023, as compared to RMB8,680.8 million as at 31 December 2022.

As at 30 June 2023, the Group had net current assets of approximately RMB4,130.6 million as compared to RMB3,683.5 million as at 31 December 2022. The increase in net current assets of the Group was primarily due to an increase in completed properties of the Group for the Reporting Period compared to the beginning of the period, and a greater increase in current assets as compared to the increase in current liabilities.

Capital Expenditures and Capital Commitments

During the Reporting Period, capital expenditure of the Group was RMB3.7 million. Capital expenditures of the Group was primarily related to expenditure for purchases of property, plant and equipment and purchases of intangible assets.

As at 30 June 2023, the Group's outstanding commitments related to property development expenditure and investment was RMB790.7 million.

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

EMPLOYEES

As of 30 June 2023, the Group had 8,357 full-time employees. The employment cost of the Group was approximately RMB423.4 million for the Reporting Period, representing an increase of RMB32.1 million as compared to the same period last year, mainly due to the increase in the size of the Group's subsidiaries in the current period. The Group enters into employment contracts with its employees to cover matters such as position, terms of employment, wages, employee benefits and liabilities for breach and grounds for termination. The remuneration package of the employees includes basic salaries, allowances, bonuses and other employee benefits. The Group has implemented measures for assessing employees' performance and promotion and a system of employee compensation and benefits. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority.

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

Employee Training and Development

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

PLEDGED ASSETS

As at 30 June 2023, outstanding bank borrowings and corporate bonds have been secured by certain assets of the Group with a total net book value of RMB4,850.5 million, including investment properties, properties under development for sale, completed properties held for sale, property and plant and equipment.

MARKET RISKS

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

LIQUIDITY RISK

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

INTEREST RATE RISK

The Group is exposed to interest rate risks, primarily relating to its bank loans and other borrowings, which had an outstanding amount of RMB7,306.4 million as at 30 June 2023. The Group undertakes debt obligations to support its property development and general working capital needs. Soaring interest rates may increase the finance costs of the Group. Fluctuations in interest rates may also lead to significant fluctuations in the fair values of its debt obligations. The Group currently does not carry out any hedging activities to manage its interest rate risk.

FOREIGN EXCHANGE RISK

The Group's functional currency is Renminbi and substantially all of its turnover, expenses, cash and deposits are denominated in Renminbi. The Group's exposures to currency exchange rates arise from certain of its cash and bank balances which are denominated in Hong Kong dollar. In the event of a depreciation of the Hong Kong dollar against Renminbi, the value of its cash and bank balances in Hong Kong dollar will decline. In addition, if the Group maintains any foreign currency denominated assets or liabilities, including raising any foreign currency-denominated debts, fluctuations in Renminbi exchange rates will have an impact on the value of such assets and liabilities, thus affecting the financial condition and results of operations of the Group. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and considers that there is no significant exposure on its foreign currency risk.

CREDIT RISK

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

The Board is pleased to present its report together with the unaudited interim results of the Group for the six months ended 30 June 2023.

INTERIM DIVIDEND

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the Reporting Period.

DIRECTORS

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

Non-executive Directors

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

Independent Non-executive Directors

Mr. Qi Min
Mr. Qiu Hongsheng
Mr. Qi Liang

Executive Director

Mr. Huang Liping *(President)*

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Mr. Liu Guilin resigned as 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)) with effect from 24 May 2023.

Save as disclosed above, the Company is not aware of other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

As at 30 June 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

Interests in the Company

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 30 June 2023, i.e., 7,574,352,000.

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

Save as disclosed above, as at 30 June 2023, so far as is known to any Director or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2023, 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 30 June 2023, i.e., 7,574,352,000.

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

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

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

Save as disclosed above, as at 30 June 2023, the Company has not been notified by any person (not being the Directors or chief executive of the Company) who had interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2023, the Group had 8,357 employees in Mainland China and Hong Kong. For the six months ended 30 June 2023, the staff cost of the Group was approximately RMB423.4 million.

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

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

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

SHARE AWARD SCHEME

Reference is made to the announcements of the Company dated 22 December 2016 and 14 December 2021 in respect of the share award scheme of the Company adopted on 22 December 2016 (the "**Scheme**").

During 2016, the trustee appointed by the Company for the purpose of the 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 Scheme. As at 30 June 2023, none of the 152,998,000 Shares has been granted. No new Shares will be granted under the Scheme.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and the independent auditor the accounting principles and policies adopted by the Group and the unaudited interim results for the six months ended 30 June 2023.

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

Wuhan, the PRC
24 August 2023

Report on Review of Interim Financial Information

pwc 羅兵咸永道

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 35 to 67, which comprises the interim condensed consolidated statement of financial position of China Electronics Optics Valley Union Holding Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2023 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 24 August 2023

Interim Condensed Consolidated Statement of Profit or Loss

	Note	Unaudited Six months ended 30 June 2023 RMB'000	 2022 RMB'000
Revenue	6	**2,203,326**	1,607,557
Cost of sales		**(1,626,758)**	(1,106,962)
Gross profit		**576,568**	500,595
Other income and gains – net	7	**46,417**	75,740
Selling and distribution expenses		**(80,817)**	(73,507)
Administrative expenses		**(190,394)**	(193,066)
Other expenses		**(629)**	(465)
Net impairment losses on financial and contract assets		**(11,953)**	(38,795)
Operating profit before changes in fair value of investment properties		**339,192**	270,502
Fair value gains on investment properties	13	**12,915**	61,960
Operating profit after changes in fair value of investment properties		**352,107**	332,462
Finance income	8	**25,009**	57,425
Finance costs	8	**(124,340)**	(135,242)
Net finance costs		**(99,331)**	(77,817)
Share of losses of associates	14	**(59,003)**	(118,933)
Share of (losses)/profits of joint ventures	15	**(9,999)**	42,843
Profit before income tax		**183,774**	178,555
Income tax expense	9	**(144,518)**	(105,471)
Profit for the period		**39,256**	73,084
Profit attributable to:			
– Owners of the Company		**81,863**	119,448
– Non-controlling interests		**(42,607)**	(46,364)
Profit for the period		**39,256**	73,084
Basic and diluted earnings per share (RMB cents)	11	**1.08**	1.58

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

Interim Condensed Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Profit for the period	**39,256**	73,084
Other comprehensive income	**–**	–
Items that will be reclassified to profit or loss:		
– Currency translation differences	**(5,547)**	(2,279)
Items that will not be reclassified to profit or loss:		
– Changes in the fair value of equity investments at fair value through other comprehensive income	**(5,399)**	–
– Income tax relating to these items	**1,350**	–
Other comprehensive income for the period, net of tax	**(9,596)**	(2,279)
Total comprehensive income for the period	**29,660**	70,805
Attributable to:		
– Owners of the Company	**72,267**	117,169
– Non-controlling interests	**(42,607)**	(46,364)
Total comprehensive income for the period	**29,660**	70,805

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

Interim Condensed Consolidated Statement of Financial Position

	Note	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	**473,148**	471,646
Right-of-use assets		**74,416**	93,945
Investment properties	13	**6,264,521**	5,960,733
Intangible assets		**51,223**	53,746
Investments in associates	14	**1,700,343**	1,798,126
Investments in joint ventures	15	**145,364**	138,693
Financial assets at fair value through profit or loss	5	**718,977**	718,591
Financial assets at fair value through other comprehensive income	5	**13,129**	18,528
Trade and other receivables	19	**391,230**	718,024
Deferred income tax assets		**38,297**	43,276
		9,870,648	10,015,308
Current assets			
Properties under development	16	**2,878,277**	3,115,116
Completed properties held for sale	17	**4,523,536**	3,481,948
Inventories	18	**71,419**	72,482
Trade and other receivables	19	**2,800,213**	2,277,809
Prepaid income taxes		**161,713**	124,389
Financial assets at fair value through profit or loss	5	**2,400**	13,400
Contract assets	22	**767,966**	635,824
Deposits in banks with original maturities over three months		**17,383**	4,050
Restricted cash	20	**377,661**	384,997
Cash and cash equivalents	21	**1,661,004**	2,254,209
		13,261,572	12,364,224
Total assets		**23,132,220**	22,379,532
Current liabilities			
Contract liabilities	22	**907,357**	530,576
Trade and other payables	23	**3,814,078**	3,346,072
Bank and other borrowings	25	**3,504,987**	3,836,854
Lease liabilities		**81,016**	90,026
Current income tax liabilities		**753,305**	807,111
Current portion of deferred income		**70,210**	70,114
		9,130,953	8,680,753
Net current assets		**4,130,619**	3,683,471
Total assets less current liabilities		**14,001,267**	13,698,779

	Note	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Non-current liabilities			
Bank and other borrowings	25	**3,801,421**	3,231,461
Lease liabilities		**439,584**	501,331
Deferred income tax liabilities		**387,779**	458,202
Non-current portion of deferred income		**631,886**	631,021
		5,260,670	4,822,015
Total liabilities		**14,391,623**	13,502,768
Net assets		**8,740,597**	8,876,764
Equity			
Share capital	26	**623,048**	623,048
Treasury shares	26	**(121,056)**	(121,056)
Reserves		**2,688,164**	2,870,664
Retained earnings		**4,457,866**	4,376,003
Total equity attributable to owners of the Company		**7,648,022**	7,748,659
Non-controlling interests		**1,092,575**	1,128,105
Total equity		**8,740,597**	8,876,764
Total equity and non-current liabilities		**14,001,267**	13,698,779

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

The interim condensed financial information on pages 35 to 67 were approved by the Board of Directors on 24 August 2023 and were signed on its behalf.

Huang Liping
Director

Hu Bin
Director

Interim Condensed Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company											
		Share capital 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 2023		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
Profit for the period		–	–	–	–	–	–	–	–	81,863	81,863	(42,607)	39,256
Other comprehensive income, net of tax		–	–	–	(5,547)	–	–	(4,049)	(9,596)	–	(9,596)	–	(9,596)
Total comprehensive income for the six months ended 30 June 2023		–	–	–	(5,547)	–	–	(4,049)	(9,596)	81,863	72,267	(42,607)	29,660
Transactions with owners, recognised directly in equity													
Capital injection from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	8,140	8,140
Dividends		–	–	(172,904)	–	–	–	–	(172,904)	–	(172,904)	(1,063)	(173,967)
Total transactions with owners, recognised directly in equity		–	–	(172,904)	–	–	–	–	(172,904)	–	(172,904)	7,077	(165,827)
Balance at 30 June 2023		623,048	(121,056)	1,394,028	(15,014)	49,772	718,264	541,114	2,688,164	4,457,866	7,648,022	1,092,575	8,740,597

	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 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		–	–	–	–	–	–	–	–	119,448	119,448	(46,364)	73,084
Other comprehensive income, net of tax		–	–	–	(2,279)	–	–	–	(2,279)	–	(2,279)	–	(2,279)
Total comprehensive income for the six months ended 30 June 2022		–	–	–	(2,279)	–	–	–	(2,279)	119,448	117,169	(46,364)	70,805
Transactions with owners, recognised directly in equity													
Capital injection from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	1,354	1,354
Dividends		–	–	(161,883)	–	–	–	–	(161,883)	–	(161,883)	(3,807)	(165,690)
Disposal of subsidiary		–	–	–	–	–	–	–	–	–	–	(2,482)	(2,482)
Total transactions with owners, recognised directly in equity		–	–	(161,883)	–	–	–	–	(161,883)	–	(161,883)	(4,935)	(166,818)
Balance at 30 June 2022		623,048	(121,056)	1,568,426	12,941	49,772	616,671	535,955	2,783,765	4,060,953	7,346,710	1,062,600	8,409,310

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

	Note	Unaudited Six months ended 30 June 2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Cash used in operations		**(284,587)**	(331,776)
Income tax paid		**(299,742)**	(306,278)
Cash flows used in operating activities		**(584,329)**	(638,054)
Cash flows from investing activities			
Investments in associates	14	**(1,563)**	(14,973)
Investments in joint ventures	15	**(16,670)**	(289)
Purchase of property, plant and equipment		**(2,551)**	(5,318)
Proceeds from disposal of property, plant and equipment		**103**	1,749
Purchase of intangible assets		**(1,124)**	(1,614)
Proceeds from disposal of investment properties		**9,633**	–
Proceeds from disposal of financial assets at fair value through profit or loss		**12,500**	379,850
Proceeds from disposal of investment in associates		**–**	61
Net cash outflow from disposal of a subsidiary, net of cash received		**(2)**	(1,704)
Purchase of financial assets at fair value through profit or loss		**(1,500)**	(201,558)
Purchase of financial assets at fair value through other comprehensive income		**–**	(6,250)
(Increase)/decrease in deposits in banks with original maturities over three months		**(13,333)**	47,668
Loans to related parties and third parties		**(20,079)**	(194,620)
Loans repaid from related parties and third parties		**9,610**	22,668
Interest received		**11,726**	54,452
Dividends received from associates		**343**	–
Cash flows (used in)/generated from investing activities		**(12,907)**	80,122

	Note	Unaudited Six months ended 30 June 2023 RMB'000	 2022 RMB'000
Cash flows from financing activities			
Proceeds from bank and other borrowings		**1,926,512**	2,599,974
Repayment of bank and other borrowings		**(1,724,060)**	(1,132,808)
Repayment of corporate bonds	24	**–**	(250,000)
Decrease in restricted cash	20	**21,820**	41,741
Repayment of loans due to related parties		**–**	(194)
Receipt from loans due to related parties		**–**	4,248
Repayment from loans due to third parties		**–**	(120,000)
Interest paid		**(172,065)**	(197,428)
Dividends paid to non-controlling interests		**(720)**	(3,806)
Capital injection by non-controlling interests		**8,140**	1,354
Principal elements of lease payments		**(55,616)**	(54,048)
Cash flows generated from financing activities		**4,011**	889,033
Net (decrease)/increase in cash and cash equivalents		**(593,225)**	331,101
Cash and cash equivalents at beginning of the period		**2,254,209**	2,155,136
Effect of foreign exchange rate changes		**20**	(498)
Cash and cash equivalents at end of the period		**1,661,004**	2,485,739

The above interim condensed 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**") 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 Chinese Mainland.

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

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

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

The interim financial information was approved for issuance on 24 August 2023 and has been reviewed, not audited.

2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standards ("**IAS**") 34, '*Interim financial reporting*', issued by the International Accounting Standards Board ("**IASB**"). The interim financial information does not include all the notes normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (the "**IFRS**") and disclosure requirements under the Hong Kong Companies Ordinance; and any public announcements made by the Company during the six months ended 30 June 2023 (the "**reporting period**").

3 ACCOUNTING POLICIES

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

(a) Amended standards adopted by the Group – applicable since 1 January 2023

IFRS 17	Insurance contracts (new standard)
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies
Amendments to IAS 8	Definition of accounting estimates
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction

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

3 ACCOUNTING POLICIES (Continued)

(b) The following standards and interpretations had been issued but were not mandatory for annual reporting period ending on 31 December 2023.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
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
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

4 JUDGEMENTS AND ESTIMATES

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

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

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

The interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2022.

(b) Fair value estimation

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

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

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value at 30 June 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets valued at fair value through profit or loss				
– Equity securities	–	–	718,977	718,977
– Wealth management products	–	–	2,400	2,400
	–	–	721,377	721,377
Financial assets at fair value through other comprehensive income				
– Equity securities	–	–	13,129	13,129

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

There were no changes in valuation techniques during the six months ended 30 June 2023.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) *Fair value estimation (Continued)*

The following table presents the changes in level 3 instruments for the periods ended 30 June 2023 and 2022:

	Financial assets at fair value through profit or loss (Unaudited) Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Opening balance at 1 January	**731,991**	888,211
Additions	**1,500**	201,558
Fair value changes	**386**	2,013
Disposals	**(12,500)**	(379,850)
Closing balance at 30 June	**721,377**	711,932
Recognised gains for the year included in 'other income and gains-net'	**386**	2,013

	Financial assets at fair value through other comprehensive income (Unaudited) Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Opening balance at 1 January	**18,528**	–
Additions	**–**	6,250
Fair value changes	**(5,399)**	–
Closing balance at 30 June	**13,129**	6,250

6 SEGMENT INFORMATION

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

At 30 June 2023, 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 ended 31 December 2022, 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 investment businesses related to the industries in various themed industrial parks.

(a) Segment results

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

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

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

6 SEGMENT INFORMATION (Continued)

(a) *Segment results* (Continued)

For the six months ended 30 June 2023 (Unaudited)

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Revenue from contracts with customers	**1,677,071**	**812,188**	**–**	**2,489,259**
– Recognition at point in time	**71,805**	**565,184**	**–**	**636,989**
– Recognition over time	**1,605,266**	**247,004**	**–**	**1,852,270**
Revenue from other source – Rental income	**55,611**	**124,038**	**–**	**179,649**
Segment revenue	**1,732,682**	**936,226**	**–**	**2,668,908**
Inter-segment revenue	**(440,773)**	**(24,809)**	**–**	**(465,582)**
Revenue from external customers	**1,291,909**	**911,417**	**–**	**2,203,326**
Segment results	**115,164**	**269,522**	**436**	**385,122**

For the six months ended 30 June 2022 (Unaudited)

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Revenue from contracts with customers	1,558,634	429,276	–	1,987,910
– Recognition at point in time	57,110	363,507	–	420,617
– Recognition over time	1,501,524	65,769	–	1,567,293
Revenue from other source – Rental income	60,444	105,112	–	165,556
Segment revenue	1,619,078	534,388	–	2,153,466
Inter-segment revenue	(529,313)	(16,596)	–	(545,909)
Revenue from external customers	1,089,765	517,792	–	1,607,557
Segment results	157,771	145,998	–	303,769

6 SEGMENT INFORMATION (Continued)

(b) Reconciliations of segment revenue and profit or loss

	Unaudited Six months ended 30 June 2023 RMB'000	2022 RMB'000
Revenue		
Segment revenue	**2,668,908**	2,153,466
Elimination of inter-segment revenue	**(465,582)**	(545,909)
Revenue	**2,203,326**	1,607,557
Profits		
Segment results derived from the Group's external customers	**385,122**	303,769
Fair value gains on investment properties	**12,915**	61,960
Share of losses of associates	**(59,003)**	(118,933)
Share of (losses)/profits of joint ventures	**(9,999)**	42,843
Finance income	**25,009**	57,425
Finance costs	**(124,340)**	(135,242)
Depreciation and amortisation	**(45,930)**	(33,267)
Income tax expense	**(144,518)**	(105,471)
Profit for the period	**39,256**	73,084

7 OTHER INCOME AND GAINS - NET

	Unaudited Six months ended 30 June 2023 RMB'000	2022 RMB'000
Government grants	**43,763**	50,023
Fair value gains on financial assets at fair value through profit of loss	**386**	2,013
Net (losses)/gains on disposal of property, plant and equipment	**(39)**	45
Loss on liquidation of a joint venture	**–**	(2,865)
(Losses)/gains on disposal of investment properties	**(2,197)**	18,869
Gains/(losses) on disposal of subsidiaries	**1,046**	(132)
Others	**3,458**	7,787
	46,417	75,740

8 PROFIT BEFORE INCOME TAX

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

	Unaudited Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
(a) Net finance costs:		
Finance income:		
Interest income	**(25,051)**	(55,894)
Income from wealth management products	**–**	(1,033)
Net foreign exchange losses/(gains)	**42**	(498)
Sub-total	**(25,009)**	(57,425)
Finance costs:		
Interest expenses of bank and other borrowings	**178,756**	172,247
Interest expenses on leasing liabilities	**12,490**	17,510
Capitalised interest expenses	**(79,096)**	(54,515)
Net foreign exchange losses	**12,190**	–
Sub-total	**124,340**	135,242
Net finance costs	**99,331**	77,817

8 PROFIT BEFORE INCOME TAX (Continued)

		Unaudited Six months ended 30 June 2023 RMB'000	2022 RMB'000
(b)	**Staff costs:**		
	Salaries, wages and other benefits	**397,687**	370,491
	Contributions to defined contribution retirement schemes	**25,756**	20,845
		423,443	391,336

		Unaudited Six months ended 30 June 2023 RMB'000	2022 RMB'000
(c)	**Other items:**		
	Depreciation	**42,247**	29,595
	Amortisation	**3,683**	3,672
	Cost of properties sold	**523,042**	270,949
	Cost of construction	**569,119**	441,766
	Rentals income from investment properties	**(158,433)**	(142,261)

9 INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Current income tax		
Corporate Income Tax ("**CIT**")	**145,142**	54,239
Land Appreciation Tax ("**LAT**")	**63,470**	47,846
	208,612	102,085
Deferred income tax	**(64,094)**	3,386
	144,518	105,471

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

No provision for Hong Kong Profits Tax was made as the Group's Hong Kong subsidiaries did not earn any income subject to Hong Kong Profits Tax for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

(ii) The corporate income tax rate applicable to the group entities located in Chinese Mainland is 25% (six months ended 30 June 2022: 25%) according to the CIT Law of the People's Republic of China ("**PRC**").

Certain of the Group's subsidiaries which obtained the Certificate of High and New Technology Enterprise (高新技術企業證書)are entitled a preferential corporate income tax rate of 15%, while certain of the Group's subsidiaries enjoy the preferential income tax rate of 2.5% or 5% as Small and Small Profit Enterprises (小型微利企業).

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

10 DIVIDENDS

The board of directors does not recommend the distribution of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

11 EARNINGS PER SHARE

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB81,863,000 (six months ended 30 June 2022: RMB119,448,000). The weighted average number of ordinary shares (excluding treasury stocks) for the six months ended 30 June 2023 is approximately 7,574,352,000 (six months ended 30 June 2022: 7,574,352,000).

(b) *Diluted earnings per share*

There were no dilutive potential ordinary shares for the six months ended 30 June 2023 and the six months ended 30 June 2022 and therefore, diluted earnings per share equals to basic earnings per share.

12 PROPERTY, PLANT AND EQUIPMENT

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Beginning of the period	**471,646**	426,200
Additions	**41,190**	34,985
Disposals arising from disposal of subsidiaries	**–**	(734)
Disposals	**(142)**	(1,704)
Depreciation	**(39,546)**	(29,595)
End of the period	**473,148**	429,152

13 INVESTMENT PROPERTIES

	Unaudited Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Beginning of the period	**5,960,733**	5,091,625
Transfer from completed properties held for sale	**98,611**	76,776
Other additions	**255,086**	201,105
Fair value gains	**12,915**	61,960
Disposals	**(11,830)**	(71,900)
Transfer to properties under development	**(31,342)**	–
Transfer to property, plant and equipment	**(19,652)**	–
End of the period	**6,264,521**	5,359,566

Investment properties comprise a number of office buildings, plants and commercial facilities that are leased or to be leased to third parties. Each of the leases contains an initial non-cancellable period of 1 year to 16 years.

The Group's investment properties carried at fair value were revalued as at transfer date and at 30 June 2023 by Cushman & Wakefield International Properties Advisers ("**C&W**"), an independent firm of surveyors. During the six months ended 30 June 2023, a total gain of RMB12,915,000 (six months ended 30 June 2022: RMB61,960,000), and deferred tax thereon of RMB3,229,000 (six months ended 30 June 2022: RMB15,490,000), were recognized in the interim condensed consolidated statement of profit or loss for the period in respect of investment properties.

As at 30 June 2023, certain investment properties developed by the Group with carrying value of RMB2,483,500,000 (31 December 2022: RMB1,594,900,000), were without building ownership certificate and the Group was in progress of obtaining the relevant building ownership certificate.

14 INVESTMENTS IN ASSOCIATES

	Unaudited Six months ended 30 June 2023 RMB'000	2022 RMB'000
Beginning of the period	**1,798,126**	1,963,666
Additions	**1,563**	14,973
Transfer from disposal of subsidiaries	**–**	1,470
Share of post-tax losses of associates	**(59,003)**	(118,933)
Disposals	**–**	(510)
Dividends	**(40,343)**	–
End of the period	**1,700,343**	1,860,666

15 INVESTMENTS IN JOINT VENTURES

	Unaudited Six months ended 30 June 2023 RMB'000	2022 RMB'000
Beginning of the period	**138,693**	161,956
Share of post-tax (losses)/profits of joint ventures	**(9,999)**	42,843
Transfer from disposal of subsidiaries	**–**	719
Addition	**16,670**	289
End of the period	**145,364**	205,807

16 PROPERTIES UNDER DEVELOPMENT

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Expected to be completed for sale within one year		
Properties under development for sale	**1,565,499**	2,075,929
Expected to be completed for sale after more than one year		
Properties under development for sale	**1,312,778**	1,039,187
	2,878,277	3,115,116

17 COMPLETED PROPERTIES HELD FOR SALE

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

18 INVENTORIES

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Work in progress	**3,864**	3,258
Finished goods	**65,857**	66,963
Raw materials	**1,698**	2,261
	71,419	72,482

19 TRADE AND OTHER RECEIVABLES

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Current portion		
Trade receivables (i)	**1,047,625**	1,207,211
Bills receivables	**14,636**	17,995
Loans to related parties (Note 29(c))	**750**	687
Deposits receivable	**156,804**	133,484
Prepayments for construction cost and raw materials	**414,496**	246,851
Loans to third parties	**877,924**	529,845
Prepaid turnover tax and other taxes	**332,580**	187,375
Others	**212,314**	197,677
	3,057,129	2,521,125
Non-current portion		
Trade receivables (i)	**339,445**	344,365
Loans to third parties	**35,220**	354,528
Receivables from finance leases	**13,872**	19,316
Loans to related parties (Note 29(c))	**4,721**	4,558
	393,258	722,767
Less: loss allowance provision		
– Trade receivables	**(92,615)**	(92,560)
– Other receivables	**(166,329)**	(155,499)
	(258,944)	(248,059)
Total	**3,191,443**	2,995,833

(i) Trade receivable are generally due within 1 year from the date of billing. The non-current trade receivables are due and receivable within eight years from the end of the reporting period. As of the end of the reporting period, the ageing analysis of trade receivables and bills receivable, based on the invoice date (or date of revenue recognition, if earlier), is as follows:

19 TRADE AND OTHER RECEIVABLES (Continued)

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Within one year	**776,764**	963,340
One to two years	**156,375**	143,540
Two to three years	**387,161**	384,775
Three to four years	**19,149**	10,286
Over four years	**47,621**	49,635
	1,387,070	1,551,576

Trade receivables are primarily related to proceeds from the sale of properties. Proceeds from the sale of properties are made in one-off payments or paid by instalments in accordance with the terms of the corresponding sale and purchase agreements. If payment is made in one-off payment, settlement is normally required by date of signing the sales contract. If payments are made in instalments, settlement is in accordance with the contract terms.

20 RESTRICTED CASH

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Pledged for:		
– Supervised accounts for construction of pre-sale properties	**328,596**	314,112
– Mortgage deposits	**35,732**	31,219
– Interest-bearing loans deposits	**–**	10
– Letter of guarantee	**8,833**	32,135
– Others	**4,500**	7,521
Total	**377,661**	384,997

21 CASH AND CASH EQUIVALENTS

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Cash in hand	**83**	138
Cash at bank	**1,660,921**	2,221,236
Other cash deposited in a related party's financial institution (Note 29(c))	**–**	32,835
Cash and cash equivalents	**1,661,004**	2,254,209

22 CONTRACT ASSETS AND CONTRACT LIABILITIES

Details of contract assets are as follows:

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Current contract assets related to sales of properties	**255,444**	187,559
Current contract assets related to construction services	**522,647**	457,322
Less: loss allowance	**(10,125)**	(9,057)
Total contract assets	**767,966**	635,824
Contract liabilities relating to sales of properties	**907,357**	530,576

23 TRADE AND OTHER PAYABLES

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Trade creditors and bills payable	**2,202,379**	1,993,290
Advances from third parties	**151,445**	154,445
Other taxes payables	**145,555**	101,954
Advances from related parties (Note 29(c))	**75,367**	113,956
Construction guaranteed deposits payable	**391,330**	331,021
Accrued payroll	**33,410**	80,871
Interests payable	**31,340**	31,000
Dividend payable	**172,904**	–
Other payables and accruals	**610,348**	539,535
Total	**3,814,078**	3,346,072

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

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Within one year	**1,620,975**	1,520,440
One to two years	**192,278**	129,255
Two to three years	**350,348**	304,980
Over three years	**38,778**	38,615
	2,202,379	1,993,290

24 CORPORATE BONDS

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.

25 BANK AND OTHER BORROWINGS

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Current		
Secured		
– Bank and other borrowings	**1,013,500**	738,990
– Current portion of non-current bank and other borrowings	**693,052**	939,585
	1,706,552	1,678,575
Unsecured		
– Bank and other borrowings	**1,529,662**	1,727,594
– Current portion of non-current bank and other borrowings	**268,773**	430,685
	1,798,435	2,158,279
	3,504,987	3,836,854
Non-current		
Secured		
– Bank and other borrowings	**2,668,967**	2,877,024
Less: Current portion of non-current bank and other borrowings	**(693,052)**	(939,585)
	1,975,915	1,937,439
Unsecured		
– Bank and other borrowings	**2,094,279**	1,724,707
Less: Current portion of non-current bank and other borrowings	**(268,773)**	(430,685)
	1,825,506	1,294,022
	3,801,421	3,231,461

25 BANK AND OTHER BORROWINGS (Continued)

The bank and other borrowings bear interest ranging from 1.70% to 10.00% per annum for the six months ended 30 June 2023 (six months ended 30 June 2022: from 2.50% to 6.00%).

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2023, none of the covenants relating to drawn down facilities had been breached (30 June 2022: nil).

26 SHARE CAPITAL AND TREASURY SHARES

The Company's ordinary shares are set out below:

	No. of Shares ('000)	Nominal value of ordinary shares RMB'000	Treasury shares RMB'000
Ordinary shares, issued and fully paid:			
As at 30 June 2023 and 31 December 2022	**7,574,352**	**623,048**	**(121,056)**

As at 30 June 2023, the treasury shares amounting to 152,998,000 shares (31 December 2022: 152,998,000 shares) were all for a share award scheme purpose (31 December 2022: the same).

27 CAPITAL COMMITMENTS

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Contracted but not provided for		
– Properties development expenditure	**790,704**	857,030

28 CONTINGENT LIABILITIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owned by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the buyer obtaining the individual property ownership certificate and the full settlement of mortgage loans by the buyer.

The maximum amount of guarantees given to banks for mortgage facilities granted to the purchasers of the Group's properties at the end of the reporting period is as follows:

	At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**761,910**	939,767

The directors consider that it is not probable that the Group will sustain a loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

29 RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel is as follows:

	Unaudited Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Wages, salaries and other benefits	**7,835**	10,155
Retirement scheme contributions	**285**	127
	8,120	10,282

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

29 RELATED PARTY TRANSACTIONS (Continued)

(b) *Transactions with related parties*

Save as disclosed in above, the following is a summary of the significant transactions carried out between the Group and its related parties during the period.

		Unaudited Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
(i)	Joint ventures		
	Design and construction services	**865**	5,300
	Business operation service	**748**	199
	Industrial park financial services	**4,732**	–
(ii)	Associates		
	Industrial park property leasing income	**–**	17
	Industrial park operation services	**2,758**	5,214
(iii)	Major shareholders		
	Cash deposited in major shareholder's financial institution	**–**	425,960
	Operating lease paid	**12,997**	11,779
	Loans provided by major shareholder's financial institution	**610,143**	–
	Repayment of borrowing from major shareholder's financial institution	**828,173**	120,000
	Interest expense	**17,605**	19,872
	Industrial park operation services	**–**	2,023

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

29 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

		At 30 June 2023 RMB'000 (Unaudited)	At 31 December 2022 RMB'000 (Audited)
(i)	Joint ventures		
	Loans to related parties – current portion	**750**	687
	Advances from related parties	**30**	–
(ii)	Associates		
	Advances from related parties	**31,089**	71,085
(iii)	Major shareholder		
	Borrowings	**1,061,797**	1,279,827
	Cash deposited in major shareholder's financial institution	**–**	32,835
	Lease liabilities	**35,329**	46,221
	Advances from related parties	**44,248**	42,871
	Loans to related parties – non-current portion	**4,721**	4,558

Definitions

"AAA Finance"	AAA Finance and Investment Holdings Limited, a limited liability company incorporated in the BVI on 10 July 2013 which is wholly owned by Mr. Huang Liping, one of the Company's substantial Shareholders
"associates" or "close associates"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board" or "Board of Directors"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CEC"	China Electronics Corporation Limited* (中國電子信息產業集團有限公司), a state–owned company established under the laws of the PRC and the ultimate controlling shareholder of CEIS
"CEC Energy Conservation"	Wuhan CEC Energy Conservation Co., Ltd.* (武漢中電節能有限公司), a limited liability company incorporated in the PRC on 26 July 2010 and a 78.79% owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
"CEC Technology"	China Electronics Technology Development Co., Ltd* (中國電子科技開發有限公司), a company established under the laws of the PRC and a non wholly-owned subsidiary of the Company
"CEIS"	China Electronics International Information Service Co., Ltd.* (中國中電國際信息服務有限公司), a limited liability company incorporated in the PRC on 24 May 1985 and a 100% owned subsidiary of China Electronics Co. Ltd.* (中國電子有限公司), which is wholly owned by CEC
"China" or "PRC"	the People's Republic of China
"Company", "we", "us", "our" or "CEOVU"	China Electronics Optics Valley Union Holding Company Limited (中電光谷聯合控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2013 under the Cayman Islands Companies Law
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Financial Control Committee"	the financial control committee of the Company
"Group"	the Company and its subsidiaries

"Hainan Software Community"	Hainan Resort Software Community Group Co., Ltd.* (海南生態軟件園集團有限公司), a limited liability company incorporated in the PRC on 6 November 2008 and a 20% owned company of CEC Technology
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hubei Science & Technology Investment"	Hubei Science & Technology Investment Group Co., Ltd.* (湖北省科技投資集團有限公司), a limited liability company incorporated in the PRC on 28 July 2005 and a substantial Shareholder of the Company
"Lidao BVI"	Lidao Investment Limited, a limited liability company incorporated in the BVI on 10 July 2013, which is wholly owned by Mr. Huang Liping, one of the Company's substantial shareholders
"Lingdu Capital"	Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司), a limited liability company incorporated in the PRC on 22 May 2015 and a 45% owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"Nomination Committee"	the nomination committee of the Company
"OVU"	Optics Valley Union Holding Limited Company* (光谷聯合控股有限公司), formerly known as United Real Estate (Wuhan) Co., Ltd. (聯合置業(武漢)有限公司), a limited liability company incorporated in the PRC on 23 July 1993 and a wholly-owned subsidiary of China Electronics Optics Valley Union Company Limited, and an indirect subsidiary of the Company
"Quanpai Catering"	Wuhan Quanpai Catering Management Co., Ltd.* (武漢全派餐飲管理有限公司), a limited liability company incorporated in the PRC on 7 June 2011, and an indirect subsidiary of the Company
"Remuneration Committee"	the remuneration committee of the Company
"Renminbi" or "RMB"	the lawful currency of China

"Reporting Period"	the 6-month period from 1 January 2023 to 30 June 2023
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of HKD0.10 each in the capital of the Company
"Shareholder(s)"	holder(s) of our Share(s) from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Technology Investment HK"	Hubei Science & Technology Investment Group (Hong Kong) Company Limited* (湖北省科技投資集團(香港)有限公司), a limited liability company incorporated in Hong Kong on 11 July 2013 and a substantial shareholder of the Company
"Wuhan Optics Valley Union"	Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司, formerly known as 武漢光谷聯合股份有限公司), a limited liability company incorporated in the PRC on 24 July 2000 and a wholly-owned subsidiary of OVU, and an indirect subsidiary of the Company

In this report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language which are marked with "*" is for identification purpose only.