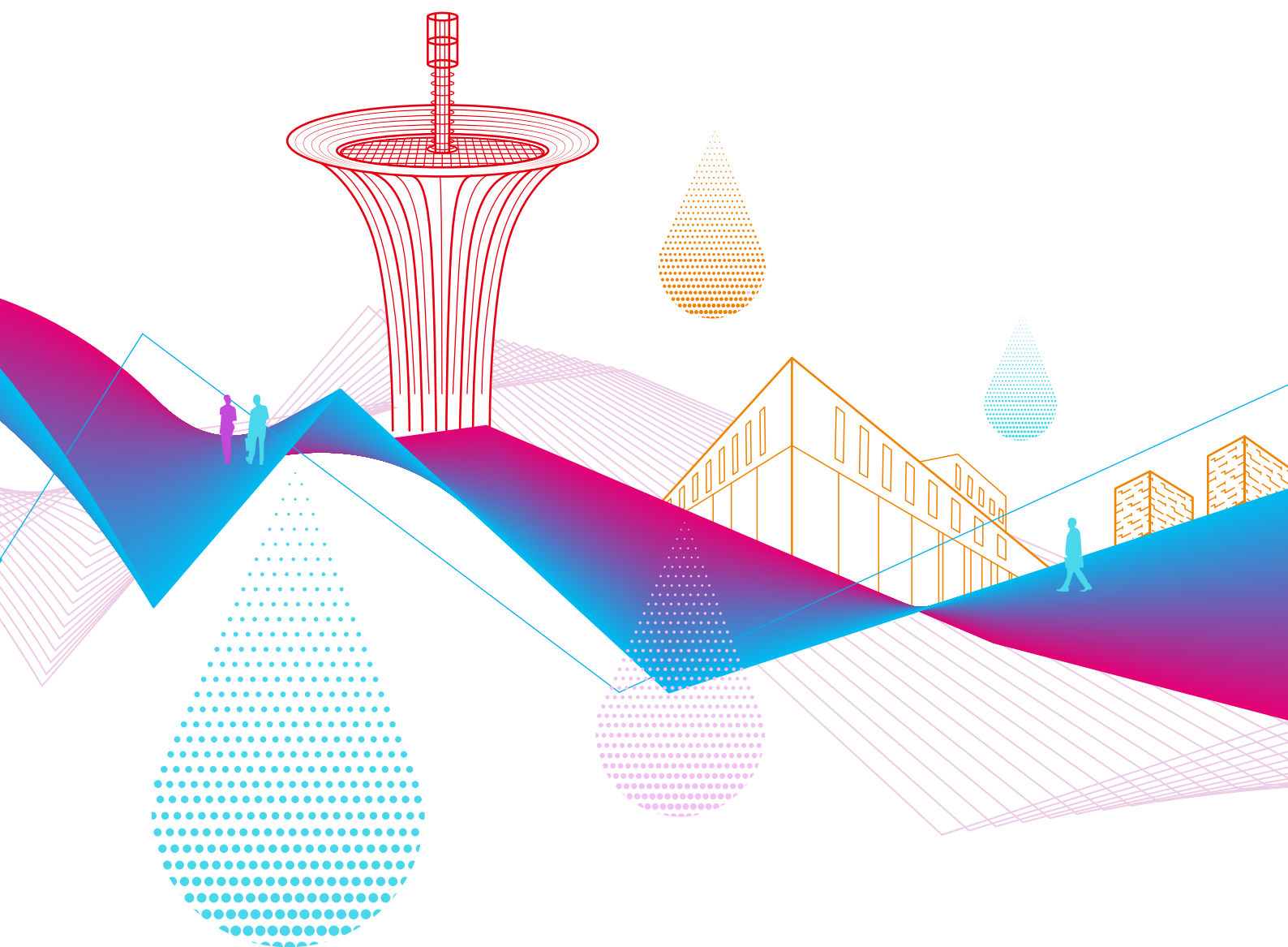




中电光谷
CEC OPTICS VALLEY



2017 企业社会责任报告

Corporate Social Responsibility Report

CONTENTS



- 02 About the Report
- 03 Message from the Chairman
- 04 Honor and Responsibility
- 05 Corporate Social Responsibility Management
- 08 Stakeholder Engagement and ESG Materiality Assessment



- 10 Adhering to the People-oriented Concept and Caring for Employees
- 17 Practicing Responsible Procurement and Working Together for Mutual Value
- 19 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
- 25 Investing in Low Carbon Operation for the Construction of Green Civilization
- 30 Promoting the Innovation of Arts and the Initiation of Ideas
- 35 Performing Social Responsibility to Build a Harmonious Community



- 38 The Vision and Prospect of Year 2018



- 39 APPENDIX ONE
2017 Annual Performance Data Summary
- 40 APPENDIX TWO Content Index of Environmental, Social and Governance Reporting Guide
- 42 APPENDIX THREE
Readers' Feedback Form



About the Report

● Report Profile

China Electronics Optics Valley Union Holding Company Limited (hereinafter referred to as "CEC Optics Valley," "Group" or "we") releases the first independent corporate social responsibility report (hereinafter referred to as the "report") with alacrity. Based on the Group's 2016 Environmental, Social and Governance Report, this report is significantly improved in the contents and length, aiming to fully show stakeholders the system construction and performance in the aspects of environment, society and governance in 2017 to improve the management of the sustainable development of the Group.

● The Scope of the Report

This report indicates the performance of the Group in fulfilling its environmental and social responsibilities during the period from January 1, 2017 to December 31, 2017. The scope of the report covers the four main businesses of the Group's headquarters and its subsidiaries, including industrial park development business, industrial park operation services, design and construction service, and industrial investment. For details of the Group's business, please refer to the Group's 2017 Annual Report.

● The Reporting Standards

This report has been prepared in strict accordance with the "Environmental, Social and Governance Reporting Guide" (hereinafter referred to as the "ESG Reporting Guide") set out in Appendix 27 of the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange Limited. In accordance with the requirements of the ESG Reporting Guide, the Group carried out stakeholder engagement activities, invited internal and external stakeholders to participate in the materiality assessment of corporate social responsibility issues, and selected the areas of disclosure covered by this report on the concerns of stakeholders.

● Information Sources of Report

The report information comes from the formal system documents, statistical reports or relevant public information of the Group. Financial data comes from the Group's 2017 Annual Report. The currency used in this report is RMB, unless otherwise specified.

● Access to the Report

This report is published in both Chinese and English language in electronic format. If there is any inconsistency between the Chinese and English versions of this report, the Chinese version shall prevail. You can log on to the official website of CEC Optics Valley Group to read it online.

Message from the Chairman

China Electronics Optics Valley Union Holding Company Limited sticks to the aim of constructing the new mode of industrial cluster with industrial ecological concept, continuously improves the level of corporate governance, and actively assumes corporate environmental and social responsibility regards this as an important cornerstone for the strategy, operation and management of the Group, and has sought to achieve harmonious, long-term and sustainable development of the enterprise, society, environment and economy.

2017 is a crucial year for the implementation of the "overtaking by lane changing and joint innovation" strategy and the construction of industrial ecology system in the CEC Optics Valley. We adhere to the development concept of "innovation, coordination, green, open, and sharing" and stick to the strategic thinking of "city-industry integration, civil-military integration and science-culture integration", actively integrating into the resources system of China's electronics industry to exert wisdom and strength on a larger career stage. We observe the overall situation and start with ourselves to make efforts in improving the comprehensive development and operation capabilities of the industrial parks throughout the life cycle, building an industrial ecosystem which is informatized and intelligentized to be applied to industrial parks, promoting the establishment of a business synergy mechanism, preventing various business risks of Group management. Our forward-looking thinking grasps new regularities and new trends in industrial transformation and upgrading, solves all kinds of new problems and new demands for the coordinated development of cities and industries in a flexible and diverse manner, and speeds transformation and upgrading and strengthens kinetic energy conversion to "accelerate" while "lane changing". In 2017, while energetically developing light asset business, we implemented a "Balanced Light-and-Heavy Business Development Strategy" and optimized the structure and methods of investment. Focus on the layout of strategic industrial parks such as integrated circuits, smart manufacturing, military-civilian integration, and health care big data in Chengdu, Chongqing, Changsha, Xianyang, Tianjin, and Shenzhen. The cities covered by various businesses have reached 30 and a new leap has been achieved.

Industrial Agglomeration Development is the precondition for the sustainable development of the city; It is the fundamental and goal of industrial park to construct industrial ecology and realize the harmonious development of enterprise benefit, society and environment. Industrial park service business is more difficult and more valuable than any other business. We must not only have a firm belief in the development of differentiation and a strategic determination, stand the test of difficulties and temptations but also have the spirit of exploration that advances with the times, dares to be ahead of others, and solidly accumulating and building core resources and capabilities to realize corporate value in the process of creating urban value.

As the saying goes, good luck always favors those who act under the principle of moralism. In relation to an enterprise, moralism may refer to its obligation of assuming social responsibility, creating social value and realizing sustainable development. Satisfying these obligations is our unwavering target.

China Electronics Optics Valley Union Holding Company Limited

Huang Liping

Chairman of the Board

May 3, 2018

Honor and Responsibility

• Honors and Awards

Based on the hard work of employees and the Group's emphasis on fulfilling its social responsibilities, the Group has received trust and recognition from the Chinese government, international rating agencies, industry associations and authoritative media.

Honors and Awards	Awarding Authority
Wuhan New Energy Research Institute Office Green Three Star Certification	BREEAM
Top 30 Industrial Properties in China in 2017 (No. 8)	China Data Assessment Think Tank Agency in the Park --S-Park
Top 50 Industrial Park Operators in 2017 (No. 13)	<ul style="list-style-type: none"> • China Industrial Cooperation Association • General Assembly members of the Park • Decision Makers Institute of Industrial Cluster • Phoenix New Media
National Creative Space (Hefei Maker Star)	Ministry of Science and Technology
National Advertising Industry Incubation Base	SAIC
Worker Pioneer	All-China Federation of Trade Union
Provincial We Work (Wuhan East Lake High-Tech Development Zone Maker Star)	Science and Technology Department of Hubei Province
Wuhan Top 10 Technology Innovation Enterprises of 2017 (CEC Energy Saving)	Wuhan Science and Technology Bureau
The Private Enterprise of Outstanding Contribution	The People's Government of Hongshan District

• Group-affiliated Industry Organizations

The Group and each member company actively participate in the activities of associations and communities at all levels to make efforts to contribute to the fulfillment of social responsibilities.

Name of the Association	Membership Level
China Association of Building Energy Efficiency Regional Energy Commission	Executive Director
China Property Management Institute	Member
Hubei Property Management Association	Deputy Secretary-General
HuBei Software Industry Association	Vice President
Hubei Real Estate Developers Association	Member
Exploration and Design Association of Hubei Province	Member
Wuhan Real Estate Developers Association	Vice President
Wuhan Association of Real Property Management	Vice President
Chongqing College Town Industrial Technology Innovation Strategic Alliance	Vice Director
Art Gallery Association Wuhan	President
Wuhan Cultural and Creative Industries Association	President
Wuhan Hongshan District Creative Industry Association	President
Wuhan-OVC Financial Back Office Services Association	Secretary-General
Wuhan Hongshan District Commerce and Industry Association	Member

• Group Executives Fulfill Social Responsibilities

The Group's executives respond positively to the company's advocacy and practice corporate social responsibilities with their own actions. They have been elected or invited to serve in social posts such as representatives of Wuhan People's Congress, working consultants of the Shenyang Municipal People's Government, investment ambassadors of Wuhan National Self-dependent Innovation Demonstration Area, representatives of the People's Congress of Hongshan District, members of the CPPCC National Committee and urban partners in Hongshan District. While completing the business operation of the company, they have fulfilled corresponding social responsibilities on behalf of the industry and the Group.

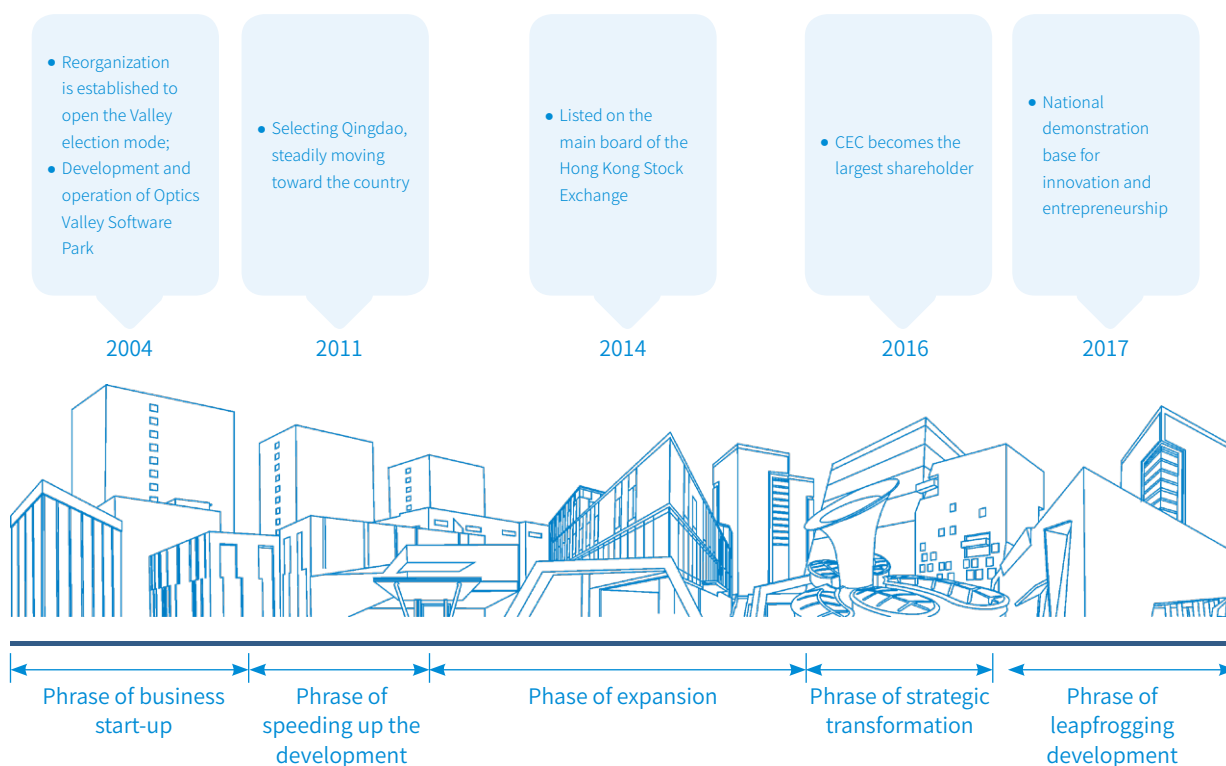
Corporate Social Responsibility Management

• Introduction to Group's Business

CEC Optics Valley (stock code:00798.HK), is an industrial park operator listed on the main board of The Hong Kong Stock Exchange Limited on March 28, 2014.

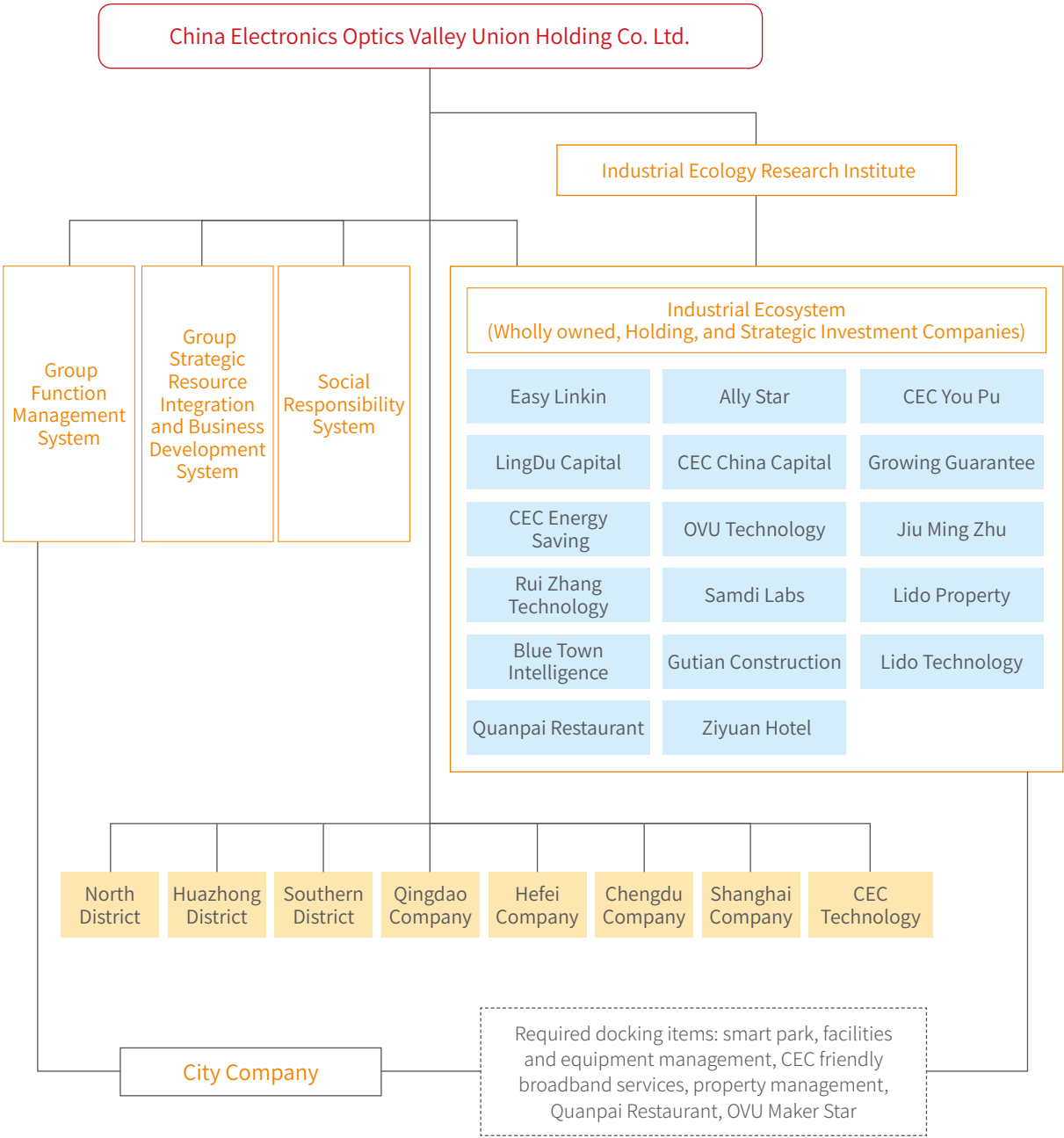
The company takes the vision of "building a city and pursuing industry to create the future", and sticks to the business philosophy of "integration of industries and cities, integration of military and civilian, and integration of sci-technology and cultural innovation". On the basis of the integration of industrial resources and focusing on building an industrial Internet ecosystem, the new model of industry cluster is built on the concept of industrial ecology. The Group's main business consists of four parts:

- Industrial park space services business (including sale of industrial park space services, sale of ancillary residentials and industrial park leasing);
- Industrial Investment (Strategic investment business related to each theme park industry) ;
- Industrial park operation services (including property management service, energy services, intelligent park services, incubator and office sharing services, financial services in parks, Group catering and hotel services, real estate marketing and agency, apartment leasing as well as recreation and entertainment);
- Design and construction services (including governmental procurement services, PPP service, EPC integrated design and construction services, project management and consultation services).



Group's Organisational Chart

As at December 31, 2017, the Group had 31 wholly-owned subsidiaries and 26 holding companies. The Group's industrial park development and operation business has penetrated into 20 major cities, of which 7 of them are national central cities, achieving a national layout.



• Group's Social Responsibility Management Concept

CEC Optics Valley takes "innovation, coordination, green, open, and sharing" as its corporate social responsibility management philosophy, and always regards social responsibility as an important part of its corporate strategy, continuing to uphold social commitments and actively cultivate new momentum for economic growth, and make active contributions to regional urban industrial development and China's economic restructuring.

• Group's Social Responsibility Management Framework



- As the social responsibility leadership and decision-making body, the Group's Board of Directors is responsible for formulating and reviewing the social responsibility strategy and objectives, promoting and supervising the implementation of related work plans, and reviewing and issuing annual social responsibility reports.
- The Group Secretary Office is responsible for implementing the resolutions of the social responsibility leading Group, coordinating, communicating and supervising the progress of various specific tasks, organizing the preparation of the annual social responsibility report, and continuing to promote the concept and culture of corporate social responsibility to internal employees and external stakeholder Groups.
- The Group's related functional centers and subordinate units conscientiously carry out the Group's work and deployment, fulfill their respective responsibilities in the field of social responsibility, actively work on social responsibility capacity building, and assist the coordinating Group in completing the information collection and preparation of the social responsibility report.

Stakeholder Engagement and Materiality Assessment

• Stakeholder Engagement Mechanism

The Group always values communication with stakeholders. It is helpful for us to understand their demand and expectations in a timely manner in order to objectively examine the environmental and social impacts of the Group's business development, and plan or evaluate the sustainable development of the Group respectively. According to the characteristics of different stakeholder Groups, we use questionnaires, interviews, Group discussions and other forms to ensure efficient communication and timely response.

Stakeholder	Expectation&Demand	Communication&Response
 Employees	Protecting legitimate rights and interests ; Good career development channels; Remuneration and benefits; Healthy and safe working environment.	Establish a Group union; Improve career promotion mechanism; Competitive market salary; Strengthen the safety management system.
 Customers	High quality products and services; Customer information protection; Business integrity; Compliance management.	Improve quality of product and service; Utilize technical innovation; Optimize internal control and risk management; Improve customer communication mechanism.
 Government & Regulatory Agencies	Response to national policy; Obey legal supervision rules; Business and tax compliance; Promote employment.	Adjust innovation development strategy; Accept research and inspection; Anti-corruption and honesty construction; Active participation in district building.
 Investors & Shareholders	Financial performance; Sustainable profit of enterprise; Protect rights and interests; Company transparency.	Improve capability of making profit; Strengthen market value management; Arrange stakeholder meeting; Routine information disclosure
 Suppliers & Partners	Win-win cooperation Openness and fairness Achieve mutual growth.	Improve supplier audit management mechanism; Public procurement information; Build a supplier communication platform.
 Industry Association	Fair competition; Advance industry progress; Improve industry management.	Improve research and development capabilities Participate in industry seminars and exchanges Share management experience.
 Community	Protect the community environment; Invest in social welfare; Create a harmonious community atmosphere; Promote community development.	A comprehensive practice of green operation; Develop public welfare projects; Active participation in community building; Provide cultural resources with high quality.

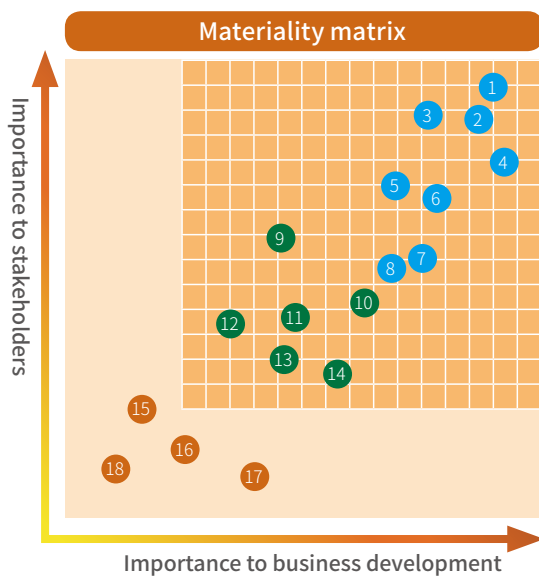
• Materiality Assessment 2017

During the preparation of this year's corporate social responsibility report, we hired third-party consultants to assist in reviewing and verifying the list of social responsibility issues of the Group, and comprehensively assessed the materiality of social responsibility issues through stakeholder communication and industry analysis.

The assessment process of social responsibility issues is depicted as follows:



The materiality matrix for the 2017 Group Responsibility issues is as follows:



Compared with the results of materiality assessment in 2016, the very important issue in this year is still centered on product liability. The Group believes that the quality of projects and products is the core of sustainable corporate development and will continue to explore and improve relevant management mechanisms. As the Group increases investment in the field of innovation, "Innovation and R&D" and "Maintenance and protection of intellectual property" will also be regarded as priority management objectives. In this report, the relevant work contents and performance are highlighted.

The Group understands that stakeholder participation is a dynamic process. We will continue to improve the communication mechanism, actively consolidate good relationships, help each other, and work together to achieve sustainable development.

Very important	1	Service Quality and Satisfaction
	2	Project Quality Management
	3	Innovation and R&D
	4	Environmental Protection and Resource Utilization
	5	Maintenance and Protection of Intellectual Property
	6	Consumer Data Protection and Privacy
	7	Community Contributions
	8	Staff Recruitment and Team Building
Important	9	Staff Development and Training
	10	Occupational Health and Safety
	11	Supply Chain Management
	12	Compliance Operations
	13	Labor Rights
	14	Anti-Corruption and Integrity
Less Important	15	Water Consumption
	16	Waste Disposal
	17	Sewage Treatment
	18	Prevention of Child Labor and Forced Labor

Adhering to the People-oriented Concept and Caring for Employees

An excellent and stable talent team is the cornerstone of a company's sustainable development. The Group always adheres to the "people-oriented" principle, safeguards the legitimate rights and interests of employees, builds career development platforms, ensure employees' health and safety and creates a work environment of equality, mutual trust, collaboration and tolerance. It is Committed to achieve the unity of the value of the Group and the value of the employees, and promote the employees to achieve comprehensive development.



• Talent Recruitment and Team Building

In 2017, the Group reviewed and improved the relevant systems for talent recruitment, performance management and employee training, introduced talented personnel through multiple channels, and systematically conducted training for all employees to ensure that the human resources requirements for the Group's transformation and development.

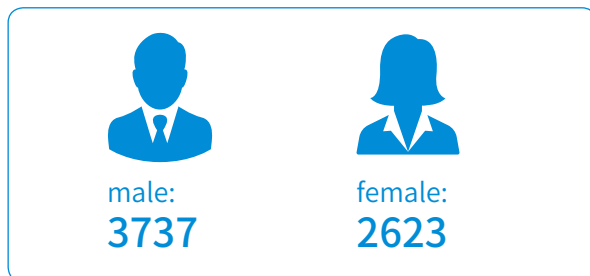
Talent recruitment and development

Each year, the Group develops a talent recruitment plan, upholds the principles of fairness, impartiality, and openness, and recruits talents for the Group through multiple channels collaboration such as campus recruitment, social recruitment, and internal referral to meet the human resource requirements for enterprise transformation and upgrading.

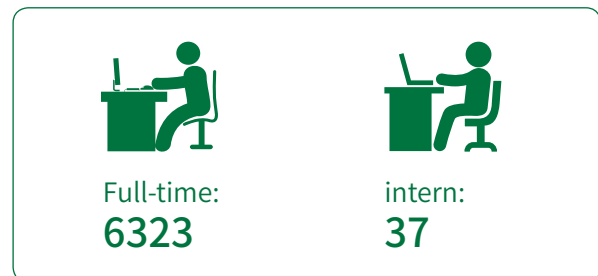
In 2011, the Group established the "Optics Valley Star" Campus Recruitment Project, which aims to recruit excellent graduates with a bachelor degree or above to consolidate the Group's talent team building. A group of outstanding graduates were selected to reserve management personnel and forces for the Group through the online assessment, non-leader Group discussion, preliminary test, retest and other rounds of assessment.

By December 31, 2017, the Group had a total of **6360** employees. Details of the employees of the Group are as follows:

Gender



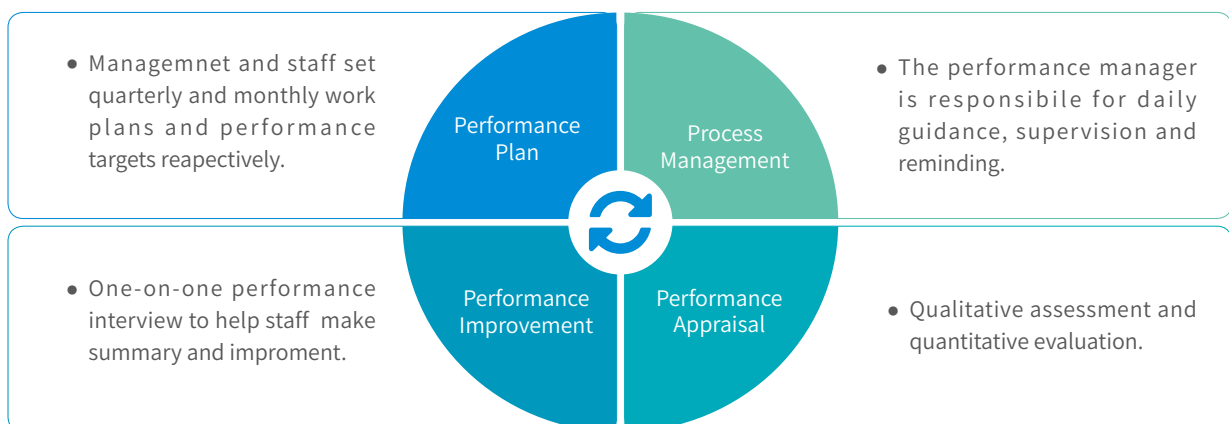
Employment type



Performance management and remuneration and benefits

The Group formulates and implements the Performance Management Implementation Plan, and achieves a comprehensive assessment of employee performance by its combination of performance planning, process management, performance appraisal and performance improvement. The Group focuses on guiding and supporting employees from leaders in the process of performance management. It assists employees to identify advantages or disadvantages and rising space in time so that employees can obtain incentives as well as personal business and professional capabilities.

The Group's Performance Management Process



The Group establishes a scientific and standardized management transparent salary and welfare guarantee system according to the law, and regularly conducts industry salary surveys to ensure that employees are provided with reasonable, fair and competitive remuneration packages. The personal salary of employees is closely linked with their performance. Through performance bonuses, innovation awards, and other mechanisms, employees' performance is recognized, their value is reflected, and their enthusiasm is fully mobilized. On the basis of the statutory Social insurance and housing fund and paid holidays, employees enjoy diversified welfare programs, such as gifts and condolences payments for festivals, birthdays, and marriages. The Group set up a medical assistance fund for serious illnesses to provide timely assistance in times of hardship and share concerns for employees.

Talent training and capability development

The Group attaches great importance to the cultivation of talents and strives to enhance the professional comprehensive capabilities of its staff so that each employee can fully realize personal potential and assist in career development. According to the Group's requirements of strategic development and job skills, the Group has already formulated an annual training plan to carry out training activities at multiple channels and levels. At present, Various training courses, such as new employee training, job training, reserve cadre training, and training for management personnel, have been set up within the Group to provide systematic vocational training for employees. At the same time, the Group encourages and subsidizes employees to participate in external studies to enhance their professional knowledge reserves. In 2017, the Group organized some large-scale training to evangelize all employees on the Group's annual strategic plan and the revision and updating of related systems and procedures in order to mobilize the enthusiasm of employees and help the Group achieve its strategic goals with higher job performance.



| 2017 Group training activity

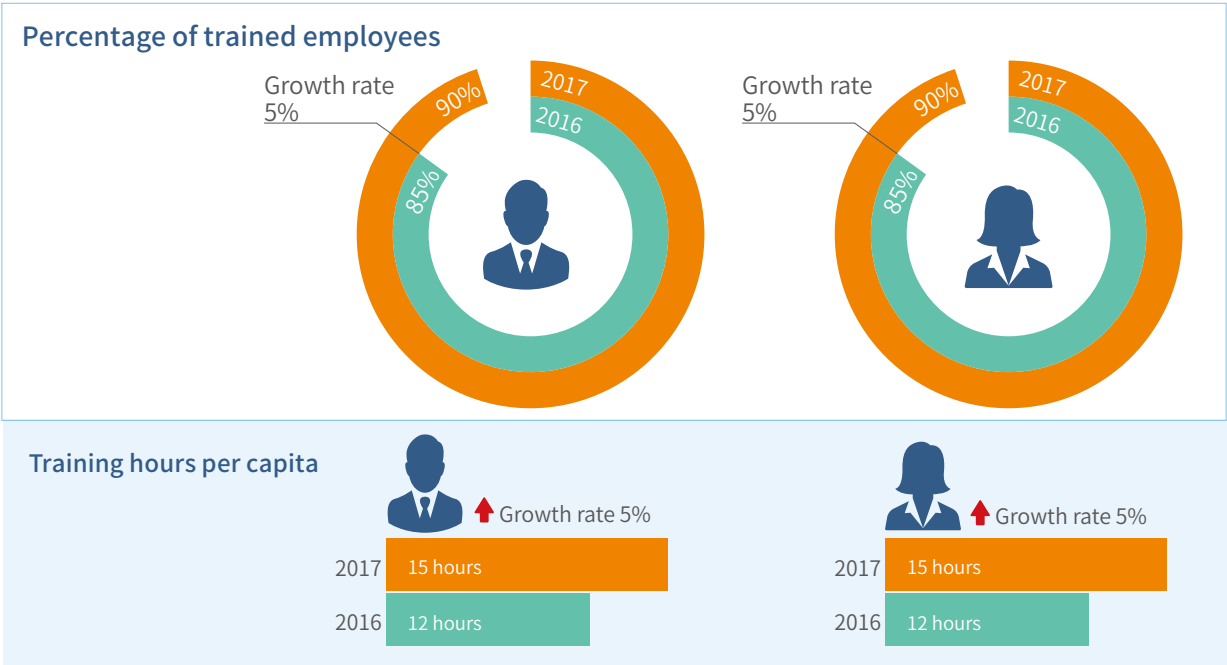
The Group has invested heavily in the development of its internal lecturer team and gradually improved its talent training platform to promoted its growth into a learning organization and improve its core competitiveness. In June 2017, the Group organized TTT training of internal lecturer. A total of 79 people from headquarters functional departments, city companies, and industrial chain companies participated in the training. After training and certification, a total of 65 participants were formally employed as internal lecturers.



| 2017 Internal Instructor TTT Training

The Group is committed to building an information-based training platform to enrich training forms and improve training efficiency. In 2017, various business segments of the Group invested heavily in the development of an online training platform aimed at using the Internet to provide more employees with opportunities for independent learning. Among them, the "Lido College" Wechat Learning Platform developed by Wuhan Lido Property Management Co., Ltd.(hereinafter referred to as the "Lido Property Management") has formally launched. The platform has now launched functions such as "online training", "course download", "paperless assessment", and "point statistics". At present, it has basically covered the management staff and will gradually be open to non-managerial employees.

The training performance data of employees in 2017 is as follows:



Talent team construction and career development

The Group attaches great importance to the career development of employees, establishes a sound rank system, continuously expands career development channels, and adheres to the implementation of democratic, open, and merit-based talent selection and review mechanisms. At the same time, we will focus on employees' ability and personal aspirations, assist in planning individual development paths, and strive to build a good career development environment for employees to realize their personal values.

From April 2017, in order to comprehensively and deeply understand the work content, work intensity, ability, attitude, performance, work collaboration and cooperation, development expectation, self-cognition, and opinions and suggestions on work of employees, the Group's Human Resource Center conducts interviews in various ways such as one-on-one interviews, centralized interviews, and other methods for employees on the job. In the end, the "Employee Interview Report 2017" was finally formed to provide sufficient evidence for talent selection, use, education and retention. In order to meet the needs of business development for talents, the company has formulated the Optics Valley Star Training Program, which is planned to be implemented from 2018. The training target is to recruit Optics Valley Star graduates and experienced hires under the age of 30. The training period of each Optics Valley Star is three years. It cultivates and reserves a large number of outstanding talents for the company's development.



The 2017 "Optics Valley Star" Capability Development Photo

• Compliance Employment and Employee Rights

The Group strictly abides by the laws and regulations concerning employment and working hours such as the Labor Law of the People's Republic of China and the Employment Promotion Law of the People's Republic of China, regulates the employment behavior according to law, signs labor contracts with all employees, respects and treats each employee equally, and earnestly protects the legitimate rights and interests of employees. During the reporting period, the Group was not aware of any non-compliance with laws and regulations that have a significant impact on the Group relating to labour practice, anti-discrimination, diversity, equal opportunity, prevention of child and forced labour, and etc.

Prevention of child labor and forced labor

We require that the Group and its subsidiaries, as well as the employees recruited by our construction companies, to meet the requirements of the national labor and employment requirements. All formal employees and interns must meet the minimum age limit for labor and employment and must not use child labor in any form. We will carefully check the age information on employee ID cards during recruitment to prevent the use of child labor.

The Group strictly manages overtime work. If employees need to work overtime, they can apply for a break. The Group strictly prohibits forcing employees to work overtime.

Equal opportunity and grievance mechanism

The Group insists that employees of different genders, ages, nationalities, ethnics, and religious beliefs are treated equally. Every employee enjoys equal opportunities for employment and benefits. Any form of discrimination is strictly prohibited and a fair, just, and open work environment is ensured.

The Group attaches great importance to listening to employees' opinions. If employees are unfairly treated or have any claims, they can contact the Group's Human Resource Center. The HR center needs to deal with the situation in a timely manner and feedback to employees on the handling of related issues.

Democratic management

In 2017, in order to implement the Central Government's requirements for studying the Party's Nineteenth Congress and promote the Party's Nineteenth Congress Spirit to reach universal coverage, the company's Party Committee organized regular work arrangements for education based on "studies on the theoretical and practical issues of party building", and monthly the "Branch Theme Party Day" campaign was launched to fully guide the company's party members to constantly strengthen their ideals and beliefs.

In 2017, under the leadership of the company's party committee, the company's labor unions actively and conscientiously studied and implemented Xi Jinping's The Thought on Socialism with Chinese Characteristics for a New Era and the party's Nineteenth Congress spirit. They closely focused on the two main themes of corporate development and the staff's life. The democratic decision-making, management, and supervision putting emphasis on strengthening the construction of labor unions, actively performing the functions of labor unions, and working hard to promote the decent work, comfortable work, and all-round development of employees, which has fully mobilized and utilized the enthusiasm and creativity of the broad masses of employees, and promoted the healthy development of the company's work.



● Occupational Safety and Health

The Group strictly abides by the laws and regulations of the "Safe Production Law of the People's Republic of China" and "The Occupational Disease Prevention Law of the People's Republic of China", adhering to the principle of "safety first, prevention first, and prevention and control combined" to ensure the occupational safety and health of employees.

Construction of safety management system

Over the years, the Group has continued to improve its safety management mechanism, set up the Group Safety Production Committee to supervise and manage the safe production of various businesses, clarify the responsibility for safety management at all levels, gradually increase safety capabilities, strictly implement supervision and inspection, and introduce management accountability and reward or penalty mechanisms, implement rectification and optimization measures to prevent the occurrence of safety accidents.

The Group puts great emphasis on the management of safety risks in the construction of industrial parks. In accordance with the relevant laws and regulations of national and regional security and civilized construction, the Group has formulated the "Safety and Civilized Construction Management Measures", compiled work guidelines and handbooks and standardized management procedures; through the signing of the "Engineering Safety Production Responsibility Document", it is clear that the responsibility of the construction unit should be divided, and safety management measures should be implemented; safety training should be provided to enhance safety communication.

The Group earnestly performs its main responsibility for safe production and strictly carries out various types of safety inspections. In June 2017, the Group Project Management Center organized various city companies and Wuhan Project Department to conduct self-inspection on projects under construction and inspect some projects; Combined the self-inspection and inspections to assess the potential safety risks and potential risks of the project, a "project safety production management assessment report" was formed; each project is required to formulate a rectification plan and to be inspected the implementation of rectification measures to ensure the effective management of construction safety.

The Group's property management, catering and hotel operations also have certain security risks. The above business segments strive to improve the safety management system and implement safety management rules to ensure safe and stable operation. Lido Property and Wuhan Quantai Catering Management Co., Ltd. (hereinafter referred to as the "Quantai") have respectively passed the OHSAS 18001:2007 Occupational Health Management System Certification.



Fire Drill in the Industrial Park

Fire safety and emergency response

The Group upholds the fire prevention concept of "mainly prevention-oriented and prevention-disinfection combining", regularly inspecting fire-fighting facilities and equipment, conducting special fire safety training and fire safety drills to enhance employees' awareness of fire safety and capability, and eliminate fire safety accidents.

On November 8, 2017, the Group united various functional units, each wholly-owned and holding company to carry out "119" fire drills in Creative World, organized all employees to carry out emergency evacuation, studying and practicing the use of fire-fighting equipment in order to raise the staff's fire emergency capability and implement the prevention and control of fire in autumn and winter.

The series of fire drills on the "Fire Fighting Day" on November 9 each year is one of the key tasks of the Group. On November 9, 2017, the Group carried out fire drills at the Wuhan Optics Valley Financial Harbor,

Huanggang Optics Valley Sci-technology City, and Qingdao Ocean Information Harbor. Activities included scenarios simulation of escape, fire safety and emergency knowledge. At the same time, they carefully investigated the hidden dangers of fire safety in the park, carried out rectification work in light of existing problems to earnestly improve the safety level of the Group.

The hotel faces a relatively high fire risk. In 2017, Wuhan Ziyuan Hotel (hereinafter referred to as the "Ziyuan Hotel") organized eight fire drills to consolidate the staff's fire evacuation skills. In November 2017, the hotel actively responded to the call of the fire brigade of the Hongshan Sub-bureau and took part in the contest on fire-fighting competitions and achieved excellent results.

Protection of occupational health

The physical and mental health of employees is a prerequisite for effective work and life. The Group regularly carries out inspections and maintenance of facilities and equipment in the office area to timely investigate safety hazards; there are pantries on each floor, water purification equipment is installed, and green plants are placed inside the building to create a comfortable and warm working environment for employees. The Group headquarters has a staff canteen, Ziyuan cafe, etc. , to provide employees with safe and convenient dining options for the health of employees.

The Group's headquarters and companies in various regions actively carry out various outdoor sports activities, promoting work-life balance to encourage employees to participate in physical exercise, and meet the challenges of work and life with strong physique and full enthusiasm.



Huangshi Optics Valley Union Development Co., Ltd. employees joined the International Half Marathon at Ci Lake in Huangshi City



Hefei Optics Valley Union Development Co., Ltd. organized to pass through the ancient path of Hui-Hang



Hiking cross-country outdoor activities of Wuhan Lido Technology

Practicing Responsible Procurement and Working Together for Mutual Value

Strict and efficient supply chain management is an important part of the healthy development of the Group. The Group upholds the cooperative attitude of sincerity, implements the supplier management system, maintains an unimpeded exchange mechanism, and strives to establish a cooperative relationship of mutual assistance and mutual trust to promote the sustainable development of the supply chain.

The Group has formulated the Guidelines for Supplier Management, which regulates supplier selection, evaluation, and hierarchical management; implementing strict selection standards, comprehensively assessing suppliers' performance, conducting survival of the fittest and dynamic management, and eliminating suppliers with unsatisfactory performance in time to safeguard the quality of the Group's products and services.



• Supplier Admission Management

The Group Project Management Center and each city company are responsible for collecting the basic information of suppliers through multiple channels, conducting preliminary inspections of suppliers that meet the requirements, and confirming that they are standby suppliers and entering the suppliers' resource bank after the review. In the entry phase, the Group focuses on the legal person qualifications, business reputation, qualification certificates, compliance operations of the suppliers to be used; Conducting an on-site comprehensive survey to determine whether to upgrade to an access provider and obtain the qualification to participate in bidding.

• Supplier Responsibilities Communication

The Group is committed to establishing lasting mutual trust and mutual benefit relationship with suppliers, communicating with suppliers about market consultation and supply through regular meetings and industry exchanges. Meanwhile, the Group also actively develops strategic partners based on its business development at each stage and strengthens communication with suppliers at the strategic level to allocate resources more efficiently and achieve win-win cooperation. In 2017, the Group had more than 40 construction suppliers.



• Supplier Evaluation Management

The Group Project Management Center and the City Company's Cost Department are jointly responsible for supplier performance evaluation; among them, strategic supplier evaluation is led by the Project Management Center. According to the multidimensional performance of product quality, service quality, and business ethics, the Group divides its suppliers into four grades: excellent, qualified, unqualified, and banned, and strictly implements graded management. The Group gives incentives to outstanding suppliers and promotes suppliers' initiative to improve their compliance capabilities.

Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy

The Group understands that high-quality products and services are the core for the stable development of the company, and technological innovation is the driving force behind the development of the company. In 2017, the Group adhered to the development strategy of Balanced light - and - Heavy Business Development. Based on the development and operation of the industrial park, relying on core industrial resources, the Group has strove to enhance the development and operation capabilities of the whole life cycle and the professional service capabilities of the entire industry chain; we will gradually implement the transformation and upgrading of the industrial park management model and industrial structure, further improve the park's operational efficiency and service quality through the innovation and application of information and intelligence to promote industry convergence at the core of the park, commit to the sustainable development of the park, and help solve new problems and challenges in the coordinated development of cities and industries.



● Management of Industrial Park Construction Quality

Based on a comprehensive project quality management philosophy, the Group strictly abides by laws or regulations and industry quality standards of construction management at state and local levels, adhering to quality commitments, implementing a quality management system, strictly controlling project quality risks and ensuring quality management.

In accordance with laws and industry standards, the Group has formulated "Guidelines for Project Management" to guide the key points of management and control of various construction processes in actual conditions. The Group has also compiled "Construction Process Standards" to standardize the operations. The Group carefully implemented the entire process of project construction supervision, established a three-level control mechanism for Group-city companies-projects, set up a comprehensive inspection team for project management at the Group level, formulated and organized an annual inspection plan; In light of the "Project Inspection Management Measures" and requirements of the inspection plan, each level of project quality responsibility department strictly inspects the project quality and civilized construction; In response to inspections, problems are ordered to be rectified within a limited period of time, supervising and organizing the review to ensure the effective implementation of the rectification plan, as a result of realizing the closed-loop management of the problem and eliminating the quality risk of the project.

The Group has invested heavily in the intelligent upgrading of project management, and achieved real-time tracking of project dynamics through the introduction of information technology to strengthen risk management. The Group will collate and analyze the project data, and establish a database of project technical indicators and difficult cases in order to help the effective accumulation of work results and knowledge transformation. The Group encourages active exchanges between projects, stipulates that the project department participate in the monthly project inspection organized by the city company, and learn from excellent project management experience of each other to improve the overall management level of the project.

● The Intelligent Upgrading of Park Service

Under the macro background of the Chinese government's ardent efforts to promote the construction of "intelligent cities" and "internets plus," intelligent businesses represented by big data, cloud computing, artificial intelligence, and internet of things have developed rapidly. The Group actively responded to the call of the State and seized the historical opportunity to decide on the establishment of a smart park as the company's new business expansion point, taking the industrial park application scenarios as the starting point and end result, using technological innovation as a means and intelligent application as a support, actively building a "intelligent park system" and continuously improving the core competitiveness of the park to better serve customers and owners with high-quality, advanced products and services.

Intelligent cloud platform designing

Since 2016, the Group has been making efforts to create "1+4 platforms", namely the establishment of a intelligent park cloud platform for integrated data, and four centers: Internet of Things Innovation Center, IC Design Center (Integrated Circuit), 3D Print Delivery Center, Robot R&D Center; we would Strengthen the park's business support system to help integrate the innovation of emerging information technology and advanced manufacturing technologies with the company's production and operation.

In 2017, the Group deepened the establishment of a park management information platform as well as public service platform, and founded the Intelligent Park Business Department to strengthen the research and development of information management tools. Focusing on the Intelligent campus cloud platform, the Group has been working on building four core platforms, including co-working cloud platform, cloud platform for facility and device management, energy service cloud platform and cloud platform for wide area Internet of things; At present, all platforms have been online and gradually realize the goal of digitization, mobilization, refinement, intelligence, and automation of management to help improve the service capabilities of the entire life cycle of the park.

The Group's one-stop park management service platform, "Park Pass" APP, integrates information systems such as park

property services, energy consumption, and resource planning management to provide a variety of resources and spaces for growth in the life cycle of the participating companies and enhance the park management effectiveness of the Group. The "Park Pass" APP has been piloted in the Creative World and Hefei Financial Harbor Park, and will be extended to all parks in 2018.

Creating excellent service quality

The Group's property management, catering and hotel business are the main components of the park's life cycle services, and it continuously strives to improve service quality. It is committed to providing diversified and one-stop operating services for its industrial park enterprises.

Property Management Service Lido Property adheres to the service policy of "Spotless, comprehensive, thoughtful and professional" and strives to continuously improve property management. In 2017, the intellectual property cloud platform independently developed by the Group was formally launched. According to the requirements of top-level design, Group management, and the usage for multiple projects, the platform integrates functions such as smart property services and smart infrastructure services to fully realize the online management of properties and provide more efficient and high-quality support for business operations.

Catering Service Quantai Catering is committed to providing high-quality catering services for the park, implementing standardized operations from procurement, distribution, warehousing, and production, supervising employees' health, and actively introducing information management methods to ensure the safety of products. The company has now passed the certification of ISO22000:2005 food safety management system.

Hotel Service Ziyuan Hotel has formulated standardized working procedures and operating guidelines to standardize service management; At the same time, we have paid great attention to customer needs, established a customer satisfaction tracking system, collected customer opinions as well as appeals through multiple channels, resolved and tracked rectification in a timely manner, ensured the customer's experience, and constantly improved service quality.

During the reporting period, the Group strictly complied with the laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided, and was not aware of any non-compliance.

● Protection of Information Security

The Group enforces strict information confidentiality regulations, which manages customer information by special personnel, strictly prohibiting the occurrence of customer information leakage, and effectively guaranteeing customer privacy and information security. The Group enforces strict authority settings on customer information in the online system. Permission applications need to be reviewed and approved by relevant leaders step by step. At the same time, permission settings are updated in accordance with changes in positions to ensure the security of customer information. The authorized employees should take good care of the login information and not lend it out.

According to Management Measures of the Project Information and Data, if a city company borrows information from an R&D project, it must be approved and registered by the Group Project Management Center before borrowing the information and be returned within the time limit. While formulating regulations and strengthening supervision, the Group should organize related special training and propaganda activities to increase employees' awareness and attention to the protection of customer information so as to prevent the leakage of customer data. During the reporting period, the Group strictly complied with the laws and regulations that have a significant impact on the Group relating to information security, and was not aware of any non-compliance.

● To Achieve Innovation-driven Development by Paying Attention to both Important and Less Important Things

In response to the national "Thirteenth Five-Year Plan" regarding the goal of promoting the development of new urbanization, the Group actively promotes industrial planning, management consultancy, investment in start-up companies and other

businesses, and forms a vital industrial economic network to achieve long-term and steady development.


"City Partners" Government Consultation Promotes Regional Development

In June 2017, CEC Optics Valley signed a strategic cooperation agreement with the People's Government of Shapingba District of Chongqing City. China Electric Optics Valley will fully participate in the upgrade and development of Shapingba District in the fields of economy, industry and innovation with the role of urban partners. Chongqing Science and Technology Innovation City creates a highland for innovation in the west.

CEC Optics Valley will give full play to its own experience in the innovation and development of industrial clusters in numerous cities and regions across the country, fully tap and highlight the regional characteristics of Shapingba District, and CEC Optics Valley will assist in providing collaborative solutions for the whole life cycle and full industrial chain clusters to enhance the smooth transformation of the industrial development of the Shaba District in Chongqing. CEC Optics Valley will strive to explore a new path for industrial development in Chongqing's Shaba District by paying attention to both important and less important things, cultivate the soil for the growth of urban industrial economy, break through the economic dilemmas of Chongqing's industrial economy, stimulate regional innovation, build a regional innovation network, and realize the goal of innovation-driven development and the integration of production and urban development.

Shared office and chance & change services

Mass entrepreneurship and innovation require good carriers. The Group leverages its advantages in business and resources to provide innovative incubation platforms and financial support for companies in different stages of growth, helping companies recruit talents and build a multi-faceted chance & change service platform.



OVU Maker Star (shared office)


CASE

In 2017, the Group's holding subsidiary, Wuhan OVU Technology Co. , Ltd. , was responsible for the overall operation and service of OVU Maker Star. The redefinition of incubators and accelerators was made by integrating cross-regional, sustainable, multi-category space resources:

- Provide creative space and maker apartments for start-up teams
- Provide flexible office, R&D, and production space for fast-growing companies
- Provide high-quality headquarters buildings, cross-regional R&D centers, production and storage facilities for leading companies in the industry


As of December 31, 2017, the Group has deployed 25 Maker Star sites in 11 cities across the country, including Wuhan, Beijing, Tianjin, Qingdao, Hefei, Beihai, Xi' an, Dongying, Yan' an, Huangshi, and Ezhou, with a scale of 315, 000 square meters and 26, 948 work stations. Among them, the Wuhan Creative Capital, the Qingdao International Marine Information Harbour and Huangshi Station have been rated as national incubators. Among the 25 Maker Star Sites, 14 are located in Wuhan, providing 15, 404 stations with an average occupancy rate of over 90. 0%, having a total of 800 service teams, including 5 A round teams, 12 angel round teams, 30 seed round teams, and a total of more than 20, 000 innovative entrepreneurs.

OVULive
Corporate Employees:
Venture Apartments




Stock Offices Building

OVU MakerStar
Start-up Company:
Shared Offices




New Offices Building

OVUWORK
SME: Business Office



Old Factory Building

OVUPARK
Large and Medium-sized
Enterprises: Service-
oriented Parks;



Industrial Park

CEC OPTICS VALLEY CSR REPORT 2017 22



During 2017, Wuhan Lingdu Entrepreneurship Investment and Management Co., Ltd. * (武汉零度创业投资管理有限公司) ("Lingdu Capital"), a controlling subsidiary of the Group, took full charge of operating the Group's OVU Fund. Lingdu Capital developed rapidly and identified six investment directions, including smart cities, intelligent manufacturing, healthcare big data, civil-military integration, integrated circuits and cultural and creative entertainment. It newly established two equity investment funds -- Wuhan Yudatong Venture Investment Fund and Wuhan East Lake Lingdu Culture Creative Venture Investment Fund* (武汉东湖零度文化创意创投基金), with its scale of assets under management already reaching RMB3. 5 billion; it possesses high-quality professional teams in areas such as investment, financing, fund management and project investment and its core team has extensive experience in entrepreneurship, corporate operation, risk control and investment management as well as in-depth knowledge in domestic and overseas markets. During 2017, Lingdu Capital, together with relevant government and other investment institutions, initiated to establish certain funds with a total scale exceeding RMB2. 8 billion.

During 2017, the Group initiated and organized an entrepreneurship competition named the second "Yizhidu Show" (亿只独SHOW) to gather resources for its entrepreneurship incubation service and to extensively enhance its market position and reputation in entrepreneurship incubation service market. As of 2017, the Group has entered into investment agreements with 21 companies involving a total amount of RMB140 million. Such companies include Pearl Jiu Information Technology Limited* (深圳九明珠信息科技有限公司), Wuhan Dosing Media Co., Ltd. * (武汉道森传媒股份有限公司) and Wuhan Linptech Co., Ltd. * (武汉领普科技有限公司).



The site of activity

Take numerous measures by responding to policies

The Group actively responded to the national policy call and started from the four main business lines of health care big data, integrated circuits, civil-military integration, and intelligent manufacturing to provide customers with multilevel, full-service solutions covering consulting services, planning and design, integrated implementation, and operation and maintenance. At present, there are 17 consulting projects that have been deployed nationwide. Many of these projects have won national or international awards and have won unanimous praise from the industry.



Mr. Sun Zhongliang of Allystar won the "China-Industry and Research-Military-People Integration Award"

CASE

In November 2017, Mr. Sun Zhongliang, General Manager of Allystar Technology Co., Ltd. which is a subsidiary of CEC Optics Valley, won the "China-Industry-Architecture Civil-Military Integration Award". The "China Industry Research Military People Integration Award" was established with the support of the Ministry of Science and Technology and the National Science and Technology Incentive Office. It aims to recognize the units and individuals that have made outstanding contributions in the collaborative innovation of government and industry.

Under the leadership of Mr. Sun, chip products of Allystar became the only Chinese chip among the ABI Research global chip evaluation positioning TOP10 in 2015 and 2016. And Allystar released The world's first SoC chip supporting the next-generation Allystar No. 3 signal system with multiple system, multi-frequency and high-precision", etc. This item of data are constantly refreshing the industry record of the Allystar chip, and it also provides a predictable road of innovation for the development of the entire industry.

Intellectual property management

In order to promote scientific and technological innovation and protect intangible assets of enterprises, the Group has formulated and implemented a management system for intellectual property rights and set up certain positions to be responsible for the application and information management of intellectual property rights. After the development tester completes the testing of the proprietary technology or product, the relevant documents will be provided to the patent manager for a unified declaration. The Group entrusts the agency as an external expert based on actual needs to assist in the application for patents.

The Group's headquarters and various industrial chain companies actively carry out knowledge patent application. As of December 31, 2017, the Group's Intelligent Park Division has obtained 4 software copyrights; CEC Energy Conservation has obtained 19 utility model patents, 2 inventions, 3 software copyrights, and several applications are underway.

● Anti-corruption and Probity

The Group adheres to the construction of a clean and honest governance and is committed to promoting a clean business atmosphere. Through the establishment of an anti-corruption culture, the implementation of a clean and honest administration, and the strengthening of anti-corruption education, we have continued to consolidate the anti-corruption mechanism and effectively curb the occurrence of corruption to ensure the sustainable and stable development of the Group.

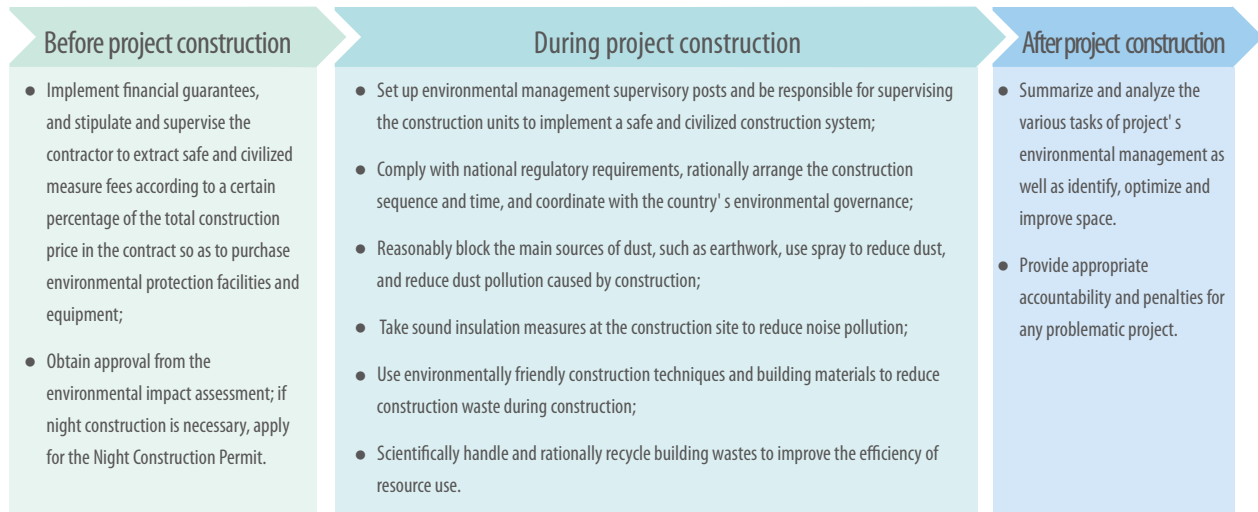
In 2017, the Group revised the Corruption and Integrity Management Rules, detailed the disciplines of potential violations, fully standardized the operation and management of power, made clear the responsibility system for combating corruption, and conscientiously implemented entity responsibilities. In order to strengthen supervision and control over anti-corruption activities, the Group has established a reporting mechanism against corruption. Internal and external personnel can report to the Group through real names or anonymously through multiple channels such as letters, e-mails, and telephone calls. Moreover, the Group office is responsible for receiving report information and conducting investigations with other relevant functional centers. For employees who have confirmed violations of rules and regulations, the Group will subject them to corresponding administrative disciplinary sanctions. If the behavior violates the law, the case will be transferred to judicial authorities for legal processing. There was no case regarding corruption, bribery, extortion, fraud and money laundering brought against the Group or its employees during the reporting period.

Investing in Low Carbon Operation for the Construction of Green Civilization

The Group adheres to the concept of green development, strictly abides by relevant laws and regulations such as the Environment Protection Law of the People's Republic of China, continues to improve the construction of the environmental management system, implements environmental management responsibilities, and ensures that there are no environmental pollution and violations. Meanwhile, during the construction and daily operation of the project. The Group actively implemented energy conservation and environmental protection measures, vigorously broadcasting the concept of green environmental protection to establish a resource-efficient and environment-friendly enterprise.

● Environmental Management of Construction Projects

The Group has strictly complied with national and regional laws and regulations and emission standards, combined with rich experience in project planning and development, conscientiously implemented environmental management strategies, strengthened guidance and supervision of projects under construction, and strictly implemented environmental protection "three simultaneous" systems for construction projects, and strove to practice The Group's low-carbon green operating philosophy.



● Green Operations and Compliance

District heating and cooling system

In order to better fulfill corporate environmental responsibility and optimize the energy use efficiency of the park, the Group has invested heavily in R&D and application of district heating and cooling systems. As a centralized energy supply technology, the system effectively utilizes a variety of upper energy sources. Starting from the needs of end users, the air conditioning load and the system energy saving operation can be matched between multi-user and multi-operating modes, and on-demand energy supply and energy saving can be truly realized to achieve green operation of environmental protection goals. By the end of 2017, the Group has fully introduced this system in Wuhan Optics Valley Financial Park, Wuhan Optics Valley Software Park, and Hefei Financial Harbor Park. Through the application of the project, the annual energy saving per 100,000 square meters of service building area is approximately 2300tce (standard coal), equivalent to approximately 5700 tons of carbon dioxide emission reduction per year.



District heating and cooling system

Water resources management

The Group continued to improve the construction of the water management system, carried out regular maintenance of the equipments, and eliminated wastage of emitting, leaking, dripping, and running water. At the same time, it actively carried out water-saving reforms, introduced water-saving renovation, and improved water use efficiency. In terms of greening and clean water for the property, the Group introduced water-saving equipment and enhanced water-saving education to ensure the responsible use of water resources. The Group's operation does not involve direct discharges into water and land.

Waste management

The waste generated by the Group's industrial park management mainly includes non-hazardous waste, kitchen waste and relatively small amount of hazardous waste.

- **Non-hazardous waste:** collected by the property management department on time and sent to the municipal garbage disposal site for removal and disposal.
- **Kitchen waste:** collected separately, handed over to the municipal garbage disposal site every day, and is strictly prohibited from being discarded. At present, some parks have already achieved the recycling of kitchen cooking oil, which means that the rest of the cooking oil is recycled and used to make soap, converting waste to something useful.
- **Hazardous waste:** the used lamp and light bulb are separately collected and disposed, the used ink cartridges are collected by the suppliers for responsible disposal.

● Green Planning and Building

The Group integrates the concept of green development into the overall planning of the project, rationally conducts construction site selection, reserves sufficient park public areas and pedestrian walkways, pays attention to the landscape design of the park, and emphasizes on the ecological benefits of the park environment. Simultaneously, environmental design elements and construction materials are used to reduce the overall energy consumption of the building. Also, serious plans are explored to reduce the environmental impact of the project and promote the environmental benefits of the project and its surrounding areas.



Green Building — Wuhan Energy Flower "Calla Lily" is again awarded with British BREEAM 3-star certification CASE

In November 2017, CEC Optics Valley is responsible for the consultation, construction and management of the office building of Wuhan New Energy Research Institute, which won the British BREEAM three-star certification after receiving the three-star certification of China's green building evaluation standard in 2016. This project is called Wuhan Energy Flower (also known as Calla Lily) and is a key construction project in Wuhan that is funded by the government, constructed and managed by CEC Optics Valley, which realized a continuous management, supervision and control over the whole process from planning, design, bidding, procurement to construction.

As the nation's largest bionic green building, this project is a good example of the green concept of building energy conservation, of low carbon environmental protection, of the integration of international vision and Chinese wisdom and of integration of nature and high technology. The project integrates 338KW solar photovoltaic power generation system, 12KW wind power generation system, natural ventilation system throughout the entire building, and annual water-saving amount of 12,600 tons of rainwater recycling-application system into the calla-shaped bionic architecture. The name of Wuhan Energy Flower is also derived from its rational use of low-energy, non-polluting natural resources such as rain, wind, and solar energy.



Wuhan Energy Flower "Calla Lily"



Hainan Resort Software Community

● Green Office and Environmental Protection

The Group advocates a green and environmentally friendly office model, actively implements various energy-conservation and consumption-reduction measures, encourages employees to practice green behaviors to eliminate waste, and create a working environment of energy conservation and environmental protection.

In 2017, the Group's main practices of green office include:

- Vigorously promote the construction of an information-based office platform, make full use of the network, and promote a paperless office;
- Use video conferences to replace some travel trips to increase work efficiency and reduce greenhouse gas emissions;
- Regulate and supervise the use of air conditioning and lighting, and introduce green energy-saving lamps;
- Regular maintenance of office facilities and equipment to extend their service life and enhance the efficiency of resource utilization;
- Each official vehicle must be fueled by "one card" to strengthen official vehicle management and reduce fuel consumption;
- The printer is set to print on both sides of the paper to reduce the consumption of office papers.
- Office electronic wastes are collected and recycled by distributors and cannot be disposed of at will.

The Group understands the importance of green education, commits itself to popularizing environmental protection knowledge, and works together with stakeholders to fulfill environmental obligations. Environmental protection signs such as saving electricity and water are put up in the office areas and industrial parks of the Group. And special promotion activities such as energy saving, emission reduction and garbage classification are organized to promote the spirit of conservation, transmit the concept of environmental protection, raise public awareness of environmental protection, and encourage everyone to take actions to build a sustainable future together.

2017 Environmental Key Performance Data

The Group started environmental data collection in 2017 in compliance with the disclosure requirements of the Hong Kong Stock Exchange ESG Reporting Guid. The first year's data collection scope includes the Group headquarters office area, Wuhan Optics Valley Software Park, Wuhan Creative Capital, Wuhan Financial Harbour, Wuhan Innocenter, as well as Ezhou OVU Science and Technology City, which are operating zones and property office areas of five industrial parks. The environmental data spans from January 1, 2017 to December 31, 2017. The Group plans to expand the scope of environmental data collection year after year to more fully manage and disclose environmental performance.

Key Performance Indicators	Unit	Emission/Consumption
Sulphur oxides	Kg	0.18
Nitrogen oxides	Kg	5.26
Particulate matter	Kg	0.39
Greenhouse gas emissions (Scope 1)	Ton CO ₂ e	40.67
Greenhouse gas emissions (Scope 2)	Ton CO ₂ e	42,983.18
Total greenhouse gas emissions (Scope 1 + 2)	Ton CO ₂ e	43,023.85
Discard ink cartridge	Ton	0.19
Discard lamp tube, light bulb	Ton	3.79
Non-hazardous waste	Ton	2,827.43
Petrol	Liter	14,463.63
Diesel	Liter	576
Electricity consumption	MWh	45,174.13
Direct energy consumption	GJ	482.66
Indirect energy consumption	GJ	162,626.86
Total energy consumption	GJ	163,109.51
Energy consumption intensity	GJ/m ²	0.07
Water consumption	m ³	29,173,187.96
Water consumption intensity	m ³ /m ²	12.36

Remarks:

- ① . Emissions are generated from the consumption of petrol by the Group's vehicles, the park's electricity generators, and the diesel consumption of the lawnmower. The main sources of greenhouse gas emissions (Scope 1) are the above-mentioned petrol and diesel consumption, and the greenhouse gas emissions (Scope 2) come from the purchased electricity. The relevant emission factors refer to the "Reporting Guidance on Environmental KPIs" of the Hong Kong Stock Exchange. The greenhouse gas emission factors of the purchased electricity are referenced to the ' 2015 China Regional Grid Baseline Emission Factor' published by National Development and Reform Commission.
- ② . The types of energy consumed by the Group in 2017 include petrol, diesel and purchased electricity; the energy consumption coefficient refers to the national GB2589-2008T General Principles for Calculation of Total Production Energy Consumption.
- ③ . General waste includes office , non-hazardous waste generated in office, public areas of the industrial park, and green waste in the park.

Promoting the Innovation of Arts and the Initiation of Ideas

The Group has long been committed to the promotion of culture and arts, the modernization of local culture and arts in order to fulfill its social responsibility.



Since its opening in October 2014, Hubei Creative Capital United Art Museum (abbreviated as "United Art Museum") has adhered to the "academic, international, and groundbreaking" concept of running the Museum, emphasizing on case studies of artists and focusing on supporting artistic innovative power. Adhering to the tenet of "making contemporary art available to the public", the main functions of United Art Museum are to display, collect, research, exchange, and promote contemporary art as, and to create a new art museum that is oriented towards the future with the power of influence and artistic communication.

United Art Museum sticks to the academic orientation of contemporary art and focuses on three unique perspectives on the study of famous artists' manuscripts, the discovery of artistic freshmen value and super classrooms. The "Four in One" begins research, exhibitions, collections, and public education. Since its inception, United Art Museum has planned and hosted a number of well-known artists at home and abroad, as well as several art exchange seminars, which have produced extensive and lasting social influence. After more than three years of hard work, the social influence and reputation of United Art Museum has been increasing year by year. It has brought high-quality artistic enjoyment to the public and helped the popularization of excellent culture as well as the precipitation of social artistic accomplishments.



| United Art Museum

United art museum covered by pure white stone suspended in water represents the holy and nobleness of the Temple of Art. Sculptures and installations stretch before and after the square; courtyard and side court are multidimensional, with a total construction area of nearly 10,000 square meters. The spatial layout includes three floors above ground (including mezzanine) and one floor underground. Ten independent exhibition spaces are retractable sequentially. This is a contemporary art museum that integrates collection, research, exhibition, education, communication, and services.

From the perspective of its own academic construction, United Art Museum has attached great importance to art archives & literature and actively participated in the National Archives Project of Contemporary Art. It is committed to "recording the achievements and witnessing the history of contemporary art" and became the first regional center to be listed. Through unremitting efforts, we have established a relatively sound file keeping system. As of now, United Art Museum has established academic contacts with more than 20 university art research institutions and has become a teaching and training base for these institutions.

United Art Museum aims to promote the development of artistic innovation, contributing to the city's cultural development and the dissemination of contemporary art through its unique art exhibitions and public art education activities. In 2017, the "United Art Museum" created by the Group undertook six exhibitions represented by artists Xu Bing's solo exhibition. As a result, the standard of art exhibitions and collection was further enhanced.



2017. 2. 23-2017. 3. 23
Urban Details



2017. 6. 9 - 2017. 6. 30
Yao Hai: Free Play of Deconstruction



2017. 5. 19 - 2017. 11. 19
Bidirectional Duplication - Lu Hao's Mnemonics and Its Practice



2017. 7. 8 - 2017. 11. 8
Contemporary ink expression of intelligent images - The research exhibition of Artist Cai Guangbin



2017. 5. 12 - 2017. 11. 12
Su Xinping Fictional Reality



2017. 12. 1 - 2018. 5. 8
"XU BING" exhibition

The emergence of United Art Museum and the increase of artistic activities, especially the increase of contemporary art exhibitions and seminars, have not only profoundly changed Wuhan's artistic communication education and creative ecology, but also the attention of the entire art world to Wuhan has greatly increased. In order to further attract important artists, critics, art historians, collectors, art media editors frequently coming to or staying in Wuhan, cultivate Wuhan art talents, Wuhan's position in the international arts industry has dramatically improved and has become one of the most important cities for Chinese art activities. Together with the Wanlin Art Museum of Wuhan University and the Hubei Art Museum, United Art Museum launched the "@Wuhan". By the end of 2017, "@Wuhan" has attracted eight excellent art museums to join, such as the Wuhan Art Museum and the Art and Literature Center.



| @Wuhan · 2017 news conference site

It goes without saying that as a cultural phenomenon, art is doomed to have "mainstream" and "periphery" distinctions in different times and cultural backgrounds. Interestingly, the development of art will always quietly change the historical relationship between "mainstream" and "periphery". Any previous and existing "mainstream" will give way to the "mainstream" that once stood at the "periphery" but will eventually rise. On the other hand, for the "mainstream" and "periphery", only by coexistence can there be a difference. Relationship can be changed, status can be replaced, but existence can not be replaced. United Art Museum firmly establishes the "lone awareness", holds on to the initial heart of art for the society, protects the dignity of the essence of art, and adheres to its own principles of cultural judgment and value. At the same time, United Art Museum vigorously promotes the "advanced spirit", respects the diversity of cultures, advocates the "harmony in diversity" attitude, embraces different aesthetic orientations and values. Efforts should be made to make due contributions to the social responsibility of "joining together".



| The solo exhibition site. of Xu Bing



| Chairman Huang's speech at the opening ceremony of "Xu Bing"



| Ingo Baumgarten exhibition



| Bidirectional replication: Lu Hao's memory and practice

Performing Social Responsibility to Build a Harmonious Community

The Group actively promotes healthy living and uses various resources such as human resources, material resources and community influence to organize and undertake cultural and sports activities, improve the quality of life of enterprise employees and community residents in the park, promote community communication, and jointly build a harmonious community.



● Promoting Healthy Living

The Group organized a variety of dynamic and creative sports and cultural activities in the industrial park and advocated positive, optimistic and healthy lifestyle among the park owners and Group employees.

CEC Optics Rainbow Running

CASE

On July 8, 2017, the first season of CEC Optics Valley Rainbow Running was held in the Tangdao Bay Park. Leaders of Qingdao company, representative owners of Qingdao Park, partners, mainstream media representatives from Qingdao, and the first owners of the OVU owner Optics Valley Residence, the makers of the OVU Maker Star, and the rainbow running enthusiasts from all over Qingdao participated in this vibrant, creative event.



| CEC Optics Valley's First Season Rainbow Run Opening Ceremony



| CEC Optics Valley's First Season Rainbow Run Opening Activities

• Promoting Harmonious Community



"Love Reading Books"

CASE

On November 24, 2017, in order to actively respond to the call of "Reading for All", build a cultural exchange and sharing platform in the park, and advocate the good habit of "love to read books". Wuhan Optics Valley Financial Harbor Party Committee and CEC Optics Valley jointly held the activity of "Love Reading Books" at Maker star. The book mates have shared views on many good books from different angles, talked about their understanding of the book in a warm scene.



Book mates in "Love Reading Books"



Ziyuan Hotel enters the community and has fun with residents

CASE

Ziyuan Hotel actively organizes community activities and spends lots of good times with community residents. On March 11th, 2017, Ziyuan Hotel joined hands with Baigangcheng, the largest commercial square in Nanhu District, to carry out wedding and friendship activities. A total of more than 100 people participated in the activities and the scene was warm. On September 28, 2017, Ziyuan Hotel carried out charitable activities like entering the Baoli Xinyu Chinese Nursing Home to visit the elderly left behind so as to warm their hearts in the Mid-Autumn Festival. On the same day, Ziyuan Hotel also participated in the "Millions of Home Lights" community event of the Mid-Autumn Festival of the Baoli Xinyu Chinese Community, and spent the Mid-Autumn Festival with community residents.



Ziyuan Hotel participates in into the community events

The Vision and Prospect of Year 2018

The year 2018 is the beginning of the implementation of the spirit of the 19th National Congress and the beginning of a new era. It is also an important period of opportunity for innovation and development of the CEC Optics Valley. We must further emancipate our minds, broaden our horizons, view the trend, and seek a more holistic vision. Taking the era of structural reform, intelligent application innovation, new information infrastructure, new and old economical kinetic energy conversion and quality optimization as a chance, with a number of new projects in industrial parks starting and the comprehensive implementation of a comprehensive operating system based on information and intelligence, we should fully mobilize all aspects of enthusiasm and creativity with open minds and ideas, fully stimulate the operational viability of all business units, give full play to the synergistic effects of various professional capabilities to make further change, and further implement the "overtaking by lane changing and joint innovation". The "joint innovation" strategy has effectively raised the construction of the industrial ecosystem to a higher level.

At the same time, we will continue to uphold and practice the concept of corporate social responsibility management, integrate the concept of social responsibility into the development of the company, and always remember the responsibilities to employees, customers, communities, and countries, and strive to forge ahead with a mindset of reform and innovation. Healthy and sustainable development will create even greater value for the rapid growth, transformation and upgrading of the park's settled companies, and contribute more to the transformation of economic power in more cities, the enhancement of industrial competitiveness, and the implementation of national innovation-driven development strategies.

Appendix I 2017 Annual Performance Data Summary

Environmental Performance

Key Performance Indicators	Unit	Emission/Consumption
Sulphur oxides	Kg	0.18
Nitrogen oxides	Kg	5.26
Particulate Matter	Kg	0.39
Greenhouse gas emissions (Scope 1)	Ton CO ₂ e	40.67
Greenhouse gas emissions (Scope 2)	Ton CO ₂ e	42,983.18
Total greenhouse gas emissions (Scope 1+2)	Ton CO ₂ e	43,023.85
Discard ink cartridge	Ton	0.19
Discard Lamp tube and bulb	Ton	3.79
Non-hazardous wastes	Ton	2,827.43
Petrol	Liter	14,463.63
Diesel	Liter	576
Electricity consumption	MWh	45,174.13
Direct energy consumption	GJ	482.66
Indirect energy consumption	GJ	162,626.86
Total energy consumption	GJ	163,109.51
Energy consumption intensity	GJ/m ²	0.07
Water consumption	m ²	29,173,187.96
Water consumption intensity	m ³ /m ²	12.36

The scope of data collection of the Group in 2017 includes the Group headquarters workplace, Wuhan Optics Valley Software Park, Wuhan Creative Capital, Wuhan Financial Harbour, Wuhan Innocenter, Ezhou OVU Science and Technology City, a total of five industrial parks' operating parks and property workspace. The environmental data spans from January 1, 2017 to December 31, 2017. The Group plans to expand the scope of environmental data collection year after year to more fully manage and disclose environmental performance.

Social Performance

Number of employees			Employee Training						
By gender	male	3737	By gender	Percentage of trained employees			Training hours per capita		
	female	2623		2017	2016	Growth Rate	2017	2016	Growth Rate
By employment type	full-time	6323	Male	90%	85%	5%	15h	12h	25%
	internship	37	Female	90%	85%	5%	15h	12h	25%

Update Appendix II

Content Index of Environmental, Social and Governance Reporting Guide

ESG Indicator		Disclosure	Chapter
A1 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A1.1	The types of emissions and respective emissions data.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A1.5	Description of measures to mitigate emissions and results achieved.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A2.3	Description of energy use efficiency initiatives and results achieved.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable	——
A3 General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Chapter 8 Working on Low Carbon Operation for the Construction of Green Civilization
B1 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B1.1	Total workforce by gender, employment type, age group and geographical region.	Partly disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B1.2	Employee turnover rate by gender, age group and geographical region.	Undisclosed	
B2 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B2.1	Number and rate of work-related fatalities.	Undisclosed	
B2.2	Lost days due to work injury.	Undisclosed	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits

ESG Indicator		Disclosure	Chapter
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Partly disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B3.2	The average training hours completed per employee by gender and employee category.	Partly disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B4 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Chapter 5 Adhering to the People-oriented Concept for Employees Benefits
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Chapter 6 Practicing Responsible Procurement for working Together to Create Value
B5.1	Number of suppliers by geographical region.	Undisclosed	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Disclosed	Chapter 6 Practicing Responsible Procurement for working Together to Create Value
B6 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Undisclosed	
B6.2	Number of products and service related complaints received and how they are dealt with.	Partly disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B6.4	Description of quality assurance process and recall procedures.	Disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B7 General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Disclosed	Chapter 7 Constructing the Industrial Ecology to Serve the Conversion of Economic Kinetic Energy
B8 General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	Chapter 9 Promoting the Innovation of Arts and the Initiation of Ideas Chapter 10 Practicing Social Responsibility for the establishment of a Harmonious Community
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Disclosed	Chapter 9 Promoting the Innovation of Arts and the Initiation of Ideas Chapter 10 Practicing Social Responsibility for the establishment of a Harmonious Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Partly disclosed	Chapter 9 Promoting the Innovation of Arts and the Initiation of Ideas Chapter 10 Practicing Social Responsibility for the establishment of a Harmonious Community

Appendix III Readers' Feedback Form.

Dear readers:

Thank you for reading this report! This report is the first corporate social responsibility report issued by the Group. We hope that you can evaluate this report and put forward your valuable suggestions to help us continue to improve our social responsibility management work and continuously improve our responsibilities, in order to build green ecology and harmony.

Your evaluation of this report :(please tick your choice)

	Very good	good	Not bad	bad	Very bad
Do you think this report highlights important information about the company's environmental and social responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the information and indicators disclosed in this report are clear, accurate and complete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the content layout and style design of this report is easy to read?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What are your opinions or suggestions on the Group's social responsibility work and this report?

If convenient, please leave your personal information:

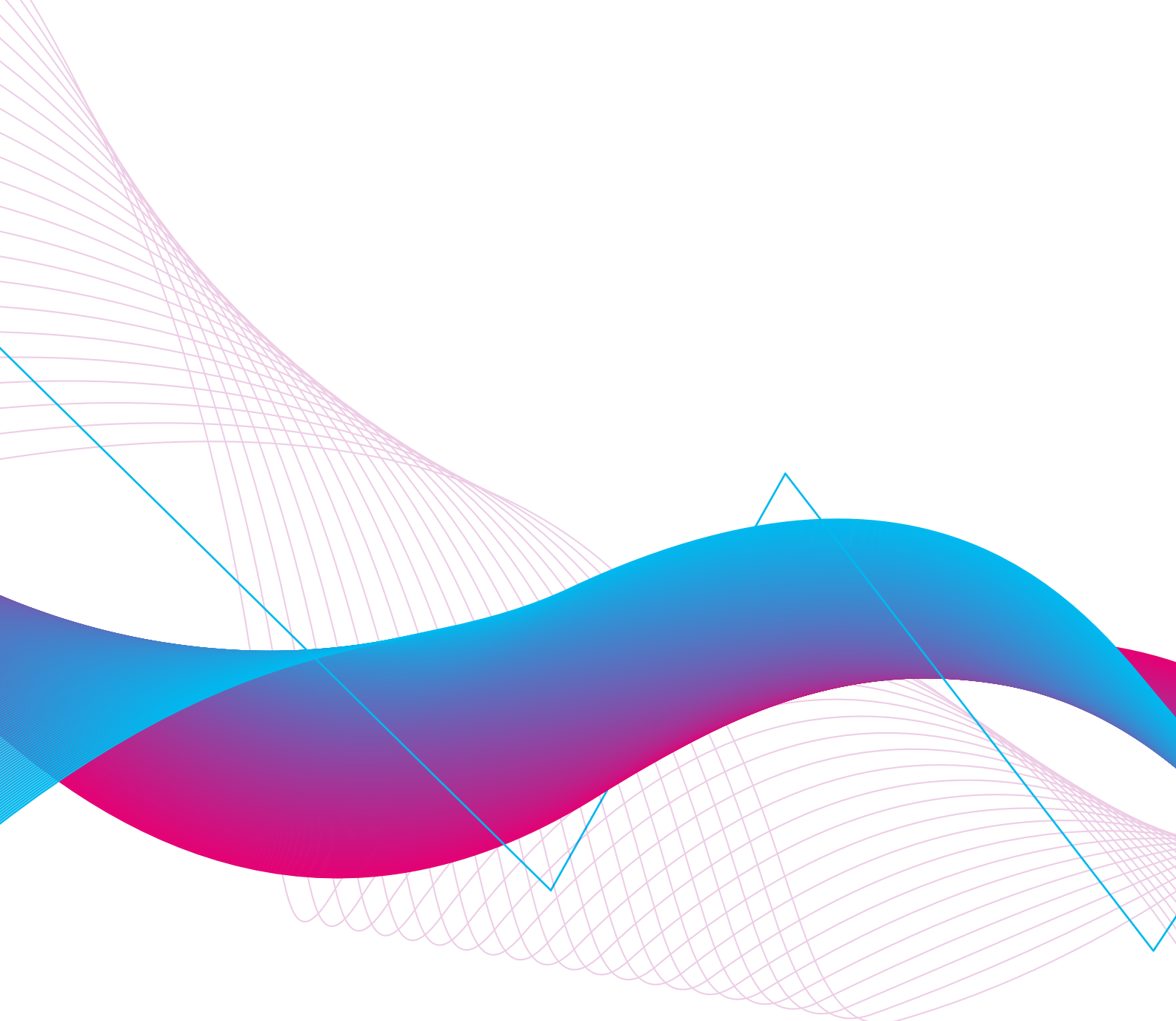
Name :

Phone:

Email Address:

Work unit :

Please send feedback to the Group Board Secretariat (email: ovulR@ovuni. com)



China Electronics Optics Valley Union Holding Company Limited

Corporate Social Responsibility Report 2017

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