China Electronics Optics Valley Union Holding Company Limited
中電光谷聯合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 798)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY OF 2024 RESULTS

- In 2024, the Group achieved a total revenue of RMB3,588.5 million, representing a decrease of 31.3% as compared to that of last year; of which, revenue from the operation of industrial parks amounted to RMB2,215.8 million, accounting for 62% of the total revenue; recorded a net profit of RMB106.3 million, representing a decrease of RMB420.5 million as compared to that of last year; and recorded a net cash inflow from operating activities of RMB29.4 million, with a positive cash flow from operating activities for six consecutive years.

- In 2024, in respect of industrial landmark, the Group had 5 new projects of high-quality industrial park, including OVU Changjiang Zhigu* (OVU長江智谷), OVU Heyuan Zhigu* (OVU河源智谷) and Yentai CEC Zhigu* (煙台中電智谷). As at 31 December 2024, the Group had high-quality land bank of approximately 4,914,000 sq.m. in various cities, including Chengdu, Changsha, Shanghai, Wuhan and Qingdao.

- Under the continuous innovation in industrial park development model, the Group leveraged on its responsive customization strategy to promote a transformation of the industrial park development model. Being the main direction of CEOVU's transformation, responsive customization has become the main path for innovation in the business model of industrial real estate. In 2024, the contracted area of responsive customization exceeded 100,000 sq.m., and the contracted amount exceeded RMB400 million, showing high potential in development.

- The Group has always been committed to a prudent business strategy. As at 31 December 2024, the debt to asset ratio was 62.0%, and the debt to asset ratio net of contract liabilities was 60.0%, representing a decrease compared with the beginning of the period.

- The Board does not recommend the payment of final dividend for the year ended 31 December 2024.

The board (the "**Board**") of directors (the "**Directors**") of China Electronics Optics Valley Union Holding Company Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**" or "**CEOVU**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures of the audited consolidated financial results for 2023 as follows.

CONSOLIDATED FINANCIAL RESULTS OF THE GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**3,588,531**	5,220,556
Cost of sales	*6*	**(2,491,420)**	(3,663,170)
Gross profit		**1,097,111**	1,557,386
Other income	*4*	**108,161**	174,146
Other (losses)/gains – net	*5*	**(4,791)**	126,819
Selling and distribution expenses	*6*	**(144,820)**	(170,889)
Administrative expenses	*6*	**(378,142)**	(442,298)
Net impairment losses on financial and contract assets		**(153,021)**	(152,986)
Fair value gains on investment properties	*12*	**4,520**	161,532
Operating profit		**529,018**	1,253,710
Finance income	*7*	**60,307**	50,276
Finance costs	*7*	**(350,620)**	(316,063)
Net finance costs		**(290,313)**	(265,787)
Share of profits of associates	*8*	**36,142**	11,098
Share of losses of joint ventures		**(35,261)**	(17,147)
Profit before income tax		**239,586**	981,874
Income tax expense	*9*	**(133,255)**	(455,039)
Profit for the year		**106,331**	526,835
Profit for the year attributable to:			
– Owners of the Company		**95,748**	506,710
– Non-controlling interests		**10,583**	20,125
Profit for the year		**106,331**	526,835
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted (RMB cents)	*10*	**1.30**	6.70

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit for the year	**106,331**	526,835
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
– Currency translation differences	**3,132**	(4,684)
– Gains on cash flow hedges	**–**	5,884
– Hedging gains reclassified to profit or loss	**(5,884)**	–
Items that will not be reclassified to profit or loss:		
– Changes in the fair value of equity investments at fair value through other comprehensive income	**1,364**	(377)
– Fair value gains on investment properties transfered from property, plant and equipment	**–**	1,200
– Income tax relating to these items	**(341)**	(206)
Other comprehensive income for the year, net of tax	**(1,729)**	1,817
Total comprehensive income for the year	**104,602**	528,652
Total comprehensive income for the year is attributable to:		
– Owners of the Company	**94,019**	508,527
– Non-controlling interests	**10,583**	20,125
Total comprehensive income for the year	**104,602**	528,652

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 31 December **2024** *RMB'000*	2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**578,776**	708,290
Right-of-use assets	*11*	**69,543**	71,876
Investment properties	*12*	**7,448,361**	7,570,607
Intangible assets		**55,842**	55,419
Investments in associates	*8*	**853,810**	841,208
Investments in joint ventures		**471,972**	447,675
Financial assets at fair value through profit or loss		**844,192**	817,268
Financial assets at fair value through other comprehensive income		**19,515**	18,151
Trade and other receivables and prepayments	*16*	**228,291**	375,252
Deferred income tax assets		**131,609**	27,245
		10,701,911	10,932,991
Current assets			
Properties under development	*13*	**1,948,162**	1,647,700
Completed properties held for sale	*14*	**4,844,562**	4,344,579
Inventories	*15*	**71,194**	70,694
Trade and other receivables and prepayments	*16*	**3,355,563**	3,413,093
Derivative financial instruments		**–**	5,884
Prepaid income taxes		**135,795**	176,211
Financial assets at fair value through profit or loss		**–**	181
Contract assets		**421,836**	661,378
Deposits in banks with original maturities over three months		**25,426**	26,946
Restricted cash		**217,883**	303,118
Cash and cash equivalents		**1,619,595**	1,889,193
		12,640,016	12,538,977
Total assets		**23,341,927**	23,471,968
Current liabilities			
Contract liabilities		**456,197**	365,434
Trade and other payables	*17*	**3,681,603**	4,180,286
Bank and other borrowings	*18*	**4,853,445**	3,331,642
Lease liabilities	*11*	**81,600**	88,834
Current income tax liabilities		**758,559**	900,780
Current portion of deferred income		**54,431**	64,614
		9,885,835	8,931,590
Net current assets		**2,754,181**	3,607,387
Total assets less current liabilities		**13,456,092**	14,540,378

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		At 31 December	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Bank and other borrowings	*18*	**2,644,556**	3,601,628
Lease liabilities	*11*	**955,045**	1,001,747
Deferred income tax liabilities		**494,891**	458,722
Non-current portion of deferred income		**489,875**	581,525
		4,584,367	5,643,622
Total liabilities		**14,470,202**	14,575,212
Net assets		**8,871,725**	8,896,756
Equity			
Share capital	*19*	**617,407**	623,048
Treasury shares	*19*	**(121,056)**	(141,766)
Reserves		**2,695,403**	2,780,474
Retained earnings		**4,795,238**	4,804,090
Total equity attributable to owners of the Company		**7,986,992**	8,065,846
Non-controlling interests		**884,733**	830,910
Total equity		**8,871,725**	8,896,756
Total equity and non-current liabilities		**13,456,092**	14,540,378

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

China Electronics Optics Valley Union Holding Company Limited (the "**Company**", formerly known as "Optics Valley Union Holding Company Limited") and its subsidiaries (together, the "**Group**") are principally engaged in industrial park operation services, industrial park development services and industrial investment. The Group has operations mainly in the Chinese Mainland.

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

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

These consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 31 March 2025.

2 BASIS OF PREPARATION

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

2.1 Compliance with IFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations)

2.2 Historical cost convention

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

2.3 Going concern basis

The Group did not fulfill one of the financial covenants related to the requirement on the ratio of consolidated EBITDA to consolidated net interest expenses for the year ended 31 December 2024 with respect to two syndicated loans (the "**Syndicated Loans**") amounting to RMB1,013,574,000 as at 31 December 2024, which would cause the Syndicated Loans to become immediately repayable if requested by the banks. In addition, the Group had certain bank and other borrowings (the "**Borrowings with Cross Default Conditions**") with a total amount of RMB1,345,475,000 as at 31 December 2024 that are subject to Cross-Default Conditions as a result of the non-compliance of the Syndicated Loans.

No wavier had been obtained from the lenders to waive the requirement from compliance with the relevant financial covenant or the cross-defaults before the balance sheet date. Consequently, the non-current portion of the Syndicated Loans amounting to RMB230,000,000 and the non-current portion of Borrowings with Cross Default Conditions of RMB437,883,000 with the original contractual repayment dates beyond 31 December 2025 were classified as current liabilities.

All of the above conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position:

- In March 2025, the Group successfully obtained written waivers for the Syndicated Loans to waive the requirement from compliance of the relevant financial covenant for year ended 31 December 2024. Moreover, the Group has further drawn down RMB575,000,000 from one of the Syndicated Loans after the year end date. The Group has prepared sufficient funds to serve the full settlement of one of the Syndicated Loans of RMB820,260,000 by June 2025 according to the original due date;

- In March 2025, the Group successfully obtained written waiver from the lender to waive the requirement from compliance of the Cross-Default Conditions for Borrowings with Cross Default Conditions from a lender amounting to RMB507,845,000;

- For the remaining portion of Borrowings with Cross Default Conditions, management of the Company discussed with the bank and further understood that as a result of the waivers obtained for the Syndicated Loans as mentioned above, the bank may take its discretion not to regard the borrowings to have triggered the Cross-Default Conditions in practice. Hence, the Directors believe such borrowings amounted to RMB837,630,000 will continue to be available to the Group according to the original term of repayment despite no written waiver has been obtained;

- The Group will continue to monitor its compliance with the covenant requirements of the Syndicated Loans and the other bank and other borrowings. The Group remains committed to stringent monitoring of financial covenant adherence across all borrowings. In the event of potential non-compliance, management will proactively engage lenders to renegotiate terms or seek waivers to mitigate risks, with confidence that these efforts would be successful;

- The Group had unutilised uncommitted project loan facilities and general facilities of RMB3,352,169,000 as at 31 December 2024. Subsequent to the year end date, the Group has successfully increased the credit limit of an existing one-year revolving loan facilities from major shareholder's financial instituation by an amount of RMB1,500,000,000. The Group will continue to work with the lenders to extend such facilities and to secure new facilities to provide sufficient funding for the Group's project related payments or other operating expenditures. The Directors are of the opinion that such facilities will be successfully renewed when they expire;

- The Group will continue to implement plans and measures to accelerate the sales of completed properties held for sale, and to speed up the collection of outstanding sales proceeds; and

- The Group will also continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating expenditure.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2024. In the opinion of the Directors, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2024.

Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis. Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on the followings:

- The relevant bank will exercise their discretion in the consideration of their right under the Cross Default Conditions and allow the relevant Borrowings with Cross Default Conditions to be continue available according to the original term of repayment;

- Continuous compliance by the Group of the existing terms and conditions of the Syndicated Loans and the other bank and other borrowings and, where applicable, successful negotiation with the lenders to obtain wavier or to revise the terms and conditions of the borrowings for the continuous compliance thereof, as and when needed, such that the existing borrowings and facilities will continue to be available to the Group and be repaid in accordance with the agreed repayment schedules;

- Successful and timely extension and renewal of its banking facilities and its bank borrowings, upon maturity as well as obtaining new financing from financial institutions. The Group's ability to obtain these financing depends on (1) whether the lenders of existing borrowings are agreeable to the terms and conditions for such extension or renewal; and (2) the Group's ability to continuously comply with the relevant terms and conditions of its bank borrowings;

- Successful implementation of the plans and measures to accelerate the sales of completed properties held for sale, and timely collection of the relevant sales proceeds; and

- Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2.4 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024. The adoption of these standards and amendments does not have significant impact on the consolidated financial statements of the Group.

Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IAS 1	Non-current liabilities with covenants
Amendments to IFRS 16	Lease liability in a sale and leaseback
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements

2.5 New and amended standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

These standards except for IFRS 18 are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. As for the IFRS 18, it will replace IAS 1 Presentation of financial statements. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, some potential impacts have been identified, such as the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.

3 REVENUE AND SEGMENT INFORMATION

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

At 31 December 2024, the Group has the following three segments:

- Industrial park operation services: this segment provides services including design and construction services, property management services, property leasing services, energy services, digital park services, incubator and office sharing services, group catering and hotel services and digital apartment services.

- Industrial park development services: this segment represents the sales of industrial park space and self-owned industrial park property leasing services.

- Industrial investment: this segment represents the industrial-related equity investment businesses in various theme parks.

(a) Segment results

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

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

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

For the year ended 31 December 2024

	Industrial park operation services *RMB'000*	Industrial park development services *RMB'000*	Industrial investment *RMB'000*	Total *RMB'000*
Revenue from contracts with customers	**2,991,931**	**1,123,655**	**–**	**4,115,586**
– Recognition at point in time	**178,593**	**1,089,472**	**–**	**1,268,065**
– Recognition over time	**2,813,338**	**34,183**	**–**	**2,847,521**
Revenue from other source				
– Rental income	**118,824**	**329,731**	**–**	**448,555**
Segment revenue	**3,110,755**	**1,453,386**	**–**	**4,564,141**
Inter-segment revenue	**(894,951)**	**(80,659)**	**–**	**(975,610)**
Revenue from external customers	**2,215,804**	**1,372,727**	**–**	**3,588,531**
Cost of sales	**(1,704,427)**	**(786,993)**	**–**	**(2,491,420)**
Gross Profit	**511,377**	**585,734**	**–**	**1,097,111**
Segment results	**197,184**	**403,830**	**13,773**	**614,787**

	Other Segment information			
	Industrial park operation services *RMB'000*	Industrial park development services *RMB'000*	Industrial investment *RMB'000*	Total *RMB'000*
Depreciation and amortisation	**(60,863)**	**(27,477)**	**(1,949)**	**(90,289)**
Cost of properties sold	**–**	**(716,522)**	**–**	**(716,522)**
Employee benefit expenses *(Note 6)*	**(697,298)**	**(184,303)**	**–**	**(881,601)**
Other operating costs of industrial park operation	**(593,724)**	**–**	**–**	**(593,724)**
Cost of construction services	**(560,157)**	**–**	**–**	**(560,157)**
Write-down of completed properties held for sale	**–**	**(15,226)**	**–**	**(15,226)**

For the year ended 31 December 2023

	Industrial park operation services RMB'000	Industrial park development services RMB'000	Industrial investment RMB'000	Total RMB'000
Revenue from contracts with customers	3,831,602	2,219,622	–	6,051,224
– Recognition at point in time	182,717	1,920,284	–	2,103,001
– Recognition over time	3,648,885	299,338	–	3,948,223
Revenue from other source				
– Rental income	114,352	283,244	–	397,596
Segment revenue	3,945,954	2,502,866	–	6,448,820
Inter-segment revenue	(1,114,296)	(113,968)	–	(1,228,264)
Revenue from external customers	2,831,658	2,388,898	–	5,220,556
Cost of sales	(2,317,298)	(1,345,872)	–	(3,663,170)
Gross Profit	514,360	1,043,026	–	1,557,386
Segment results	250,191	916,375	22,793	1,189,359

	Other Segment information			
	Industrial park operation services *RMB'000*	Industrial park development services *RMB'000*	Industrial investment *RMB'000*	Total *RMB'000*
Depreciation and amortisation	(66,619)	(28,796)	(1,766)	(97,181)
Cost of properties sold	–	(1,277,383)	–	(1,277,383)
Employee benefit expenses *(Note 6)*	(659,653)	(237,225)	–	(896,878)
Other operating costs of industrial park operation	(803,219)	–	–	(803,219)
Cost of construction services	(981,125)	–	–	(981,125)

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

	2024	2023
	RMB'000	*RMB'000*
Segment results	**614,787**	1,189,359
Fair value gains on investment properties	**4,520**	161,532
Share of losses of joint ventures	**(35,261)**	(17,147)
Share of profits of associates	**36,142**	11,098
Finance income	**60,307**	50,276
Finance costs	**(350,620)**	(316,063)
Depreciation and amortisation	**(90,289)**	(97,181)
Income tax expense	**(133,255)**	(455,039)
Profit for the year	**106,331**	526,835

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

	2024	2023
	RMB'000	*RMB'000*
Industrial park operation services		
Property management services	**793,253**	925,128
Design and construction services	**780,711**	1,245,032
Property leasing services	**111,244**	97,270
Energy services	**198,015**	196,489
Group catering and hotel services	**150,837**	160,176
Others	**181,744**	207,563
	2,215,804	2,831,658
Industrial park development services		
Sales of industrial park space	**1,109,433**	2,159,882
Self-owned industrial park property leasing	**263,294**	229,016
	1,372,727	2,388,898
Total	**3,588,531**	5,220,556

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

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

4 OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants	**108,161**	173,959
Others	**–**	187
	108,161	174,146

5 OTHER (LOSSES)/GAINS-NET

	2024	2023
	RMB'000	*RMB'000*
Fair value gains on financial assets at fair value through profit of loss	**11,824**	21,027
Gain on disposal of property, plant and equipment, net	**53**	122
Gain on disposal of a business	**–**	99,977
(Loss)/gain on disposal/liquidation of subsidiaries	**(2,144)**	1,060
Gain/(loss) on disposal of investment properties	**2,334**	(1,351)
Loss on disposal of associates	**(479)**	–
Litigation loss (i)	**(23,223)**	–
Others	**6,844**	5,984
	(4,791)	126,819

(i) In August 2024, a subsidiary of the Group received a judgement from the Wenzhou Court, pursuant to which the subsidiary was ordered to pay damages to the property owners for delayed delivery of property ownership certificate.

On 15 October 2024, the Group filed an appeal against the judgment, and it's still waiting for the final judgment from Wenzhou Intermediate People's Court.

6 EXPENSES BY NATURE

	2024	2023
	RMB'000	*RMB'000*
Cost of properties sold	**716,522**	1,277,383
Employee benefit expenses	**881,601**	896,878
Other operating costs of industrial park operation	**593,724**	803,219
Cost of construction services	**560,157**	981,125
Write-down of completed properties held for sale *(Note 14)*	**15,226**	–
Depreciation	**82,716**	89,834
Other professional service fees	**17,926**	31,000
Advertising costs	**18,120**	18,105
Amortisation	**7,573**	7,347
Auditors' remuneration		
– Audit services	**2,750**	2,250
– Non-audit services	**1,280**	1,280
Other expenses	**116,787**	167,936
Total cost of sales, selling and distribution expenses, administrative expenses	**3,014,382**	4,276,357

7 FINANCE INCOME AND COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest expenses of bank and other borrowings	**(358,151)**	(356,172)
Capitalised interest expenses	**56,363**	103,123
Interest expenses of lease liabilities *(Note 11)*	**(50,809)**	(60,042)
Net foreign exchange gains/(losses)	**1,977**	(2,972)
Finance costs	**(350,620)**	(316,063)
Interest income from deposits	**11,973**	16,910
Interest income from sublease *(Note 11)*	**2,628**	6,248
Interest income from loans provided to third parties	**45,706**	27,118
Finance income	**60,307**	50,276
Net finance costs	**(290,313)**	(265,787)

Borrowing costs arising from financing specifically arranged for the construction of properties were capitalised using the rates ranged from 3.28% to 5.64% (2023: 3.28% to 6.00%) per annum, and other borrowing costs were capitalised using an average interest rate of 5.48% (2023: 5.53%) per annum.

8 INVESTMENTS IN ASSOCIATES

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**841,208**	1,798,126
Additions	**38,265**	102,562
Share of profits	**36,142**	11,098
Deemed disposal of subsidiaries	**–**	(973,955)
Other disposals	**(3,277)**	–
Dividends	**(58,528)**	(96,623)
At 31 December	**853,810**	841,208

9 INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Current tax:		
Corporate Income Tax ("**CIT**")	**151,314**	291,440
Land Appreciation Tax ("**LAT**")	**50,402**	141,757
Total current tax expense	**201,716**	433,197
Deferred tax		
– Temporary differences	**(68,461)**	13,262
– Withholding income tax	**–**	8,580
Total deferred tax (benefit)/expense	**(68,461)**	21,842
Income tax expense	**133,255**	455,039

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

(ii) No provision for Hong Kong Profits Tax has been made as the Group had no taxable profit in Hong Kong in 2024.

(iii) The Group's subsidiaries located in Chinese Mainland are subject to the People's Republic of China ("**PRC**") income tax at 25% unless otherwise specified. Under the relevant regulations of the CIT Law, for eligible enterprises which meet the criteria of small low-profit enterprises, the annual taxable income that is not more than RMB1,000,000 shall be recognized at 25% of income and be subject to a CIT rate of 20%; the annual taxable income that is more than RMB1,000,000 but less than RMB3,000,000 shall be recognized at 50% of income and be subject to a CIT rate of 20%. Under the relevant regulations of the CIT Law, certain subsidiaries are qualified as "High and New Technology Enterprise" and can enjoy a preferential CIT rate of 15%.

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

(v) Pursuant to the PRC tax law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those foreign invested subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

As 31 December 2024, the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares repurchased by the Group (Note 19).

	2024	2023
Profit attributable to owners of the Company *(RMB'000)*	**95,748**	506,710
Weighted average number of ordinary shares in issue *(thousands)*	**7,359,797**	7,566,859
Basic earnings per share *(RMB cents)*	**1.30**	6.70

There were no potential dilutive ordinary shares in 2024 and 2023, diluted earnings per share therefore equals to basic earnings per share.

11 LEASES

(i) Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Right-of-use assets		
Properties	**69,543**	71,876
Lease liabilities		
Current	**81,600**	88,834
Non-current	**955,045**	1,001,747
	1,036,645	1,090,581

The following table presents the changes of right-of-use assets for the year ended 31 December 2024 and 2023:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**71,876**	93,945
Net additions/(disposals)	**6,445**	(16,634)
Disposals of subsidiaries	**(2,707)**	–
Depreciation	**(6,071)**	(5,435)
At 31 December	**69,543**	71,876

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2024	2023
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets		
Properties	**6,071**	5,435
Interest expense (included in finance costs) (Note 7)	**(50,809)**	(60,042)
Interest income (included in finance income) (Note 7)	**2,628**	6,248

The total cash outflow for leases in 2024 was RMB191,133,000 (2023: RMB183,762,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various properties. Rental contracts are typically made for fixed periods of 5 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, except that leased assets may not be used as security for borrowing purposes.

12 INVESTMENT PROPERTIES

	2024	2023
	RMB'000	*RMB'000*
Opening balance at 1 January	**7,570,607**	5,960,733
Transfer from completed properties held for sale	**92,609**	505,544
Transfer from property, plant and equipment	**–**	4,002
Other additions	**34,764**	1,067,628
Fair value changes	**4,520**	161,532
Revaluation gains upon transfer from property, plant and equipment	**–**	1,200
Transfer to completed properties held for sale	**–**	(52,266)
Transfer to property, plant and equipment	**(44,544)**	(5,813)
Disposals	**(209,595)**	(71,953)
Closing balance at 31 December	**7,448,361**	7,570,607

Amounts recognised in profit and loss for investment properties

	2024	2023
	RMB'000	*RMB'000*
Rental income from self-owned properties	**263,294**	229,016
Rental income from subleasing	**111,244**	97,270
Direct operating expenses from property that generated rental income	**21,667**	16,536

As at 31 December 2024, the Group had no contractual obligations for future repairs and maintenance (2023: nil).

Investment properties with an aggregate carrying value of RMB2,232,228,000 as at 31 December 2024 (2023: RMB2,024,350,000) were pledged for certain bank loans granted to the Group (Note 18).

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 1 year to 20 years.

As at 31 December 2024, certain investment properties developed by the Group with carrying value of RMB1,489,100,000 (2023: RMB2,849,570,000) were without building ownership certificate and the Group was in progress of obtaining the relevant building ownership certificate.

The Group's investment properties are leased to tenants under operating leases with rentals payable quarterly in general. There are no variable lease payments that depend on an index or rate.

13 PROPERTIES UNDER DEVELOPMENT

All properties under development are within the normal operating cycle included in current assets.

All properties under development are located in the PRC and stated at the lower of cost and net realisable value.

Properties under development with an aggregate carrying value of RMB1,411,630,000 as at 31 December 2024 (2023: RMB900,756,000) were pledged for certain bank loans granted to the Group (Note 18).

14 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are within the normal operating cycle included in current assets.

All completed properties held for sale in the PRC are stated at the lower of cost and net relisable value.

As at 31 December 2024, the balance of provision in respect of write-down of the completed properties held for sale is amounted to RMB15,226,000 (31 December 2023: Nil). The write-down of these properties recognised in profit or loss for the current year is amounted to RMB15,226,000 (2023: Nil).

Completed properties held for sale with an aggregate carrying value of RMB2,391,086,000 as at 31 December 2024 (2023: RMB1,921,938,000) were pledged for certain bank loans granted to the Group (Note 18).

15 INVENTORIES

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Raw materials	**598**	1,170
Work in progress	**5,556**	5,876
Finished goods	**65,040**	63,648
	71,194	70,694

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current portion		
Trade receivables *(a)*	**1,480,858**	1,244,453
Loans to third parties	**637,871**	910,539
Prepayments for raw materials and construction cost	**233,208**	312,637
Prepaid turnover tax and other taxes	**255,842**	234,816
Notes receivables	**21,252**	43,880
Deposits receivable	**149,689**	142,679
Loans to related parties	**719,482**	647,425
Others	**384,070**	240,748
	3,882,272	3,777,177
Non-current portion		
Trade receivables *(a)*	**206,684**	337,009
Receivables from finance leases	**22,982**	35,802
Loans to related parties	**136**	4,640
Loans to third parties	**–**	118
	229,802	377,569
Less: allowance provisions for		
– Trade receivables-current	**(141,947)**	(118,698)
– Other receivables and long-term trade receivables	**(386,273)**	(247,703)
	(528,220)	(366,401)
Total	**3,583,854**	3,788,345

(a) Trade receivables are generally due within 1 year from the date of billing. The non-current trade receivables are due and payable within five years from the end of the Reporting Period. As of the end of the Reporting Period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier), is as follows:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within one year	**1,097,349**	914,307
One to two years	**191,678**	179,600
Two to three years	**68,665**	51,566
Three to four years	**39,525**	384,646
Over four years	**290,325**	51,343
	1,687,542	1,581,462

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

As at 31 December 2023 and 2024, the fair value of trade and other receivables approximated their carrying amounts.

17 TRADE AND OTHER PAYABLES

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade creditors and bills payable	**2,527,516**	2,809,481
Advances from third parties	**3,000**	1,000
Other taxes payables	**101,433**	118,469
Construction guaranteed deposits payable	**305,937**	329,179
Advances from related parties	**70,713**	74,504
Accrued payroll	**71,919**	80,315
Other payables and accruals	**601,085**	767,338
Total	**3,681,603**	4,180,286

As at 31 December 2024, the ageing analysis of trade creditors and bills payables, based on the invoice date, is as follows:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within one year	**2,026,903**	2,505,619
One to two years	**349,585**	127,727
Two to three years	**43,258**	48,143
Over three years	**107,770**	127,992
	2,527,516	2,809,481

As at 31 December 2023 and 2024, the fair value of trade and other payables approximated their carrying amounts.

18 BANK AND OTHER BORROWINGS

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current		
Secured		
– Bank and other borrowings	**1,048,000**	1,159,000
– Current portion of non-current bank and other borrowings	**955,514**	396,582
	2,003,514	1,555,582
Unsecured		
– Bank and other borrowings	**1,652,323**	1,401,960
– Current portion of non-current bank and other borrowings	**1,197,608**	374,100
	2,849,931	1,776,060
	4,853,445	3,331,642
Non-current		
Secured		
– Bank and other borrowings	**3,285,561**	2,458,471
Less: Current portion of non-current bank and other borrowings	**(955,514)**	(396,582)
	2,330,047	2,061,889
Unsecured		
– Bank and other borrowings	**1,512,117**	1,913,839
Less: Current portion of non-current bank and other borrowings	**(1,197,608)**	(374,100)
	314,509	1,539,739
	2,644,556	3,601,628

(i) As described in Note 2.1, the Group failed to comply with one of the financial covenants of the Syndicated Loans regarding the consolidated EBITDA to consolidated net interest expenses ratio (the "**Interest Cover Ratio**"). Under the terms of such covenants, the Interest Cover Ratio should not be less than 3.00 times at any time. If the Group failed to meet the requirement, the lenders have the right to require early repayment of the Syndicated Loans at any time. The Interest Cover Ratio is less than 3.00 times, and therefore did not meet the covenant requirement. Consequently, the Syndicated Loans amounting to RMB1,013,574,000 as at 31 December 2024 became immediately repayable if requested by the lenders. It resulted in certain bank and other borrowings of the Group with a total amount of RMB1,345,475,000 as at 31 December 2024 trigger cross-defaults.

No wavier has been obtained from the lenders to waive the requirement from compliance of the relevant financial covenant or cross-defaults before the balance sheet date. Consequently, the non-current portion of the Syndicated Loans amounting to RMB230,000,000 and non-current portion of Cross-default Borrowings of RMB437,883,000 with the original contractual repayment dates beyond 31 December 2025 was classified as current liabilities.

In March 2025, the Group successfully obtained written waivers for the Syndicated Loans to waive the requirement from compliance of the relevant financial covenant for year ended 31 December 2024 and obtained written waiver from the lender to waive the requirement from compliance of the Cross-Default Conditions for Borrowings with Cross Default Conditions from a lender amounting to RMB507,845,000. Moreover, the Group has further drawn down RMB575,000,000 from one of the Syndicated Loans after the year end date. For the remaining portion of Borrowings with Cross Default Conditions, management of the Company discussed with the bank and further understood that as a result of the waivers obtained for the Syndicated Loans as mentioned above, the bank may take its discretion not to regard the borrowings to have triggered the Cross-Default Conditions in practice.

(ii) The bank and other borrowings bear interest ranging from 2.5% to 6.21% per annum for year ended 31 December 2024 (2023: from 2.9% to 7.3%).

As at 31 December, the Group's borrowings and liabilities under supplier finance arrangement were repayable as follows:

	Bank and other borrowings		**Liabilities under supplier finance arrangement**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Within 1 year or on demand	**4,496,834**	3,027,268	**356,611**	304,374
After 1 year but within 2 years	**1,087,343**	1,665,111	**–**	–
After 2 years but within 5 years	**884,018**	1,044,261	**–**	–
After 5 years	**673,195**	892,256	**–**	–
	7,141,390	6,628,896	**356,611**	304,374

The bank loans were secured by the following assets with book values of:

	At 31 December	
	2024	2023
	RMB'000	*RMB'000*
Properties under development *(Note 13)*	**1,411,630**	900,756
Investment properties *(Note 12)*	**2,232,228**	2,024,350
Completed properties held for sale *(Note 14)*	**2,391,086**	1,921,938
Property, plant and equipment	**37,426**	–
Restricted cash	**–**	10
	6,072,370	4,847,054

The fair value of borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 4.95% (2023: 5.13%) and are within level 2 of the fair value hierarchy.

The Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants.

19 SHARE CAPITAL AND TREASURY SHARES

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

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	No. of Shares		**Treasury shares**	No. of Shares		Treasury shares
	('000)	***RMB'000***	***RMB'000***	*('000)*	*RMB'000*	*RMB'000*
Ordinary shares, issued and fully paid:						
As at 1 January	**7,574,352**	**623,048**	**(141,766)**	7,574,352	623,048	(121,056)
Shares purchased	**–**	**–**	**(1,539)**	–	–	(20,710)
Cancellation of shares	**(62,028)**	**(5,641)**	**22,249**	–	–	–
As the end of the year	**7,512,324**	**617,407**	**(121,056)**	7,574,352	623,048	(141,766)

(a) During the year ended 31 December 2024, the Company repurchased a total 4,508,000 shares at a total consideration of HK$1,691,760 (equivalent to approximately RMB1,539,000) for cancellation purpose. The buy-back were authorised by shareholders of the Company at the annual general meeting held in June 2023.

The shares were acquired at an average price of HK$0.375 per share, with prices ranging from HK$0.345 to HK$0.38. The total amount of HK$1,691,760 (equivalent to approximately RMB1,539,000) paid to acquire the shares, which was made out of the Company's distributable profits with no reduction of capital, has been recorded as treasury shares as a contra account within shareholders' equity. These treasury shares, together with 57,520,000 shares repurchased in 2023, totaling 62,028,000 shares were cancelled in January and February 2024.

(b) As at 31 December 2024, the treasury shares amounting to 152,998,000 shares were all for a share award scheme purpose (31 December 2023: 152,998,000 shares for a share award scheme purpose and 57,520,000 shares for cancellation purpose).

Movements of the Company's treasury shares are analysed as follows:

	Shares repurchased for the purpose of		
	Share award *('000)*	**Cancellation** *('000)*	**Total** *('000)*
Year ended 31 December 2023			
Opening No. of shares	152,998	–	152,998
Repurchased	–	57,520	57,520
Closing No. of shares	152,998	57,520	210,518
Year ended 31 December 2024			
Opening No. of shares	152,998	57,520	210,518
Repurchased	–	4,508	4,508
Cancellation of shares	–	(62,028)	(62,028)
Closing No. of shares	152,998	–	152,998

20 DIVIDENDS

	2024 *RMB'000*	2023 *RMB'000*
Ordinary shares		
Final dividend for the year ended 31 December 2023 of HK$2.50 cents per fully paid share (2022: HK$2.50 cents)	**171,334**	170,630

The Directors do not recommend the payment of any dividend for the year ended 31 December 2024 (2023: RMB173,347,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In 2024, under the influence of multiple factors such as global economic turmoil and deep adjustment of domestic real estate, the industrial park in the PRC faces problems such as supply saturation and rising vacancy rates.

The Group's park development business also faces similar difficulties and is under pressure from insufficient demand, and on the other hand, the operations of industrial park are affected by local government debt level controls. Under dual pressure, certain of the Group's indicators, including new contracted amount, repayment amount, operating income, and net profit, have decreased to varying degrees compared with the same period last year. The operating performance was still significantly dependence on the sales of properties. The overall strategic capabilities of the park operation business are still unable to meet the complex needs of various types of customers, indicating that the Group's operational transformation has a long way to go. Facing the severe challenges in the market, the Group promptly adjusted its business focus, making cash flow management the top priority to achieve an overall healthy operations.

Striving to improve the capability of industrial park consulting business based on theoretical innovation strategy

In recent years, CEOVU has always regarded theoretical innovation and basic research as the key mission of our transformation. In 2024, "Lectures on Park Methodology* (園區方法論講演錄)", the first specialized book on methodology in the field of industrial park, was published and received public acclaim. At the same time, the Group actively organized and promoted the publication of books such as "Large Model for Industrial Parks* (園區大模型)", " Science and Technology Innovation in the New Era* (新時代科創空間)" and "Creative Capital (2014-2024)* (創意天地(2014-2024))", which enhanced the professional image of CEOVU and solidified our steps in transformation.

In 2024, the industrial park consulting business characterized by knowledge services made progress, with contract number exceeding 60 and contract amount exceeding RMB100 million, establishing the foundation for a new breakthrough in the integrated park operation business in 2025.

Promoting complete transformation in park development based on responsive customization

Responsive customization was the main direction of transformation of CEOVU and made certain practical progress in 2024. A number of model projects were completed while corresponding business management systems and technical guidelines were prepared. Responsive customization is becoming the main path for innovation in the business model of industrial real estate. In 2024, the contracted area of responsive customization exceeded 100,000 sq.m., and the contracted amount exceeded RMB400 million, showing high potential in development.

Striving to develop "Two Clouds" and forming the third curve gradually

In 2024, Wuhan Easylinkin Technology Co., Ltd.* (武漢慧聯無限科技有限公司) was integrated into the CEOVU industrial ecosystem. Sales of industrial cloud software made a breakthrough, with the contracted amount reaching RMB39.7 million.

Wuhan China Electronics Energy Conservation Co., Ltd.* (武漢中電節能有限公司) ("**CEC Energy Conservation**") integrated energy and new energy businesses, made great efforts and created strong momentum for growth. In 2024, the annual contracted amount was RMB277.1 million, representing a year-on-year increase of 40%. The contracted installed capacity of the distributed photovoltaic business was approximately 23.22MW.

Boosting the development of equity investment fund and enhancing the capability of integrating industrial resources

Lingdu Capital Investment and Management Co., Ltd.*(武漢零度資本投資管理有限公司) ("**Lingdu Capital**"), the industrial investment entities of CEOVU, established 3 equity funds and 1 real estate fund in 2024. The investment project promoted the synergy of the 18,000 sq.m. park space business. One of the investees was successfully listed. In 2024, Lingdu Capital completed the business model of cooperating with local funds to establish funds and invest in local projects, optimized our asset structure, and invested more resources in quality enterprises related to the development of the park.

In 2024, investments of CEC & CICC (Xiamen) Electronic Industry Equity Investment Management Co., Ltd.* (中電中金(廈門)電子產業股權投資管理有限公司) ("**CEC & CICC**") focused on upstream and downstream companies in the electronic information technology industry chain. Seizing the opportunities under the mid-to-long-term changes in the electronics industry and industry development trends, CEC & CICC invested in technologically innovative companies with high competitiveness and innovative companies with sustainable business models. In 2024, the investees recorded a fair value of RMB2,679 million.

Operating Results

In 2024, the Group achieved a total revenue of RMB3,588.5 million, representing a decrease of 31.3% as compared to that of 2023, a profit before tax of RMB239.6 million, representing a decrease of 75.6% as compared to that of the same period in 2023, achieved a net profit for the year of RMB106.3 million, representing a decrease of 79.8% as compared to that of the same period in 2023. Profit attributable to owners of the Company was RMB95.7 million, representing a decrease of 81.1% as compared to that of the same period in 2023. The Group has upheld the concept of maintaining positive cash flow from operating activities and there was a net inflow of RMB29.4 million in 2024. The cash flow from operating activities maintained positive.

Business Segment Analysis

In 2024, the Group has established a strategic landscape of "One Body, Two Wings (一體兩翼)", with park operation services as the main body, park development as the backbone and industrial investment as the driving force. The Group has the following three segments: (i) industrial park operation services (including design and construction services, property management services, property leasing services, energy services, digital park services, incubator and office sharing services, group catering and hotel services, digital apartment services); (ii) industrial park development services (including sales of industrial park space and self-owned park property leasing services); and (iii) industrial investment services (equity investment business related to industrial theme parks business). In recent years, the income structure and composition of profit reflected the effectiveness of the Group's strategic transformation and reform to a certain extent.

Revenue by Business Segments

	Year ended 31 December			
	2024		2023	
	Revenue (RMB'000)	***% of total***	*Revenue (RMB'000)*	*% of total*
Industrial park operation services	**2,215,804**	**62%**	2,831,658	54%
Design and construction services	**780,711**	**22%**	1,245,032	23%
Property management services	**793,253**	**22%**	925,128	18%
Energy services	**198,015**	**6%**	196,489	4%
Group catering and hotel services	**150,837**	**4%**	160,176	3%
Property leasing services	**111,244**	**3%**	97,270	2%
Others	**181,744**	**5%**	207,563	4%
Industrial park development services	**1,372,727**	**38%**	2,388,898	46%
Sales of industrial park space	**1,109,433**	**31%**	2,159,882	41%
Self-owned park property leasing services	**263,294**	**7%**	229,016	5%
Total	**3,588,531**	**100%**	5,220,556	100%

I. *Industrial Park Operation Services*

The Group has established a full life-cycle industrial park operation service system through digitization. Based on the digital park system, the Group has integrated 15 types of functions, including project planning, space planning, architectural design, general contracting, decoration, real estate agency, regional energy services, property management, co-working offices, long-term rental apartments, catering and hotels, to form a full life-cycle "P+EPC+O" service model that is led by consulting services, supported by intelligent technologies and digital solutions, and backed by an integrated operation system, so as to provide diversified services to customers.

Backed by the digital assets built up by CEOVU through industrial park operation in over a decade, OVU Industrial Cloud serves three major fields, namely the development, construction and operation of industrial parks, delivers two core functions, namely, the full life-cycle digital management and cross-regional digital platform investment promotion, focuses on four major systems, namely "digital development", "digital construction", "digital facilities" and "digital investment promotion and operation", and offers ten types of applications, including "investment oversight", "construction oversight", "digital design", "construction management", "intelligent networking", "investment promotion", "assets supervision", "industrial park operation", "industrial services" and "taxation oversight", facilitating full-process monitoring, full-service online and full data access, and redefining digital industrialization from the perspective of industrial organization.

As to OVU Low-carbon Cloud, in line with the Group's active support for the national goal to achieve "peak carbon dioxide emissions by 2030 and carbon neutrality by 2060" and backed by its integrated energy service company, namely CEC Energy Conservation, the Group develops low-carbon parks with the concepts of low-carbon planning, low-carbon construction and low-carbon operation, and provides integrated energy services and full industry chain services including investment, construction and operation of low-carbon smart parks. Leveraging on CEOVU's advantages in the industrial chain, the Company has spared no effort in building the OVU Low-carbon Cloud, which integrates IT, OT, heating and ventilation, power distribution, equipment, operation and other professional services, and adopts the big data + cloud computing + Internet of Things technology and cloud-based distributed micro-service framework to provide digital solutions for integrated energy and the "carbon goals (雙碳路徑)". The system is the first integrated energy low-carbon digital system based on the PKS (Process Knowledge System) system in China with dual functions of experimentation and production. In line with the concept of integrated energy service, it integrates the "1+N" industrial ecological business system focusing on low-carbon smart park services.

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

In 2024, the turnover of the industrial park operation services of the Group amounted to RMB2,215.8 million, representing a decrease of 21.7% as compared to that of the same period in 2023. Among which, revenue from design and construction services reached RMB780.7 million, revenue from property management services reached RMB793.3 million, revenue from regional energy services reached RMB198.0 million, revenue from group catering and hotel services reached RMB150.8 million, revenue from property leasing services reached RMB111.2 million, and revenue from other services reached RMB181.7 million. In terms of composition, the revenue from design and construction services, property management services and energy services accounted for 80% of the revenue from industrial parks operation services, and is currently the major source of revenue of the Group's industrial parks operation services.

Design and Construction Services

"P+OEPC" integrated operational services

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

Under the instruction of "Theory of One Platform Two Methods"(一平台兩方法論), CEOVU gave full play to the leading and strategic outpost functions of consulting and planning business to provide all-round consulting services, including strategic planning, industrial planning, spatial planning, operational planning, throughout the business process and full life-cycle of projects, which further developed the sustainable model of "consulting +", explored more industrial resources, and diversified the platform for sharing industrial resources of CEOVU.

CEOVU has accumulated rich strategic emerging industry resources by virtue of its systematic operation capability, and has played the role of cross-regional collaborative investment promotion platform, with the unique "OEPC" model, to provide local governments and large enterprises with whole-process project management service in relation to promotion of investment and operation of industrial parks.

In 2024, CEOVU entered into strategic cooperation agreements with a number of local governments and signed integrated operation service contracts amounting to RMB677.1 million, facilitating regional economic transformation and upgrading. In particular, CEOVU made a breakthrough by adopting the innovative model of "O+EPC", and won the bidding of general contracting project for operation, design, procurement and construction of Baoding Network Information Valley* (保定網信谷) in the capacity as the leading party, with the project amount of RMB242.4 million, contributing to the creation of the "park and city integration" model project in Baoding. Meanwhile, other key EPC projects, including Zigui Zone A Plant* (秭歸A區廠房) with a contract amount of RMB162.2 million, and Auto Valley Intelligent Network Manufacturing Park* (車谷智能網聯智造園) with a contract amount of RMB272.5 million, were also contracted and commenced construction in 2024.

Through optimizing and integrating the resources of its architectural design institutes, construction subsidiaries (Jitian Construction, Lidao Technology and Qianbao Design) and other industry chain resources, CEOVU provides engineering-tender-procurement-construction and full process EPC integrated design and construction services to the government, organisations and related enterprises. During the Reporting Period, the Group's revenue from design and construction services amounted to RMB780.7 million, representing a decrease of 37.3% as compared to that of the same period in 2023.

Property Management Services

In 2024, on the basis of the established "five-heart" service, Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司) ("**Lidao Property**") has devoted active efforts to transform, upgrade and promote the development of information technology. At present, an ecological system comprising intelligent communities and intelligent industrial parks has been built, and a three-in-one management system comprising "i-Lidao" APP (i麗島APP), OVU Park Pass (OVU園區通) and EMS Integrated Operation Platform has been established, providing households and enterprises in the industrial parks with real estate services, infrastructure services, financial services, big data services and living facility services.

Lidao Property actively integrated resources, deeply developed property services, the "Whole Industry Chain" with industry chain enterprises such as Domainblue Smart, ChuWei Defense, Quanpai Catering, Operations, Lidao Human Resources and Lixiang Life, to provide consulting and pre-intervention services for development and construction unit, and to provide intelligent operation, asset management services for industrial parks, to provide professional support services for the property sector counterparts, so as to provide all-round, one-stop property management services for the general property owners.

In 2024, Lidao Property, relying on its intelligent service system, successfully tendered for a number of projects outside the Group, including government, schools, art galleries, large scale corporate office buildings, rail transport and multi-city mobile business offices, etc. During the Reporting Period, the Group signed new contracts for the Three Gorges Base Hangzhou and Changlongshan area projects, Hubei Provincial Public Security Bureau, Chengdu Huawei High-end Integrated Circuit Industrial Park, Wuhan Railway Transportation, etc., amounting to RMB61.2 million; the revenue from property management services for the year amounted to RMB793.3 million, representing a decrease of 14.3% as compared to that of the same period in 2023.

At the end of 2024, Lidao Property managed an area of 29,350,000 sq.m., of which 73% is estimated to be provided to enterprise customers. In the future, Lidao Property will continue to promote the "Product Power + Organisational Power + Digital Power" trinity of service power pattern, continuously improve and enrich the connotation of comprehensive services for urban operations, and promote the Lidao Property brand into various services, by which time the operating income from property management services is expected to enter a high-speed upward channel.

Property leasing services

Established in August 2015, OVU Maker Star is a professional operator of technology business incubators and co-working spaces under the umbrella of CEOVU. Closely following the national development strategy, OVU Maker Star positioned itself to introduce and nurture strategic emerging industry clusters in various regions and industries, and empowered enterprises to innovate in science and technology and create value by taking science and innovation services as its core competitiveness. Adhering to the principle of "linking all resources for entrepreneurs", the Company has built a technological innovation service system with "1+2+3+4+5+N" as the core framework, which covers the creation of a two-innovation ecosystem, a multi-level incubation system, acceleration, and integrated operation and management, and effectively promotes the innovation of large, medium and small enterprises in a synergistic way.

OVU Maker Star is operating 37 sites with a total area of 400,000 sq.m. for innovation and entrepreneurship in 24 innovative cities across the country including Shanghai, Shenzhen, Wuhan, Chengdu, Xi'an, Changsha, etc. It has supported over 2,000 innovation teams and gathered over 80,000 innovative businessmen and entrepreneurs.

In 2024, there were 2 new incubation demonstration bases and 1 new co-working space that are up to provincial standard. Furhter, as at 31 December 2024, OVU Maker Star has received over 50 qualifications for its site operations including 2 demonstration bases, 7 technology business incubators, 9 co-working spaces, 2 innovation and entrepreneurship demonstration bases for small and micro enterprises and 1 advertising incubating platform that are up to national standard; 11 incubators and 11 co-working spaces that are up to provincial standard; as well as 2 incubators and 6 co-working spaces that are up to municipal standard. It was awarded over 80 awards from institutions including the National Development and Reform Commission, Torch High Technology Industry Development Center of the Ministry of Science and Technology, China Innovation and Entrepreneurship Trading Office and China Association for Science and Technology Enterprise Service Center.

In 2024, more than 882 visits were received by OVU Maker Star from over 102 groups of government bodies, institutions and social organizations, which further demonstrated the value as regional benchmarks for technology innovation and incubation; nearly 38 events were individually or jointly organized, such as industry contests, industry salons, corporate training and resource connection, covering more than 100 innovative and entrepreneurial enterprises, and connecting resources and effectively enhancing the vitality of innovation and entrepreneurship in enterprises; standards for service were developed and classified into 5 categories with 36 rules and more than 70 standard documents, which effectively improved the operational efficiency and provided guidelines for asset-light operation and output.

During the Reporting Period, benefiting from the Group's well-established industrial park integrated operation service system, the industrial park leasing business achieved a steady upward trend, with revenue of RMB111.2 million, representing an increase of 14.4% as compared with the corresponding period in 2023. It formed a synergy with the industrial park development business to achieve a better industry clustering effect.

Energy Services

CEC Energy Conservation, relying on China's regional energy resources and based on the integrated energy comprehensive full life-cycle operation service, adheres to the concept of "Green Constructs Multi-Win", actively responds to the national strategies of "Green Low Carbon Cities, Digital Cities, and Transformation of Energy Structures". Focusing on the concept of "Digital Energy", the company creates a digital platform for industrial information, fully supports the industrial ecology of China's information and innovation industry and the construction strategy of Digital China, and insists on promoting the development of clean energy industrial system construction at the urban and regional levels, and devotes itself to the goal of carbon peaking and carbon neutrality. At present, the total service area exceeds 20,000,000 sq.m., and the service customers exceed 6,000.

Based on years of deep research on integrated energy, the company has created OVU Low Carbon Cloud, a low-carbon industrial park operating system with a unified architecture and intelligent management with full-link synergy. Taking this as a link, it has completed the low-carbon industrial park application scenario with full coverage of source network, load and storage.

CEC Energy Conservation always adheres to the starting and ending point of serving users, society and government, and continues to promote energy-saving technology innovation. CEC Energy Conservation is the Wuhan Regional Energy Research and Application Centre, Wuhan Enterprise Research and Development Centre, the System Control Centre of China Building Energy Conservation Association, and the Vice-President Unit of the Regional Energy Association, and it has obtained more than 53 intellectual property rights in the key areas of low-carbon smart industrial parks.

During the Reporting Period, CEC Energy Conservation had new contracts amounting to RMB277.1 million. In 2024, the income from energy services was RMB198.0 million, representing an increase of 0.8% as compared to that of 2023.

Group Catering and Hotel Services

Established in 2011, Wuhan Quanpai Catering Management Co., Ltd.* (武漢全派餐飲管理有限公司) ("**Quanpai Catering**") is experienced in group catering management. It offers catering services that cover three major service models, namely contractual operation, technical support and operation, and entrusted management, to serve various large-scale industrial parks, higher education institutions, enterprises and public institutions, and hospitals etc. At the current stage, its annual catering capacity has reached 10 million person-times. Based in the industrial parks, Quanpai Catering not only provides services for the Group, but also promotes the business atmosphere in the park as a business incubator at the same time, attracting various businesses into the park and improving its comprehensive service capabilities.

Wuhan Ziyuan Hotel Management Co., Ltd.* (武漢紫緣酒店管理有限公司) (“**Wuhan Ziyuan Hotel**”), with high-end hotel industry chain service capabilities, provides hotel project consulting, hotel design, hotel construction, and hotel operation services. Wuhan Ziyuan Hotel is the first hotel invested in and constructed by CEOVU. It is a modern art boutique hotel located in the park of Wuhan Creative Capital. The hotel has 54 suites and boutique rooms with modern art as the theme, including Yaxu Western dining room, Heyuanyan Chinese dining room, wine bar, cigar bar, outdoor infinity pool, high-end SPA, indoor golf, gym, multi-functional high-end banquet hall, conference room, and other supporting facilities.

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

In 2024, CEOVU adjusted the business strategies of group catering and hotel services and built and operated 4 hotels and 16 apartments for 16 projects in 13 cities across the country, the overall operation of which were satisfactory. The occupancy rate of the 654 suites of Changsha OVU Apartment reached 93%. Nearly 1,000 suites of Wang’an Apartment operated by Wuhan Ziyuan Hotel were all put into operation.

During the Reporting Period, revenue from group catering and hotel services amounted to RMB150.8 million, which decreased by 5.8% as compared to the same period of 2023.

II. Industrial Park Development Services

In recent years, with the strategic goal of building a leading industrial resource sharing platform in China, through the digital platform Park Pass (園區通), the Group has built a systematic and structured cross-regional coordination mechanism, which gives full play to the radial and leading influence of three window cities, namely Wuhan, Shanghai and Shenzhen, and further promotes cross-regional industrial cooperation and resource sharing in terms of space, market, capital and talents, etc.

During the Reporting Period, revenue from the property development in the industrial parks amounted to RMB1,372.7 million, representing a decrease of 42.5% as compared to that of the same period in 2023.

1. Sales of Industrial Park Space

During the Reporting Period, sales of industrial park space of the Group has added new contracted area of 282,000 sq.m., with contracted value of RMB1,541.6 million and annual collection of RMB1,494.0 million. Revenue amounted to RMB1,109.4 million, representing a decrease of 48.6% compared with the same period of 2023, which was mainly due to the adjustment of corporate strategy and affected by the macro business environment in China.

During the Reporting Period, the income from the sales of space of self-owned industrial parks of the Group was mainly contributed by three cities, namely Nantong, Qingdao and Shanghai. Among which, Nantong Company has implemented refined management, strengthening process control and fully motivating employees. At the same time, it has focused on industrial positioning and accurately targeted its customers, signing contracts with major customers such as Nantong Huiheng Electrical Equipment Company* (南通輝恆電氣設備公司) and Nantong Junzhirun Clothing Co., Ltd.* (南通君之潤服飾有限公司), with a turnover of RMB182.4 million for 2024, accounting for 16.4% of the sales from the sale of space in the self-owned industrial park; Qingdao Optics Valley Union Development Co., Ltd.,* (青島光谷聯合發展有限公司) capitalized on its advantages of excellent industrial park ecology, comprehensive supporting facilities, high-quality construction, made making careful planning and precise plans targeting at large and medium-sized customers, attracted companies such as Xinlan Electronic (Qingdao) Co., Ltd.* (新藍電子(青島)有限公司) and Qingdao Yijia Cultural Media Co., Ltd.* (青島溢嘉文化傳媒有限公司) to settle in its industrial parks, with a turnover of RMB154.6 million for 2024, accounting for 13.9% of the turnover from sales of self-owned industrial parks; Shanghai Company seeks venture capital to support the Company. Focusing on the goal of attracting major customers, it signed contracts with major customers such as Shanghai Yijian Medical Laboratory Co., Ltd.* (上海奕檢醫學檢驗實驗室有限公司) and Zenguang Bioengineering (Shanghai) Co., Ltd.* (增廣生物工程(上海)有限公司), with a turnover of RMB97.0 million for 2024, accounting for 8.7% of the sales from the sale of space in the self-owned industrial park;

In 2024, there were 31 projects in 23 cities where space of self-owned industrial parks were sold. This demonstrated that the layout of the Group's industrial parks business in major cities across the country has been widely recognized by the market and our clients, and the multi-zone park layout is conducive to lowering the systematic risk and ensuring the annual target of the revenue from sales of industrial parks can be achieved.

2. Development and Completion of Industrial Parks

In order to further focus on distinctive industries and construct manufacturing-themed parks, the Group has adopted the strategic direction of serving the manufacturing power through "Responsive Customization (敏捷定制)", which has facilitated the transformation and upgrade of local industries. During the Reporting Period, the total area of construction commenced amounted to 414,000 sq.m., and completed construction area amounted to 429,000 sq.m. As at the end of the Reporting Period, the total area under construction was 678,000 sq.m.

3. Land Bank of the Industrial Parks

As at the end of the Reporting Period, the Group owned approximately 4,914,000 sq.m of high-quality land bank for the industrial parks in various cities, including Wuhan, Shanghai, Qingdao, Changsha, Chengdu, Tianjin, Hefei, Chongqing, Shenyang, Luoyang, Xi'an, Wenzhou, Ezhou, Nantong, Heyuan and Yantai, etc.

4. Self-owned Industrial Park Property Leasing

During the Reporting Period, the Group owned 893,000 sq.m. of leasable area of self-owned properties, which increased by 74,000 sq.m. as compared to last year. As at the end of the year, leased area amounted to 647,000 sq.m., with an occupancy rate of 72%. The Group recorded a rental collection of RMB283.7 million. High-quality self-owned properties enriched the ecological system of industrial parks, enhanced the dynamic of the parks, helped attract investment and improved the brand power of the Group. During the Reporting Period, an operating revenue of RMB263.3 million was recorded, representing an increase of 15.0% as compared to the same period of 2023.

III. Industrial Investment

CEC & CICC and Lingdu Capital of CEOVU have established a number of industrial investment funds. An industrial ecology featuring IT application innovation and network security, integrated circuits, digital cities, smart manufacturing, cultural, creative and entertainment industry has initially taken shape.

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

Under CEOVU's Park + Fund model, Lingdu Capital continued to expand the fund business in various cities in 2024 to empower the industrial park business. The funds in Bazhou, Caidian, Baoding, Handan and Guiyang were contracted and set up. It has supported industrial park development business through real estate fund business, and set up Changsha Real Estate Fund* (長沙不動產基金) during the year. In terms of equity investment, during the year, it made additional investments in Join Yuan Technology (俱源科技), Migelab (聚睿衆邦) for new materials, and made new investments in strong polarization vision, Chuangrong Additive (創融增材), and Dashang Coffee (大賞咖啡) for high-end manufacturing; meanwhile, Shaanxi Kelong New Materials Technology Co., Ltd was successfully listed on the Beijing Stock Exchange. In addition, the invested projects of Lingdu Capital have brought 18,000 sq.m. of occupancy of industrial park to existing parks.

In 2024, Lingdu Capital established a total of three equity investment funds, namely the Handan Fund, Bazhou Fund and Guiyang Fund, with a total subscription scale of RMB1,800 million; established the Changsha Real Estate Fund with RMB430 million; established the Shanghai Yida Fund with RMB781 million, which is mainly invested in related high-quality targets such as artificial intelligence laboratories.

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

As of 31 December 2024, CEC & CICC raised RMB2,821.0 million and its total cumulative investment amount was RMB2,346.1 million. Some invested projects made significant progress in 2024: Hunan Changbudao Optoelectronics Technology Co., Ltd.* (湖南長步道光電科技股份有限公司) was listed on the National Equities Exchange and Quotations; Yihua Technology (Beijing) Co., Ltd.* (翼華科技(北京)有限公司) completed its Series B financing.

OUTLOOK OF 2025

In 2025, the Company will adhere to the development of new productivity forces and the construction of a modern industrial system in accordance with actual circumstances as its fundamental strategic goal, re-examine the new challenges and opportunities faced by the industrial park business in 2025, seize institutional opportunities, uphold the value concept of "openness, foresight and cooperation", focus on the construction of systematic management capabilities, strive to achieve greater growth in the scale of integrated operation business, significantly improve the operating quality of the industrial park development business, enhance the strategic synergy value of equity investment, effectively resolve the remaining management problems of joint ventures, strive to achieve steady progress in the operating goals for 2025, and achieve growth in the new contract amount, collection amount, and operating revenue.

Revitalizing stock to take effective measures to reduce inventory according to local conditions

The revitalization of stock assets is taken as the main strategic line to implement the principle of "park-specific approach" for stock assets, and take effective measures according to local conditions. We give play to the leading influence of "anchor (壓艙石)" companies, on the basis principle of early grasp and solid grasp, to ensure that the sell-through rate of projects completed more than one year ago and within one year reaches 80% and 50%, respectively; and also to ensure that the occupancy rate of investment properties completed more than one year ago and within one year exceeds 70% and 50%, respectively.

Constructing the new layout of quality development through incremental innovation

We will make quality plans for new projects according to new business models or new operating methods and highlight the demonstration impact and exploratory effect of development projects. Stressing on the new trends of demand for integrated development of technological innovation and industrial innovation, we will actively promote effective means such as crowdfunding development and cluster design and implement responsive customization development models in all areas. In addition, we will strictly control general development projects to ensure the compliance of new park development investment projects with high-quality development requirements.

Targeting the growth of industrial park operation business, deepening government-enterprise cooperation and promoting economic development in the industry

We will steadily advance the industrial park integrated operation business and utilize the growth of the industrial park integrated operation business as a strategic tool for transformation. Under the new market environment, we will further deepen the mutually beneficial cooperation between local governments and state-owned enterprises and transform the vision of contributing to the development of local industrial economy into the practice in reality of promoting the construction of a modern industrial system and improving the efficiency of resource allocation.

Refining the focus on the full-cycle management of equity funds to empower industrial park investment promotion and sustainable development

We will further improve the management of equity investment funds throughout their full life-cycle, deepen our cooperation with local governments and state-owned enterprises, completely utilize the fundamental role of equity investment funds regarding industrial park investment promotion and sustainable development, and accelerate the implementation of a number of industrial park integrated operation projects by carrying out high-quality equity investment projects. At the same time, we will reasonably arrange orderly withdrawal to make equity investment our important source of profit for the year's operating performance.

FINANCIAL REVIEW

Revenue

The revenue of the Group is generated from the income from industrial park development services and industrial park operation services. During 2024, the revenue of the Group for the year was RMB3,588.5 million, which decreased by 31.3% as compared to RMB5,220.6 million for the same period of 2023.

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

	Year ended 31 December			
	2024		2023	
	Revenue (RMB'000)	***% of total***	*Revenue (RMB'000)*	*% of total*
Industrial park operation services	**2,215,804**	**62%**	2,831,658	54%
Design and construction services	**780,711**	**22%**	1,245,032	23%
Property management services	**793,253**	**22%**	925,128	18%
Energy services	**198,015**	**6%**	196,489	4%
Group catering and hotel services	**150,837**	**4%**	160,176	3%
Property leasing services	**111,244**	**3%**	97,270	2%
Others	**181,744**	**5%**	207,563	4%
Industrial park development services	**1,372,727**	**38%**	2,388,898	46%
Sales of industrial park space	**1,109,433**	**31%**	2,159,882	41%
Self-owned industrial park property leasing	**263,294**	**7%**	229,016	5%
Total	**3,588,531**	**100%**	5,220,556	100%

In 2024, the revenue from industrial park development services was RMB1,372.7 million, accounting for 38% of the total revenue, which decreased by 42.5% as compared to the same period of 2023.

Industrial Park Operation Services

In 2024, the Group provided integrated operation services, such as design and construction services, property management services, property leasing services, energy services, and other services, for key projects of local government platform companies and large enterprises, and offered a variety of one-stop industrial park operation services to enterprises stationed in our industrial parks. The revenue of the industrial park operation services of the Group reached RMB2,215.8 million, representing a decrease of 21.7% as compared to the same period of 2023, among which, revenue from design and construction services reached RMB780.7 million, revenue from property management services reached RMB793.3 million, revenue from property leasing services reached RMB111.2 million and revenue from regional energy services reached RMB198.0 million, revenue from group catering and hotel services reached RMB150.8 million, and revenue from other services reached RMB181.7 million.

In terms of business type of operation services, the income from design and construction services, property management services and energy services accounted for 80% of the income from industrial park operation services, and is the major source of income of industrial park operation services currently.

COST OF SALES

Overview

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

During 2024, the cost of sales of the Group was RMB2,491.4 million, which decreased by 32.0% as compared to the same period of 2023. For the years ended 31 December 2024 and 2023, the cost of sales of the Group accounted for approximately 69.4% and 70.2% of the Group's revenue, respectively.

Cost of Sales of Industrial Parks

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

During 2024, the cost of properties sold by the Group was RMB716.5 million, which decreased by 43.9% as compared to the same period of 2023. For the year ended 31 December 2024, the cost of properties sold of the Group accounted for 28.8% of its total cost of sales.

Gross Profit and Gross Profit Margin

As a result of the foregoing, during 2024, overall gross profit of the Group was RMB1,097.1 million, which decreased by 29.6% as compared to the same period of 2023. The overall gross profit margin for 2024 was 30.6%, which increased by 0.8% as compared to last year.

Other Income and Gains/(Losses) – Net

During 2024, other income and gains, net of the Group were RMB103.4 million, which decreased by 65.7% as compared to the same period of 2023, primarily due to a gain of RMB100.0 million on disposal of the digital park business during the previous period.

Selling and Distribution Expenses

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

During 2024, selling and distribution expenses of the Group were RMB144.8 million, which decreased by 15.3% as compared to the same period of 2023. For the year ended 31 December 2024, selling and distribution expenses of the Group accounted for 4.0% of the Group's revenue, which increased by 0.8% as compared to the same period of last year.

Administrative Expenses

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

During 2024, administrative expenses of the Group were RMB378.1 million, which decreased by 14.5% as compared to the same period of 2023. For the year ended 31 December 2024, the administrative expenses of the Group accounted for 10.5% of the Group's revenue, representing an increase of 2.1% as compared to the same period of last year.

Fair Value Gains on Investment Properties

During 2024, gains from changes in fair value on the Group's investment properties were RMB4.5 million, which decreased by 97.2% as compared to the same period of 2023, mainly due to the fact that, there were more new areas of investment properties in 2023 as compared to 2024; in 2024, some projects fluctuated in line with market conditions, resulting in a decrease in valuation due to slight fluctuations and a downturn in rent.

Finance Income

During 2024, finance income of the Group was RMB60.3 million, which increased by 20.0% as compared to the same period of 2023.

Finance Costs

During 2024, finance costs of the Group were RMB350.6 million, which increased by 10.9% as compared to the same period of 2023, primarily due to the decrease in capitalized interest and the year-on-year increase of expensed interest following the completion of certain projects of the Group during the current period.

Share of Profit/Losses of Associates and Joint Ventures

In 2024, the Group had a share of profits of associates and joint ventures of RMB0.9 million, compared to losses of RMB6.0 million for the same period of 2023, which increased by RMB6.9 million as compared to the same period of last year, mainly due to the increase in profit of associates accounted for using the equity method.

Income Tax Expense

During 2024, the Group's income tax expense was RMB133.3 million, representing a decrease of 70.7% over the same period of 2023. The effective tax rates of the Group were 55.6% and 46.3% in 2024 and 2023, respectively.

Profit Attributable to Owners of the Company and Core Net Profit

As a result of the foregoing, the profit attributable to owners of the Company for the year was RMB95.7 million, representing a decrease of RMB411.0 million over the same period of 2023. After deducting the after-tax fair value changes from the investment properties of RMB3.4 million, the core net profit attributable to the owners of the Company was RMB92.3 million, representing a decrease of RMB293.3 million over the same period of last year.

Basic Earnings Per Share

The basic earnings per share were RMB1.30 cents in 2024 and RMB6.70 cents in 2023.

FINANCIAL POSITION

Properties under Development

As at 31 December 2024, the carrying amount of the Group's properties under development was RMB1,948.2 million, which increased by RMB300.5 million as compared to that as at 31 December 2023.

Completed Properties Held for Sale

As at 31 December 2024, the carrying amount of completed properties held for sale of the Group was RMB4,844.6 million, which increased by RMB500.0 million as compared to that as at 31 December 2023, mainly due to the fact that the completed property area was larger than the property area carried forward for sale in the current year.

Trade and Other Receivables and Prepayments

As at 31 December 2024, the Group's trade and other receivables and prepayments were RMB3,583.9 million, which decreased by RMB204.5 million as compared to that as at 31 December 2023 and accounted for 15.4% of the total assets, representing a decrease of 0.8% as compared to that of last year.

Trade and other Payables

As at 31 December 2024, the Group's trade and other payables were RMB3,681.6 million, which decreased by RMB498.7 million as compared to that as at 31 December 2023.

Liquidity, Financial Resources and Capital Resources

The Group primarily uses cash to pay for construction costs, land costs, infrastructure costs and finance costs incurred in connection with its industrial park developments, to service its indebtedness, and to fund its working capital and general recurring expenses. The Group primarily has cash generated through pre-sale and sale of its properties and proceeds from bank loans and other borrowings. For further details of the Group's borrowings, please refer to note 18 to the consolidated financial results of the Group.

In 2024, the Group's net cash outflow from financing activities was RMB316.1 million. The cash inflow from financing activities in 2024 was mainly from the bank loans of the Company, of which the cash outflow comprises the repayment of bank borrowings, other borrowings, as well as the payment of interests and dividends.

As at 31 December 2024, the authorized capital of the Company was HK$1,000.0 million divided into 10,000,000,000 shares of HK$0.10 each. Movements of the Company's ordinary shares are set out in note 19 to the consolidated financial results of the Group.

KEY FINANCIAL RATIOS

Current Ratio

The current ratio of the Group (being total current assets divided by total current liabilities) decreased from 1.40 as at 31 December 2023 to 1.28 as at 31 December 2024, which was primarily due to the increase in the current liabilities of the Group as compared to the previous year.

Net Gearing Ratio

The net gearing ratio of the Group (being the rate of interest-bearing debt less total cash to the sum of total equity and net interest-bearing debt, and multiplied by 100%) increased from 39.5% as at 31 December 2023 to 42.9% as at 31 December 2024. The ratio is still within the range of controllable risk.

Indebtedness

As at 31 December 2024, the Group's total outstanding indebtedness was RMB7,498.0 million.

As at 31 December 2024, the Group's unutilized banking facilities amounted to RMB3,352.2 million.

Contingent Liabilities

The Group provides guarantees for its customers' mortgage loans with PRC banks to facilitate their purchases of the Group's pre-sold properties. As at 31 December 2024 and 31 December 2023, the outstanding guarantees for mortgage loans granted to customers of its pre-sold properties were approximately RMB1,150.9 million and RMB1,136.1 million, respectively. The Group is comprehensively sorting out its contingent liabilities and urging customers in an orderly manner to apply for property certificates, in order to release its mortgage guarantee risks in time.

Net Current Assets

Current assets of the Group consist primarily of properties under development, completed properties held for sale, trade and other receivables, inventories and contracted work-in progress, short-term deposits with original maturities over three months, restricted assets and cash and cash equivalents. Total current assets of the Group were RMB12,640.0 million as at 31 December 2024, as compared to RMB12,539.0 million as at 31 December 2023. Our current assets remain stable. As at 31 December 2024 and 31 December 2023, aggregate cash and cash equivalents of the Group amounted to RMB1,619.6 million and RMB1,889.2 million, respectively, representing a decrease of RMB269.6 million as compared to that of last year, mainly due to the increase of net cash outflow in the financing activities of the Group.

Current liabilities of the Group consist primarily of trade and other payables, loans and borrowings, the current portion of deferred income and current tax liabilities. Trade and other payables mainly represent costs related to its development activities. Total current liabilities of the Group were RMB9,885.8 million as at 31 December 2024, as compared to RMB8,931.6 million as at 31 December 2023.

As at 31 December 2024, the Group had net current assets of RMB2,754.2 million as compared to RMB3,607.4 million as at 31 December 2023.

Total equity

Total equity of the Group was RMB8,871.7 million on 31 December 2024 and RMB8,896.8 million on 31 December 2023, representing a decrease of RMB25 million.

Capital Expenditures

Capital expenditure of the Group decreased by RMB15.5 million from RMB56.2 million in 2023 to RMB40.7 million in 2024. Capital expenditures of the Group were primarily related to expenditure for purchases of property, plant and equipment and purchases of intangible assets. The Group primarily financed its expenditures through internally generated cash flows, being primarily cash generated through pre-sale and sale of its properties and cash from bank loans and other borrowings.

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

The Group invests in certain financial instruments (including short-term and long-term investments). As at 31 December 2024, the total financial assets at fair value through profit and loss were approximately RMB844.2 million (31 December 2023: approximately RMB817.4 million). As at 31 December 2024, the Group did not have any individual major investments with fair value accounting for 5% or more of the Group's total assets.

Material Acquisitions

For the year ended 31 December 2024, the Group did not have any material acquisition of subsidiaries, associates and joint ventures.

Material Disposals

For the year ended 31 December 2024, the Group did not have any material disposals of subsidiaries, associates and joint ventures.

Significant Events After the End of the Year

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

Employees

As at 31 December 2024, the Group had 7,857 full-time employees. The employment cost of the Group was approximately RMB881.6 million for the year ended 31 December 2024. The Group entered into employment contracts with its employees to cover matters such as position, terms of employment, wages, employee benefits and liabilities for breach and grounds for termination. The remuneration package of the employees includes basic salaries, allowances, bonuses and other employee benefits. The Group has implemented measures for assessing employees' performance and promotion and a system of employee compensation and benefits.

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

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

Pledged Assets

As at 31 December 2024, the Group had pledged certain of its assets with a total net book value of RMB6,072.4 million for the purpose of securing outstanding bank borrowings, such assets including investment properties, properties under development for sale, completed properties held for sale and property, plant and equipment and restricted cash.

Market Risks

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

Liquidity Risk

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

Interest Rate Risk

The Group is exposed to interest rate risks, primarily relating to its bank loans and other borrowings, which had an outstanding amount of RMB7,498.0 million as at 31 December 2024. The Group undertakes debt obligations to support its property development and general working capital needs. The interest rate of interest-bearing liabilities has dropped from 5.13% in 2023 to 4.95% in 2024, and the cost of interest rates has been further effectively controlled.

Foreign Exchange Risk

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

Credit Risk

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

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

During the year ended 31 December 2024, the Company repurchased a total of 4,508,000 shares on the Stock Exchange at an aggregate consideration (excluding handling fees and stamp duty etc.) of HK$1,691,760. All the repurchased shares were cancelled on 2 February 2024.

Particulars of the repurchases are as follows:

Month	Number of repurchased shares	Purchase Price per share Highest *(HK$)*	Lowest *(HK$)*	Total consideration *(HK$)*
January 2024	4,508,000	0.38	0.345	1,691,760
Total	4,508,000	0.38	0.345	1,691,760

Save as disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the securities of the Company.

As of 31 December 2024, the Company did not hold any treasury shares. Please refer to the section headed "Share Award Scheme" below for details of the shares of the Company purchased by the trustee who was appointed by the Company for the purpose of implementing the Share Award Scheme.

SHARE AWARD SCHEME

A share award scheme was adopted by the Company on 22 December 2016 (the "**Share Award Scheme**").

The purpose of the Share Award Scheme is (i) to recognise the contributions by certain directors, officers and/or employees and to incentivize them in order to retain them for the continuous operation and development of the Group, and (ii) to attract suitable personnel for further development of the Group.

The Board resolved on 14 December 2021 to extend the Share Award Scheme for five years, which term will expire on 21 December 2026. In 2016, a trustee was appointed by the Company, who, for the purpose of the Share Award Scheme, purchased a total of 152,998,000 shares in the Company at a total consideration of HK$122,928,380 (equivalent to RMB110,105,000) according to the Share Award Scheme. As at 31 December 2024, none of the 152,998,000 shares has been granted. Details of the share award scheme are set out in the Company's announcements dated 22 December 2016 and 14 December 2021.

CORPORATE GOVERNANCE

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

The Company has adopted the principles and code provisions of the Corporate Governance Code effective for the year ended 31 December 2024 (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has complied with the principles and code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company.

Having made specific enquiry with all the Directors, the Company confirmed that all the Directors have complied with the required standards in the Model Code during the Reporting Period.

CHANGE IN DIRECTOR'S INFORMATION

Ms. Zeng Yumei resigned as a director of Tianma Microelectronics Co., Ltd. (a company listed on the Shenzhen Stock Exchange, Shenzhen stock code: 000050) on 31 December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

DISCLOSURE PURSUANT TO RULE 13.19 OF THE LISTING RULES

The Group did not fulfill one of the financial covenants related to the requirement on the ratio of consolidated EBITDA to consolidated net interest expenses for the year ended 31 December 2024 with respect to the Syndicated Loans amounting to RMB1,013,574,000 as at 31 December 2024, which caused the Syndicated Loans to become immediately repayable if requested by the banks. In addition, the Borrowings with Cross Default Conditions with a total amount of RMB1,345,475,000 as at 31 December 2024 that are subject to Cross-Default Conditions as a result of the non-compliance of the Syndicated Loans.

By 31 December 2024, being the balance sheet date of the consolidated financial statements of the Company for the year ended 31 December 2024, no wavier had been obtained from the lenders to waive the requirement from compliance of the relevant financial covenant or the cross-defaults. Consequently, the non-current portion of the Syndicated Loans amounting to RMB230,000,000 and the non-current portion of Borrowings with Cross Default Conditions of RMB437,883,000 with the original contractual repayment dates beyond 31 December 2025 were classified as current liabilities.

In March 2025, the Group successfully obtained written waivers for the Syndicated Loans to waive the requirement from compliance of the relevant financial covenant for year ended 31 December 2024 and obtained written waiver from the lender to waive the requirement from compliance of the Cross-Default Conditions for Borrowings with Cross Default Conditions from a lender amounting to RMB507,845,000.

GOING CONCERN

The Group did not fulfill one of the financial covenants related to the requirement on the ratio of consolidated EBITDA to consolidated net interest expenses for the year ended 31 December 2024 with respect to two syndicated loans amounting to RMB1,013,574,000 as at 31 December 2024, which caused the Syndicated Loans to become immediately repayable if requested by the banks. In addition, the Group had certain bank and other borrowings with a total amount of RMB1,345,475,000 as at 31 December 2024 that are subject to Cross-Default Conditions as a result of the non-compliance of the Syndicated Loans.

Due to the reason described in Note 2.1 to the consolidated financial statements in this announcement, the non-current portion of the Syndicated Loans amounting to RMB230,000,000 and the non-current portion of Borrowings with Cross Default Conditions of RMB437,883,000 with the original contractual repayment dates beyond 31 December 2025 were classified as current liabilities.

All of the above conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Plans and measures ("**Plans and Measures**") as set out in Note 2.1 to the consolidated financial statements in this announcement have been taken to mitigate the liquidity pressure and to improve the Group's financial position.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2024. In the opinion of the Directors, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above Plans and Measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2024.

Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis. Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its Plans and Measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows through the Plans and Measures.

Please refer to Note 2.1 to the consolidated financial statements in this announcement for further details.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The section below sets out an extract of the report by PricewaterhouseCoopers, the auditor of the Company, regarding the consolidated statement of financial position of the Group for the year ended 31 December 2024:

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements, which states that the Group did not fulfill one of the financial covenants with respect to two syndicated loans (the "**Syndicated Loans**") amounting to RMB1,013,574,000 as at 31 December 2024, which would cause the Syndicated Loans to become immediately repayable if requested by the banks. In addition, the Group had certain bank and other borrowings (the "**Borrowings with Cross Default Conditions**") with a total amount of RMB1,345,475,000 as at 31 December 2024 that are subject to Cross-Default Conditions as a result of the non-compliance with the financial covenants of the Syndicated Loans. These conditions, along with other events and conditions as set forth in Note 2 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

REVIEW OF THE ANNUAL RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established with terms of reference in compliance with the CG Code, and comprises three members, namely Mr. Qiu Hongsheng (independent non-executive Director), Mr. Qi Min (independent non-executive Director) and Mr. Qi Liang (independent non-executive Director). The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the audited annual results for the year ended 31 December 2024.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is expected to be held on 19 June 2025. A notice convening the AGM will be published in due course.

FINAL DIVIDEND

Taking into account the current operating and cash flow situation of the Company, as well as its future development and operating needs, the Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (final dividend for 2023: HK$2.50 cents per share).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from 16 June 2025 to 19 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 13 June 2025.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This announcement is published on the websites of the Company (http://www.ceovu.com) and the Stock Exchange (http://www.hkexnews.hk). The 2024 Annual Report will be made available on the websites of the Company and the Stock Exchange as and when appropriate.

By order of the Board
China Electronics Optics Valley Union Holding Company Limited
Liu Bo
Chairman

Hong Kong, the People's Republic of China
31 March 2025

As at the date of this announcement, the Directors of the Company are Ms. Liu Bo (Chairman), Mr. Zhang Jie, Mr. Hu Bin, Ms. Zeng Yumei and Mr. Zang Saijun as non-executive Directors; Mr. Qi Min, Mr. Qiu Hongsheng and Mr. Qi Liang as independent non-executive Directors; Mr. Huang Liping as executive Director (President).

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK$1 = RMB0.93 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

* *For identification purposes only*