



OVU中电光谷
产业资源共享平台

2019 Corporate Social Responsibility Report

China Electronics Optics Valley Union Holding Company Limited

OVU中电光谷
产业资源共享平台



TABLE OF CONTENTS

Wuhan Creative Capital

Keeping Value Mission in Mind and Aligning National Strategies

About This Report	06	Building new dynamism for a cyber superpower through digital operation capability	30
Chairman's Message	08	Driving innovative development at a new pace with the determination to create a carrier for mass entrepreneurship and innovation	40
An Overview of CEOVU	10	Leading a new highland for the coordinated regional development with "one platform and two methodologies"	49
Value Management	21	Developing with green ideas and promoting the new normal of ecological civilization	61
Value Vision for 2020	121	Stimulating China's cultural renaissance with artistic innovation	74

Adhering to Social Responsibility and Growing with Harmony

Creating value for shareholders	86	Appendix	123
Caring for employees	92	Appendix 1. Table of KPIs	123
Upholding high quality of products and services for customers	102	Appendix 2. List of Industry Honors and Awards	128
Cooperating with partners for win-win outcomes	110	Appendix 3. Rating of the Report	129
Contributing to social welfare and local communities	116	Appendix 4. Reporting Index	130
		Appendix 5. List of Internal Policies, Laws and Regulations	133
		Appendix 6. Feedback	136

01

ABOUT THIS REPORT

OVERVIEW

This is the second independent Corporate Social Responsibility (CSR) report published by China Electronics Optics Valley Union Holding Company Limited (hereinafter referred to as "CEOVU" "Group" or "We"). Based on last year's CSR report, we have made continuous improvements in the content and quality by clearly articulating the corporate value proposition and further refining the reporting system. Through the above adjustments, we aim to give stakeholders a more comprehensive picture of the Group's management and performance in environmental, social, and governance (collectively referred to as "ESG") practices in 2019.

Reporting Commitment

CEOVU pays special attention to the reporting process to ensure the completeness, materiality, balance, comparability, readability, and innovation when preparing its 2019 CSR report. The measures and performance in fulfilling social responsibilities are systematically elaborated in this report. Meanwhile, the Board of Directors of CEOVU undertakes the monitoring action for the authenticity of the information disclosed, ensuring that the report contains no false records, misleading statements, or major omissions.

Reporting Scope

This is the annual report covering the performance of the Group in fulfilling its environmental and social responsibilities from January 1, 2019 to December 31, 2019. In this report, it covers three main businesses controlled by the Group headquarters and its subsidiaries, including the space leasing and sales of industrial park, industrial park operation services, and industrial investment. For details of the Group's business, please refer to our 2019 Financial Report.

Reporting Standards

When preparing the report, the Group strictly complies with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as "ESG Reporting Guide") set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited published by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "HKEX") and refers to the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (hereinafter referred to as "CASS-CSR4.0") issued by the Chinese Academy of Social Science, the Sustainable Development Goals (SDGs) set by the United Nations General Assembly, and the Measures for the Administration of Social Value Work of CEOVU.

Sources of Information

All information disclosed in this report is derived from the official system documents, statistical reports, or relevant public information of the Group. The financial data from the 2019 Annual Financial Report of the Group. The monetary amounts involved herein are denominated in RMB unless otherwise specified.

Report Accessibility

The annual corporate social responsibility information of CEOVU is disclosed through this report. It is written in both Chinese and English languages and published in the electronic version. In case of any discrepancy between the Chinese and English versions of this report, the Chinese version shall prevail. You can view or download the report in a printable electronic format on the Investor Relations section of the Company's website (www.ceovu.com). Please refer to the official account of CEOVU for the brief report. For a printed version or any questions or suggestions about the report, please call us at (027)-87172095 or send an email to esg@ovuni.com.



This is the second CSR report of CEOVU.

While we were working on this report, Wuhan was forced to "press the pause button" by an unexpected outbreak of COVID-19. Regardless of personal safety, more than 3,000 employees of our company were determined to stand at the forefront of the battle against coronavirus disease in Wuhan. CEOVU's staff were fearless to put themselves in harm's way wherever they were in designated hospitals, mobile cabin hospitals, centralized quarantine sites, or over 30 communities throughout the city, best exemplifying how a business consciously took on a wide array of social responsibilities. At such a critical moment, I came to realize that "creating social value" can only be regarded as the fundamental reason for a company's existence.

2019 is the first year for CEOVU to implement the "New Growth Period" (2019-2022) strategic plan. We have always followed the concept of "innovation, coordination, green, openness, sharing", focused on the strategic goal of building "industrial resource sharing platform", took the initiative to align national development strategies such as "cyber superpower", "innovation-driven development", "regional coordination", "ecological civilization construction", and "cultural renaissance", and strived for a realistic and forward-looking approach in the business activities for continuous improvement in social value.

CEOVU, as a public company under the China Electronics Corporation (CEC), has constantly remained aware of the strategic mission and industrial ecological advantages of CEC, as is the "national team" for network security and information technology industry, fully leveraging our main expertise to participate in the great project of building a new generation of network information system. At present, based on the domestically-manufactured CPU, PK system, and industrial control system - programmable logic controller (PLC), which are all independently developed and led by CEC, we have created the most powerful "digital park system" for intelligent applications in China, which is served as the internet foundation for the integration of domestically-made intelligent industry and smart city. In 2019, the system version 2.0 was released at the Digital China (Fuzhou) Summit.

In response to the PRC "Innovation-Driven Development Strategy", we have further strengthened the construction of technology business incubators and makerspaces. By the end of 2019, 5 national-level innovation and incubation bases and 7 national-level makerspaces had been established respectively. Furthermore, we have set up a special fund - CCEIF - for investment in electronic information technology with China International Capital Corporation Limited (CICC). In 2019, 7 investment projects were completed, of which Shenzhen JPT Opto-Electronics Co., Ltd. was successfully listed on the science and technology innovation board. Allystar, specializing in the design of Beidou navigation and positioning chips, and Easylinkin, specializing in the IoT wide area networks, have both obtained a new round of financing of hundreds of millions of yuan. Thus, a new industrial model - "driven by central enterprises for the joint innovation of science and technology enterprises at all scales" - has been improved and upgraded under our efforts.

2.0 version

the most powerful "digital park system" for intelligent applications in China

5

national-level innovation and incubation bases

7

national mass innovation spaces

The industrial park development and operation business, taking the creation of "industrial resource sharing platform" as its strategic goal, has made a lot of headway in 2019, with 30 cities covered, 40 projects implemented, over 6,500 enterprises moved into the park, and over 400,000 people employed, which has played a fundamental role in promoting the coordinated development of regional economies. We have strived to review the practical experience we gained and to turn it into social wealth. In 2019, the book, "Planned Reform," was published, giving readers a thorough explanation of the "systematic planning methodology" initiated by CEOVU through the combination of theory and practice.

We are committed to facilitating the revolution in energy consumption. Wuhan China Electronics Energy Conservation Co., Ltd. (CEEC), a subsidiary of CEOVU, has maintained a strong momentum of growth, thanks to a breakthrough in the intelligent control technology of regional energy and its official launch. It has become one of the few successful cases in the field of regional energy that can bring about both significant social and economic benefits, making a positive contribution to the construction of ecological civilization.

Efforts have been made to explore new ways of integrating the development of Party building and enterprise management. We have set up a three-in-one management and supervision mechanism that combines the functions of discipline inspection and supervision of Party Committee, independent non-executive directors, and internal audit of the executive level, and also carried out education on honesty and self-discipline among Party members and cadres. Besides, through a combination of corporate strategic goals and annual performance tasks, we have launched educational activities on the theme of "Staying True to Our Founding Mission" to stimulate the enthusiasm of the majority of Party members for reform and innovation, providing a political guarantee for the realization of annual business goals.

We have defined 2019 as the "Year of Innovation Culture" for enterprises, and are well aware that the accumulation of cultural deposits is the key to keep an enterprise alive. Therefore, the cultural value of CEOVU is to proactively undertake the mission of cultural renaissance, to actively promote public cultural initiatives, and to empower the industry with art. Over the past year, the United Art Museum held more than 10 high-level art exhibitions and dozens of "super classroom" public education activities for teachers and students of higher learning institutions, further improving its popularity and influence. In 2019, we initiated and held the first Wuhan Maker Art Festival to seek new ways to promote the integration of technology and art, arousing great repercussions for the whole society. Maker Art Festival has now become an important scientific and cultural event for Wuhan moving towards the new era.

The purpose of our annual summary and review of the performance over the past year is to let every CEOVU's operator bear firmly in mind that the core meaning of our daily hard work and any kind of contribution we make is to create social value.

30

expanded to cities

40

launched projects

6500+

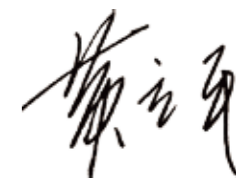
enterprises introduced to the park

400,000+

creating jobs

10+

high-level art exhibitions





Co-chairman, President
Huang Liping
China Electronics Optics Valley Union Holding
Company Limited

03

An Overview of CEOVU

ESG Issues (For more on ESC issues, see the chapter of Value management)

 <p>Technical innovation and intellectual property protection</p>	 <p>Customer information and privacy protection</p>	 <p>Compliance operations</p>	 <p>Anti-corruption and integrity building</p>
 <p>Promoting the construction of arts and culture</p>	 <p>Business performance</p>	 <p>Promoting industry development</p>	

Core Performance of This Chapter:

12 awarded software copyrights	1 awarded utility model patents	25 CEEC obtained utility model patents
80% the Group's operating system and office software has reached	RMB 3.2 million the investment in legalization amounted	0 The number of legal cases regarding corruption, bribery, extortion, fraud and money laundering during the reporting period

SDGs responded under this topic:



Our 2019

2019

The starting line of CEOVU to implement the "New Growth Period" strategic plan

Taking "one platform and two methodologies" as the strategic goal

The Group will explore a new era operation mode of industrial parks

Build a super industrial ecology and cultivate urban innovation

Provide integrated solutions for transformation and upgrading of regional economies and sustainable development

Looking back on 2019

CEOVU has always kept the mission of the times firmly in mind, remembered the original intention behind starting the company

Following the light

About CEOVU

- A strategic share-holding company of China Electronics Corporation (Remarks: CEC is China's largest state-owned comprehensive electronic information enterprise group, ranked 375th on the Fortune Global 500 list in 2019)
- Created a leading industrial resource sharing platform in China
- Listed on the Main Board of HKEX (Stock Code: HK00798)
- A leading domestic provider of industry-city operation service

Annual Major Events



On February 18 the industrial resource sharing platform of CEOVU was selected as the "Typical Cases of Enterprises in the Cloud" by the Ministry of Industry and Information Technology (MIIT); it had previously been listed as the "Leading case on Sharing Economy" by the National Development and Reform Commission (NDRC) in 2018.



On May 6 Huang Liping, Co-chairman of CEOVU (the then Chairman of CEOVU), officially released the industrial resource sharing platform version 2.0 at the Second Digital China Construction Summit.



On July 10 the third mobilization meeting of Wuhan Cultural and Creative Industries Association was successfully held in Wuhan Creative World.



On July 17 CEOVU officially signed the integrated operation project for the Wuhan Network Safety Base.



On August 15 the Group's 2018 CSR report was rated as a four-star (excellent) report by the Chinese Academy of Social Sciences (CASS).



On September 20 Wuhan International Maker Art Festival commenced at the United Art Museum, and the "Undefined Future" art exhibition launched simultaneously.



On September 30 CEOVU held a themed activity of "Hoisting Our National Flag and Singing Our National Anthem" to celebrate the 70th anniversary of the founding of the People's Republic of China.



On October 17 the 5th Anniversary of the Opening of the United Art Museum held by CEOVU.

GROUP PROFILE

01 General Introduction

China Electronics Optics Valley Union Holding Company Limited (Stock Code: 00798.HK), referred to as "CEOVU" was listed on the main board of the Hong Kong Stock Exchange on March 28, 2014.

Based on the cybersecurity and electronic information industrial resources of CEC and the comprehensive full life-circle operation services, CEOVU has built a new pattern for high-quality development of emerging industries, which is "driven by central enterprises for the joint innovation of enterprises at all scales," and created an industrial resource sharing platform with new features of industrial clustering, intelligent services, and investment networking.

In the future, taking the "industry-city integration, science-art integration, and harmonious coexistence of production, life, and ecology" as the planning concept, the national innovation-driven and industrial upgrading strategies as the overall goal, and the construction of "industrial resource sharing platform" as the strategic goal, CEOVU will carry out an in-depth implementation of "one platform and two methodologies," explore a new era operation mode of industrial parks, which is to build a super industrial ecology and cultivate urban innovation, and provide integrated solutions for transformation and upgrading of regional economies and sustainable development.

During the 2019 reporting period, there were no significant changes in the Group's organizational size, structure or supply chain, other than those disclosed in this chapter.

02 Main Business

Industrial park space service

including industrial park space sales and leasing services

RMB 7601.8 million

the Group secured new annual contracts amount

Industrial park operation services

including design and construction, property management, energy services, intelligent park services, incubators and shared offices, financial services in parks, catering and hotels, real estate agency, apartment leasing, sports and entertainment services, etc.

5597.5 million

the amount contracted for industrial park operation services

Industrial investment

Equity investment related to industries in each theme park

73.6%

the amount contracted for industrial park operation services accounts for the new annual contracts amount

During the reporting period:

The Group secured new annual contracts involving an amount of RMB 7,601.8 million, of which the amount contracted for industrial park operation services was RMB 5,597.5 million, accounting for 73.6%; the amount contracted for sales of industrial parks was RMB 2,004.3 million, representing 26.4% of the total. Remarkable integrated operation results were achieved at the first year of implementing the "New Growth Period" strategic plan.

RMB 3376.9 million

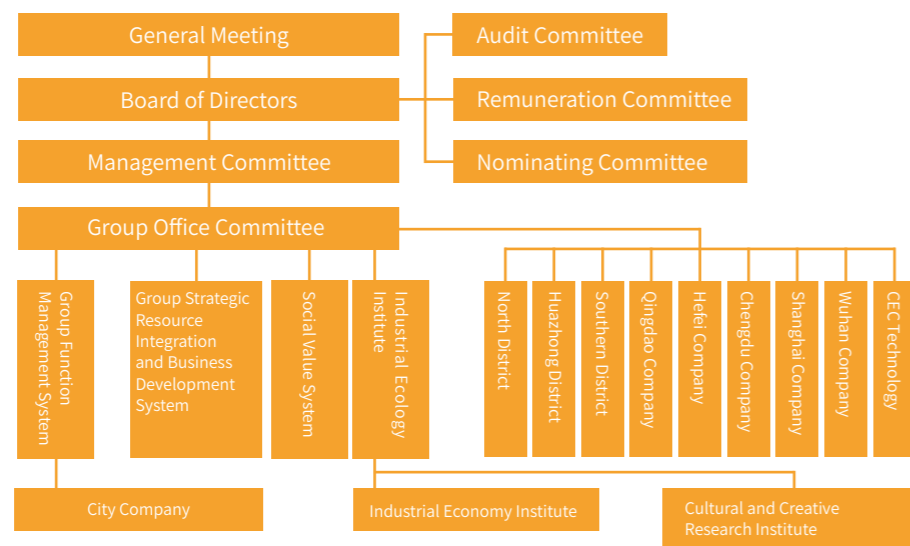
the Group's total revenue

The Group's total revenue reached RMB 3,376.9 million, up by 12.5% as compared to 2018. Among these, the income from industrial park operation and leasing services to the total revenue increased from 44.6% in 2018 to 51.0%. The adjustment of income structure better reflected the objective of the "New Growth Period" strategic plan of the Group.

51%

the income from industrial park operation and leasing services to the total revenue increased

03 Organizational Structure



Organization Chart of CEOVU

As of December 31, 2019, the Group has 25 wholly-owned subsidiaries and 15 direct holding companies under its management. The industrial park development and operation business of the Group has covered the northern, central, southern, eastern and western regions, and reached 26 important cities, such as Shenyang, Tianjin, Qingdao, Wuhan, Changsha, Shenzhen, Shanghai, Hefei, Wenzhou, Xi'an, Xianyang, and Chengdu, etc. The establishment of a nationwide business layout has been basically realized.

04 Intellectual Property Management

The Group attaches great importance to the protection of intellectual property rights. In strict accordance with the "Property Law of the People's Republic of China", "Patent Law of the People's Republic of China", "Copyright Law of the People's Republic of China", and other relevant laws and regulations, the Group actively carries out the declaration of intellectual property rights and patents to protect its intellectual property rights and interests. In addition, it promotes the work of software legalization, fully respects the intellectual property rights of partners, and scrupulously abides by the scope of the license.

During the reporting period, the Group was awarded 12 computer software copyrights, and CEC Energy-saving Co., Ltd. (the "CEC Energy-saving"), a subsidiary owned by the Group, was awarded 1 utility model patent. As of December 31, 2019, the Group has obtained 29 computer software copyrights, and CEC Energy-saving has obtained 25 utility model patents, 11 invention patents and 4 software copyrights.

As of December 31, 2019, the utilization rate of the Group's operating system and office software has reached 80%, and the investment in legalization amounted to RMB 3.2 million.

<p>12 awarded software copyrights</p>	<p>1 awarded utility model patents</p>
<p>25 CEC Energy-saving obtained utility model patents</p>	<p>4 CEC Energy-saving obtained software copyrights</p>
<p>80% the Group's operating system and office software has reached</p>	<p>11 CEC Energy-saving obtained invention patents</p>
	<p>320 the investment in legalization amounted</p>

05 Customer Information and Privacy Protection

The Group strictly observes the "Provisions on the Technical Measures for the Protection of the Security of the Internet", "Provisions on Protection of Personal Information of Telecommunications and Internet Users", and other laws and regulations, protecting customer information and privacy through a dual protection mode of management system and software technology.

At the Management System Level:

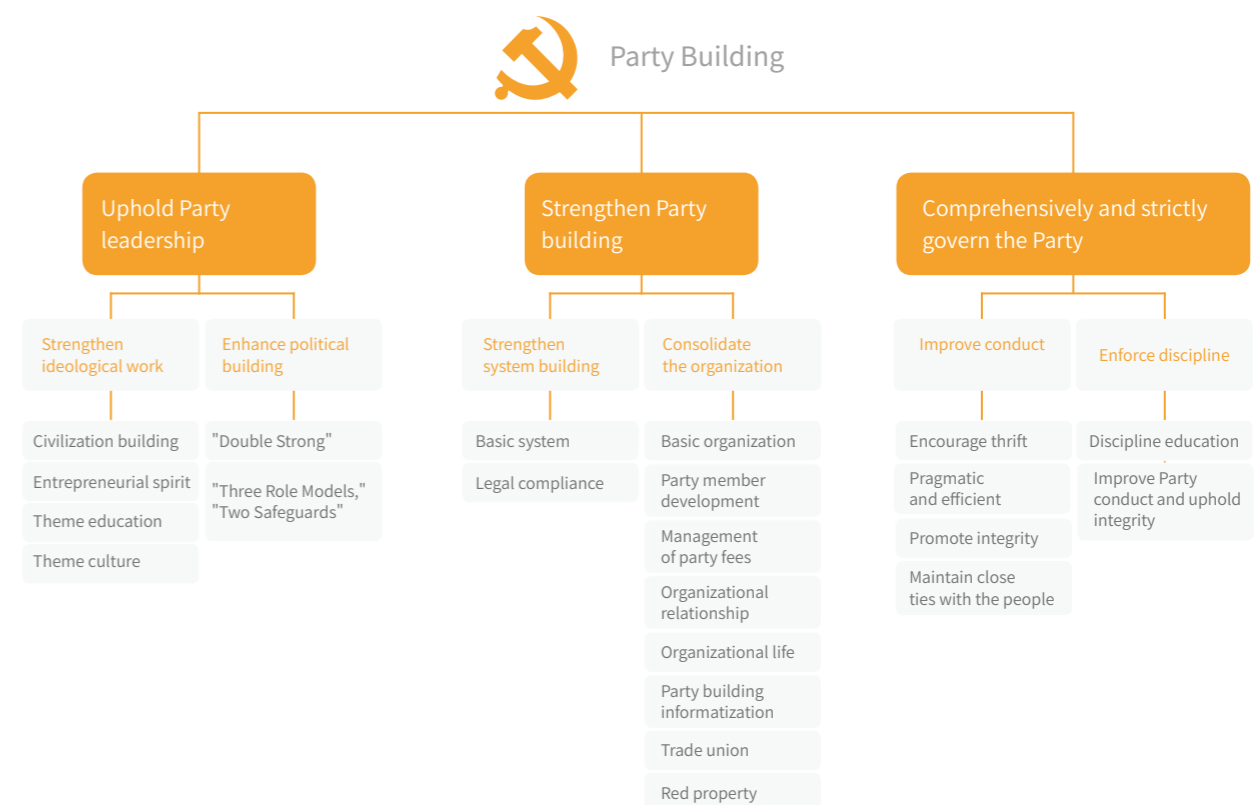
The Group has formulated and implemented the "Wuhan Optics Valley Union Group Privacy Policy", so that customer information is used and disclosed only within the scope authorized by the customers; meanwhile, through account management, authority management, and authorization reminder, the Group strictly controls the contact groups who can access the customer information, examines and approves permission applications via multiple processes, so as to keep customer information protected and secure.

At the software technology level:

Through the independently developed data encryption separation and storage system, and coupled with cloud service deployment and supplier confidentiality terms management, the Group reduces the risk of leakage of customer information and privacy in a multi-level and all-round manner.

Improving the Quality of Party Building

CEOVU is well aware that unwaveringly upholding Party leadership and strengthening Party building is the cornerstone for the company to realize high-quality development. In 2019, the Group continued to adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, took deepening study and implementation of the spirit of the 19th CPC National Congress, fully implemented the general requirements for Party building and the organizational lines of the Party in the new era, so as to reinforce and improve the work of Party building.



01 Developing a "Three-in-One" New Pattern of Party Building

In 2019, great efforts were made by the Group to explore new ways for the integrated development of Party building and business operations of the enterprise. It built a three-in-one internal control supervision system that consists of compliance management of the listed company, disciplinary supervision of the Party Committee, and internal audit of corporate operations, specifically defining the internal control responsibilities of the audit committee under the leadership of the board of directors. Besides, the audit office was renamed as audit and supervision office to strengthen the audit supervision function and to ensure that the Group's internal control and audit work can be concretely implemented under the leadership of audit committee. It also set up a discipline inspection commission that focuses on fortifying Party conduct and strictly enforcing political discipline, especially on the propaganda and education, inspection and supervision, under the leadership of the company's Party Committee. Through the above system design, the Group aims that, under the principles that are streamlined, efficient, pragmatic, and innovative, business operations and Party building can be mutually integrated, and the management of Party building can be promoted in all respects.

02 Fighting Against Corruption and Fostering a Culture of Integrity

In 2019, under the guidance of the "three-in-one" work system, the Group, on the one hand, strictly complies with the laws and regulations, such as the "Company Law of the People's Republic of China", "Anti-Unfair Competition Law of the People's Republic of China", and "Interim Provisions on Prohibition of Commercial Bribery", and has formulated and implemented the "Anti-Corruption Management System" to resolutely prevent bribery, extortion, fraud and money laundering; on the other hand, under the leadership of the Party Committee, the Group's discipline inspection commission comprehensively strengthens the construction of Party conduct and Party discipline in the company, and vigorously carries out the work on publicity, education, inspection and supervision in this regard. Meanwhile, all Party members and cadres of the company are requested to strictly abide by discipline and law, standardize the exercise of power, thus creating and reinforcing a culture of integrity at CEOVU.

The group has established multiple report channels, including report mailbox, email and hot line, and published them on its official website for the public to report and complain violations and illegal behaviors and conducts anonymously. The Audit Office has designated someone to be solely responsible for receiving reports and complaints about violations and illegal conducts. Each week, it reviews and records the information collected from various channels. It will conduct a joint investigation with the Party Committee Office in case such information concerns any Party member. After the investigation is finished, the investigator will directly and independently report relevant information to the management and the board of directors.

No legal cases against the Group or its employees involving corruption, bribery, fraud and money laundering were found during the reporting period.

03 Carrying out Various Forms of Party Building and Patriotic Activities

Case Sharing: An Education Campaign Themed on "Staying True to Our Founding Mission," and the Celebration of "July 1st" Party Building Festival

From June 29 to June 30, 2019, the Group held a two-day Party building activity, which was divided into two parts - visiting the red education base and studying the Party Constitution, with a total of 64 participants. During the activity, our Party members visited the Former Residence of Mao Zedong and its Memorial Hall, and the Former Residence of Liu Shaoqi to inherit the red gene, review the oath of the CPC, and memorialize revolutionary martyrs; participated in the "July 1st" themed activity of "Staying True to Our Founding Mission" in the Changsha CEC Software Park, studied the relevant chapters of the "Party Constitution" and Xi's important statements on "remembering our original aspiration, shouldering the mission, finding gaps, and emphasizing implementation;" Qi Min, member of the Group's Party Committee and Secretary of the Discipline Inspection Commission, made a special lecture on "studying the Party Constitution, strengthening the work on Party discipline, and upholding integrity" to the members of the Party Committee, members of the commission for discipline inspection, and other Party members who attended this education campaign.



Hu Bin, Deputy Secretary of the Party Committee and Executive President, led the Party members to review the oath of CPC in front of the bronze statue of Mao Zedong in Shaoshan. Group photo of the themed Party building activity

Case Sharing: The Themed Activity of "Hoisting Our National Flag and Singing Our National Anthem" that Celebrated the 70th National Day

On September 30, 2019, to celebrate the 70th anniversary of the founding of the People's Republic of China, CEOVU held an activity themed "Hoisting Our National Flag and Singing Our National Anthem." Under the organization of the Party Committee of each unit, and led by the secretary of each Party Committee, the headquarters of CEOVU, subordinate industrial chain companies, and city companies held flag-raising ceremonies in various parks across the country, with over 1,000 employees singing the national anthem together to pay tribute to the motherland. This themed activity fully demonstrated the cohesion and execution abilities of our Party organization, expressed a strong patriotic enthusiasm and national pride of all employees, and also showed a positive spirit of CEOVU that strives for progress and grows with the times.



Wuhan Creative World Park



Chengdu Chip Valley



Hefei Company



Qingdao Company



Scan for more information

Value Proposition

A message from the President:

As the saying goes, "The one who has Dao enjoys abundant support." For enterprises, "Dao", as mentioned herein, is the way to assume social responsibility, create social value, and also the way to achieve sustainable development. Attaining "Dao" is the goal that we have unswervingly pursued.

01 Taking Social Value as the Foothold and Starting Point of Enterprise Development Strategy

CEOVU is deeply aware that while generating material wealth, an enterprise shall bear social value creation in mind at all times. Only if the enterprises regard social value as the foundation of development strategy and continuously create such value can they maintain momentum needed for innovation and sustainable development, ensure long-term future of business, and attract more great talents with social value ideal to work together.

02 Seeking Sustainable Development Is the First Priority of Enterprises

Seeking sustainable development is the result of the symbiosis between the pursuit of profitable growth and the assumption of social responsibility by enterprises, and the most fundamental guarantee to increase employee benefits. It is also the first priority of CEOVU. In the face of the uncertain economic environment, CEOVU upholds the concept of social responsibility of "innovation, coordination, green, openness, and sharing," takes the construction of industrial resource sharing platform as the goal, deeply implements the "One Platform and Two Methodologies" strategy, and strives to create a new way of industrial organization collaboration and a new mode of cross-regional space services.

03 The Highest Form for An Enterprise to Repay the Society Is Culture

CEOVU has always believed that the ultimate value of business operation is culture, and it is impossible to achieve sustainable growth if an enterprise does not have social value. At the surface, the important path for enterprises to achieve social value is to create cultural value; at a deeper level, the improvement of the overall cultural literacy of enterprises is the fundamental driving force for innovation and development.

THE ROAD TO VALUE REALIZATION

01 One Platform and Two Methodologies

2019 is the first year for CEOVU to stride towards the "New Growth Period" plan. With the strategic goal of building an industrial resource sharing platform, we deeply implement the "One Platform and Two Methodologies," and promote the "System Planning Methodology" and the "Comprehensive Operation Methodology," striving for self-transcendence.

In terms of the construction of industrial resource sharing platform, after being listed as the "Leading Case on Sharing Economy" by NDRC in December 2018, our "Industrial Resource Sharing Platform" was also selected as the "Typical Cases of Enterprises in the Cloud" by MIIT in February 2019. In May 2019, the Digital Park 2.0 Version was successfully released at the Digital China (Fuzhou) Summit.

In 2019, guided by the methodology of "System Planning," we continued to further promote the diversified development of consulting business with system planning and industrial upgrading solutions as the core. While effectively integrating various resources to facilitate industrial clusters, we also created an industrial ecology to meet regional economic development and industrial upgrading.

In 2019, the upgrade of the industrial park operation business based on "Comprehensive Operation" was taken to a new level. The industrial chain business represented by Lidao Property, OVU Maker Star, Quanpai Catering, Real Estate Company, actively collaborated to provide professional support for the empowerment of city companies and to help them build industrial systems and develop comprehensive operational capabilities.



Glossary

"Industrial Resource Sharing Platform" refers to sharing industrial resources to enterprises, units, and individuals in need through a platform to create empowerment effects and superpose values.

"System Planning" methodology is to unify various specific plans of the company to realize the integration of multiple plans and provide valuable solutions for customers by system planning, which is an important magic weapon for CEOVU to adjust measures to local conditions, explore economic development in different regions, solve industrial agglomeration, and promote industrial upgrading.

The "integrated operation" methodology is an integrated business organization approach that is based on the digital park management system. Under the goal of creating an industrial ecology, it functions to coordinate and integrate a wide range of professional business capabilities.

02 Industry-City Integration, Science-Art Integration

In 2019, CEOVU continued to adhere to the strategic plan of "Industry-City Integration, Science-Art Integration", made active efforts to integrate into the CEC industrial resources system, showing our wisdom and strength on a larger stage.

The integration of industry and city reflects that the urban and industrial forms are well integrated and compatible with one another. The urban form supports the industrial form, while the industrial form fills the urban form, thus creating a healthy and sustainable industrial development model.

CEOVU has been engaged in the dissemination of culture and arts. It actively explores the feasibility of innovation and inheritance of traditional culture that is empowered by technology and space, and strives to play an important role in promoting the integration of culture and science to advance the development of cultural and artistic undertakings.

03 Collaborative Innovation Mechanism

The essential characteristics of collaborative innovation are cooperation and innovation, which breaks professional and organizational boundaries while giving full play to the synergistic effect of various professional capabilities and resources. Furthermore, it changes as time and achieves common development, common innovation, and co-existence for common prosperity through cooperation, supplement, and promotion, thus creating greater value for the rapid growth or transformation and upgrading of enterprises.



Tips

Borderless collaboration is a new mode of work innovated by CEOVU, with the main objectives of solving problems, reducing communication costs, and improving communication efficiency. When performing this brand-new mode in the early stage, a business unit acts as the main party to contact customers and make timely responses to their needs, issues, and inquiries, then followed by the other relevant business units as the collaborative parties. Under this work mode, all projects can be jointly organized and implemented through a clear division of labor and borderless collaboration.

04 Cultural Achievements

Being socially responsible, CEOVU proactively undertakes various cultural events and upholds the commitment of "making contemporary art approachable to the masses." It actively explores the approach to integrate arts activities into urban life by setting up art galleries and holding art exhibitions. With five years of efforts, the United Art Museum affiliated to CEOVU has gained expanded influence and become an important platform to promote not only the integration of science and art but also the construction of creative cities. It is also a vital way for CEOVU to create social value.

05 People Foremost

Talents are the foundation to build a nation and thrive business. At CEOVU, employees are considered the most valuable asset for the development of the enterprise. So, the Group has always embraced the people-oriented principle, safeguarding the rights and interests of employees and promoting their growth. Keeping staff happiness in mind, the Group actively innovates talent cultivation modes that match the realization of strategic goals, and creates better and larger development space for more managerial talents who have ambitions, want to act, and are able to deliver. Besides, it builds a promising career development platform and shares the fruits of the company's development with employees. The way we do is to demonstrate our commitment to protecting and caring for each employee.

04

Value Management

01 Social value management ideas

Corporate social values have been a development pattern, a competition mode, and a management strategy for any enterprise, making an important approach for it to enhance its core competitiveness. Based on its social value management ideas “Innovation, Coordination, Green, Openness, Sharing”, CEOVU has been making social values as an important part of its corporate strategy and dedicated to providing quality products and premium services for all customers. In addition, it has been abiding by social commitments, facilitating mass entrepreneurship and innovation, adhering to energy conservation and emission reduction, emphasizing humanitarian supports, engaging in public benefit programs, and actively cultivating new economic growth points so as to contribute to local urban industrial developments and China’s economic restructuring in an active manner.



In the 4th Annual Awards Ceremony of “2019 Elite HK-Stock Companies” held in Shenzhen, CEOVU was awarded the prize “Listed Company with Best Social Responsibility in 2019” due to its outstanding corporate social responsibilities.

02 Social value system

Within the report period, CEOVU issued the Measures of CEOVU for Social Value Management, establishing its social value objectives and principles, determining its social value management architecture, and making institutional norms on the communication, information collection, preparation, and assessment of CSR reports. Based on the ESG Reporting Guide and CASS-CSR4.0, it made a systematic illustration on its social value issues, providing institutional bases for establishing and improving the social responsibility management indicator system.

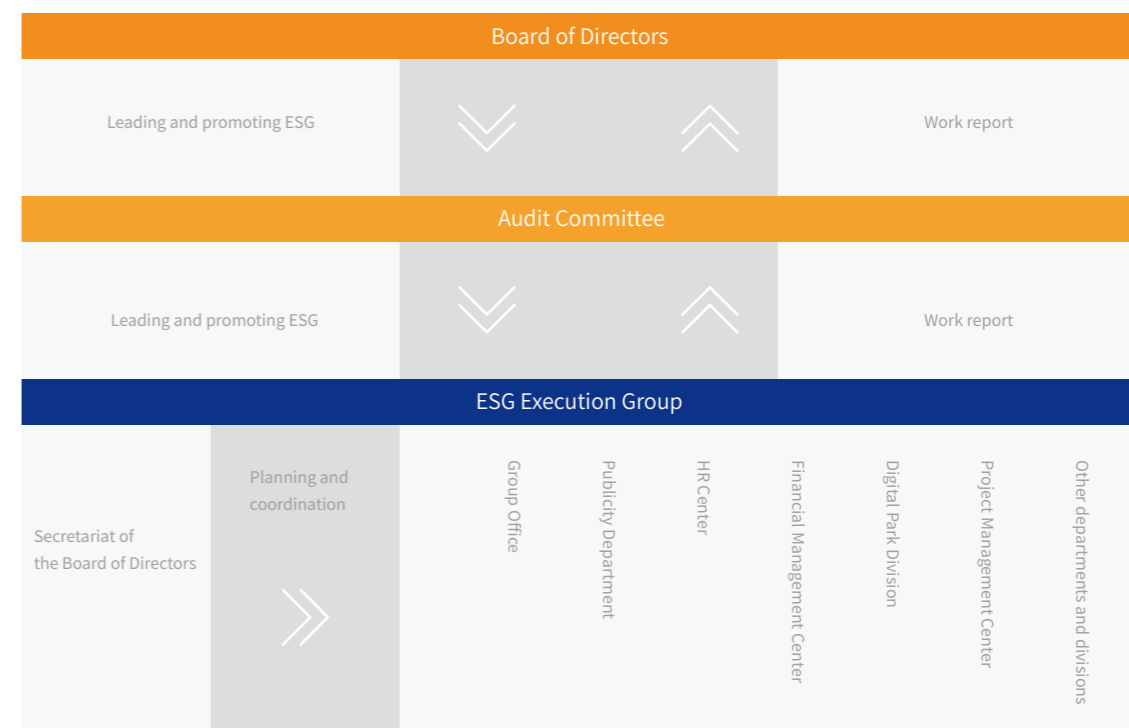
03 Social value strategy and plan

CEOVU upholds the concept of social value management. It is committed to advancing and realizing the unique social, economic and environmental value of the Group in serving national strategy and enabling industry development. It actively responds to the expectations and requirements of the stakeholders such as shareholders, employees, customers, partners, and the public. By the end of the “new growth period (2019-2022)”, it is expected that an established social value management system and a set of well-organized value practice rules will be in place, and the values and culture of CEOVU will have been widely spread. Also, the social value management mode with CEOVU characteristics will become mature and contribute to the good social value image of the Group.

04 Management framework

In accordance with the Measures of CEOVU for Social Value Management, it includes corporate social values in its routine management led by the Board of Directors, executed by the Audit Committee, planned and coordinated by the Secretariat of the Board of Directors, and jointly implemented by relevant departments and divisions.

Decision-making level	As the social value leading group and decision-maker of CEOVU, the Board of Directors establishes its social value strategies and objectives, analyzes the impacts of development strategies and significant decisions on the environment and society, establishes the social value work processes and plans, and reviews and issues annual CSR reports.
Management level	As the social value responsibility group of CEOVU, the Audit Committee determines the social value management objectives, reviews its annual CSR reports on a preliminary basis, and submits them to the Board of Directors for approval.
Execution level	The Secretariat of the Board of Directors plans and coordinates the resolutions of the social value leading group, organizes the preparation of annual CSR reports, plans, communicates, and supervises the progress of all specific work. The group office, publicity department, HR center, and other departments and divisions are the members of the execution group to jointly cooperate with the Secretariat of the Board of Directors, facilitate the social value management of CEOVU, and promote its corporate social values and culture to its employees and stakeholders.



Social Value Management Framework Chart of CEOVU

05 Establishing social value indicator system

By referring to the ESG Reporting Guide and CASS-CSR4.0 (Chinese Academy of Social Sciences) as well as advanced sustainable development and social responsibility ideas at home and abroad and its actual conditions, CEOVU has established a set of social value management indicator system covering its internal capacity, stakeholders, and external development environment, involving 165 indicators in five fields and enhancing its social value management capability.



06 Social value trainings

We have normalized our social value trainings in the form of work exchange meetings with the establishment of the group's social value management system. Before preparing an annual CSR report, CEOVU organizes social value work meetings according to its core values (see featured topics) and value subjects, invites the leaders, key personnel, and liaisons from relevant departments, social responsibility systems, and industrial ecological system to discuss social value management, report system, preparation of featured topics, highlights of annual social values, and social value publicity.

07 Communication mechanism with stakeholders

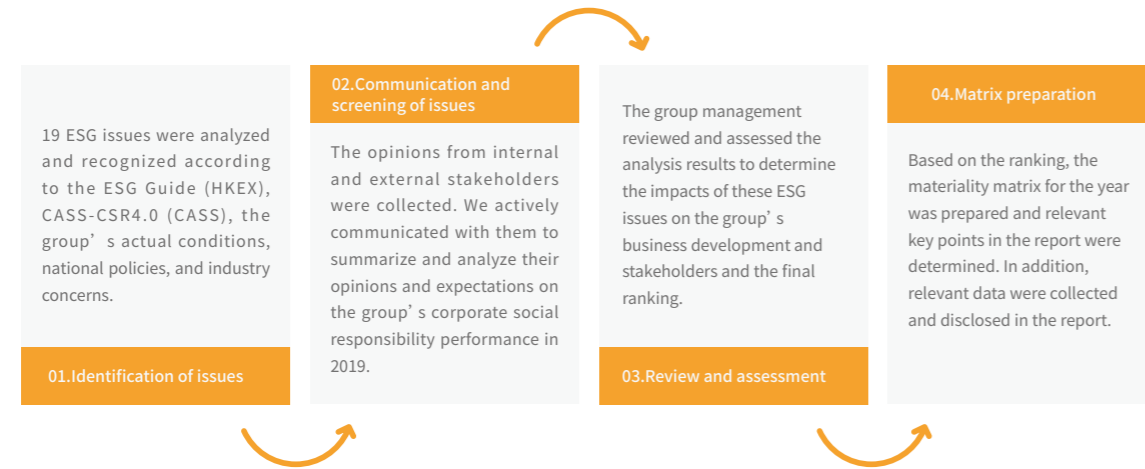
The group knows very well that numerous stakeholders contribute to our achievements and values. We regularly ask our stakeholders to participate in relevant activities to promptly know their appeals and expectations, so that we can review our business development and make rational sustainable development plans and strategies in an objective manner. The stakeholders, and our ways to respond to their expectations and appeals are as follows:

Stakeholder	Expectation and Appeal	Communication and Reply
Governments and regulatory authorities	Carrying out national policies Abiding by legal supervisory regulations Compliance with laws and pay taxes Supporting regional development	Adjusting innovative development strategies Accepting investigations and supervisions Enhancing anti-corruption and integrity construction Actively participating in regional construction
Customers	Protecting customers' privacy Product and service quality Commercial integrity Safeguarding legal rights and interests	Privacy guarantee measures and standard procedures Product and service quality control Optimizing internal control and risk management Compliance management
Employees	Protection of rights and interests Employees' career development Remuneration and welfare Healthy and safe working environment	Establishing the group's labor union Well-established talent training mechanism Competitive remuneration and welfare Establishing a safety management committee
Investors and shareholders	Financial performance Sustainable profits Protection of rights and interests Favorable corporate governance	Enhancing profitability Improving market value management Convening shareholders' meetings Regular reports and information disclosure
Suppliers and partners	Win-win cooperation Openness and fairness Realizing mutual growth	Improving supplier audit management mechanism Normalizing the threshold mechanism Enhancing the communication with suppliers
Industry associations/ experts/academic circles	Following industry practices Promoting industry progress Improving industry management level	Participating in industry practice assessment Participating in industry symposiums and exchanges Sharing thoughts on operation and management
Society and general public	Protecting community environment Engaging in social benefits Building harmonious communities Promoting community development	Fully practicing green operation Carrying out public benefit programs for poverty alleviation Actively participating in community construction Providing premium cultural resources

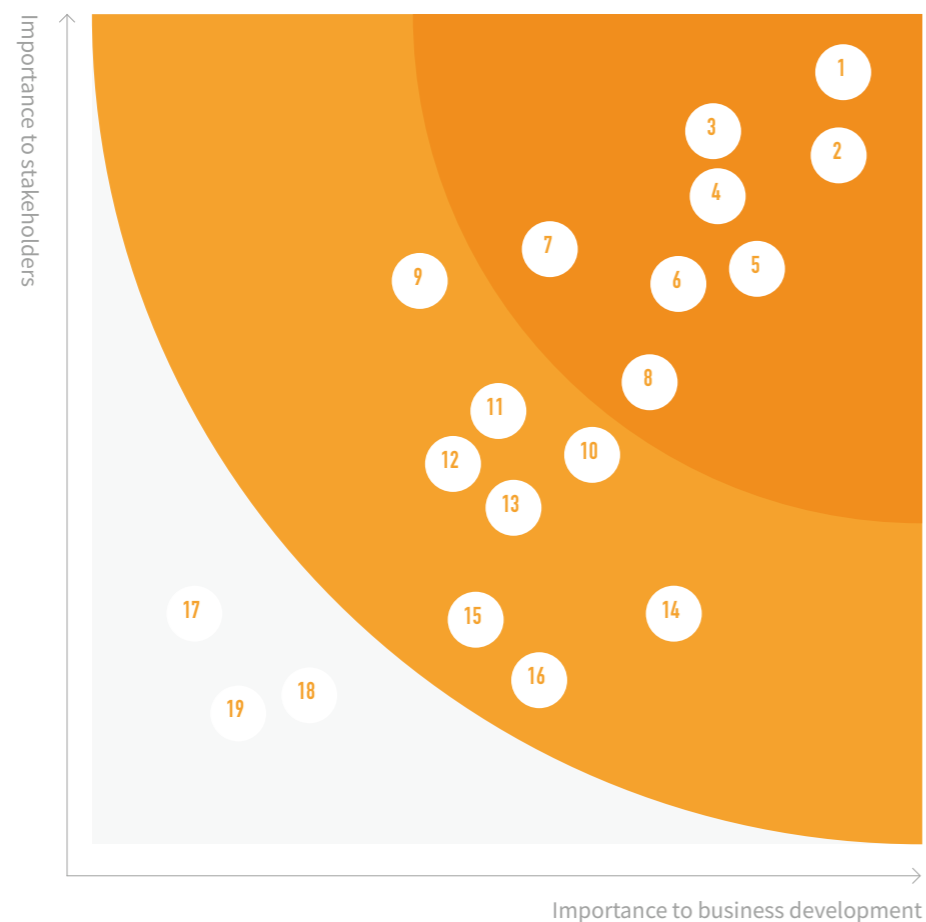
08 Materiality Assessment of 2019 ESG issues

In order to enhance the materiality of the annual CSR report, we strictly followed the analysis and assessment process for ESG issues, ranking the ESG issues for 2019 by combining with the stakeholders' expectations, the group's business characteristics, industry features, and national policies to guarantee that the report can reflect the significant impacts of the group on the environment, society, and economy and conform to the concerns of such stakeholders.

The assessment process of ESG issues is as follows:




Materiality matrix



Significance Level	Issue Rank	Issue Name
Very significant	1	Production safety and occupational health
	2	Technical innovation and intellectual property protection
	3	Project quality management
	4	Service quality and customer satisfaction
	5	Customer information and privacy protection
	6	Green and civilized construction
	7	Energy saving and green buildings
	8	Employees' career development
Significant	9	Investments in public welfare undertakings
	10	Employees' rights and interests protection
	11	Promoting the construction of arts and culture
	12	Compliance management
	13	Business performance
	14	Anti-corruption and integrity building
	15	Green operation
	16	Supply chain responsibility management
Less significant	17	Pollutant discharge management
	18	Job creation
	19	Promotion of industry development

Compared with the results of materiality assessment for 2018, the ESG issues for 2019 still focused on product and service responsibility, employee development, and environmentally-friendly features, and the specific ranking changed with the changes of stakeholders' concerns. The top three issues are production safety and occupational health, technical innovation and intellectual property protection, and project quality management.

Production safety and occupational health	Technical innovation	Project quality management
<p>Within the reporting period, the group kept optimizing its safety production management system and rules. It clearly determined the contents and responsibilities for each level of safety production management by establishing the safety production committee, and it introduced on-site patrol system to inspect the safety of construction sites. In addition, it kept improving the safety education for all employees. It kept ensuring production safety and employees' occupational health by actively carrying out educational and training activities related to safety instructions in safety production months.</p>	<p>Within the reporting period, the group was dedicated to industrial structural transformation and upgrading, technical change and innovations, and in-depth integration with S & T. By establishing the digital park division and digital apartment division, it kept promoting technical innovation and R & D, forming the IoT ecology with IoT technology and full lifecycle smart park operation as its core parts to fully promote the construction of smart parks and smart cities.</p>	<p>Within the reporting period, the group strictly controlled project quality by implementing the measures such as quality control procedures, hold point inspection management, project acceptance management, and general manager responsibility system. It established a project management patrol group to inspect and evaluate the plans, costs, and technology of each project. In addition, it provided regular trainings based on project quality management to ensure the implementation of its quality strategies and keep improving the quality awareness of its employees.</p>

- 
- 30. Building new dynamism for a cyber superpower through digital operation capability
 - 40. Driving innovative development at a new pace with the determination to create a carrier for mass entrepreneurship and innovation
 - 49. Leading a new highland for the coordinated regional development with "one platform and two methodologies"
 - 61. Developing with green ideas and promoting the new normal of ecological civilization
 - 74. Stimulating China's cultural renaissance with artistic innovation

Keeping the Value Mission in Mind and
Aligning National Strategies

05

Building new dynamism for a cyber superpower through digital operation capability



Scan for more information

ESG issues:



Technology innovation and intellectual property protection



Service quality and customer satisfaction



Compliance operation



Business performance



Promotion of industry development

Important achievements under this topic:

RMB 10.28million

special-purpose project funds provided by the "Mass Entrepreneurship and Innovation" platform

SDGs responded under this topic:



Message:

"The construction of a strong network-oriented and digital country and a smart society requires the deep integration of the Internet, big data, AI and tangible economy. That's how we can develop the digital economy and the sharing economy, as well as cultivate new growth points and create new momentum."

—Xi Jinping's congratulatory letter to the Fourth World Internet Conference on December 3, 2017

CEOVU, as an industrial park resource integration platform under CEC, has constantly remained aware of the strategic mission and industrial ecological advantages of CEC that is the “national team” for network security and information technology industry, fully leveraging our main expertise to participate in the great project of building a new generation of network information system. In 2019, CEOVU saw a historic step forward in its industrial ecology construction that centers around the building of the digital park. Down the road to the construction of the "digital park system", we started from industrial park application scenarios, focused on key technologies and saw creating a new smart city as the overall goal. The result is an IoT industrial ecosystem featured by low-power wide-area IoT, Beidou navigation and positioning ship, UHF RFID, indoor maps, passive switches, intelligent control, and cloud computing, among others.

INTELLIGENT PARK SYSTEM PLAN

01 Construction of intelligent park system

CEOVU is committed to building a security-oriented digital park, thus adding an important scene to the modern digital city launched by CEC. In 2019, CEOVU saw a historic step forward in its industrial ecology construction that centers around the building of the digital park. At present, based on the domestically-manufactured CPU, PK system, and industrial control system - programmable logic controller (PLC), which are all independently developed and led by CEC, we have created the most powerful "digital park system" for intelligent applications in China, which is served as the internet foundation for the integration of domestically-made intelligent industry and smart city. In the meantime, based on the full-life-cycle intelligent park management system, we've connected enterprises, spaces, equipment, talents and other information in and across the park with the help of the IoT and Internet technology. The result is an industrial resources-sharing platform allowing for access to technical, HR, policy and financial resources, among others. The creation of the industrial resources-sharing platform provides us the opportunity to offer the full-life-cycle solutions including investment, development, merchants and operation; build the four-in-one industrial resource sharing system covering industrial investment, planning and construction, merchants and operation, and enterprise services; and develop the all-around industrial park development, operation and service capabilities that contribute new solutions for industrial upgrading.

The digital park system has made its appearance at Shenzhen China Electronic Information Expo (CITE), The 2nd Digital China (Fuzhou) Summit, Chongqing Smart China Expo, Shijiazhuang China International Digital Economic Expo (CIDEE), Wuzhen World Internet Conference (WIC), Hunan (Changsha) Cyber Security & Intelligent Manufacturing Conference and some other important nationwide network information expos. The system version 2.0 was released at the 2nd Digital China (Fuzhou) Summit.

The digital park system, as a major part of the “Mass Entrepreneurship and Innovation” platform project under CEC intelligent industrial park, was awarded RMB 10.28 million special-purpose funds for project development.

After version 1.0 that focused on resources gathering, the digital park system is now heading towards the version 2.0 era where the data service is the highlight. Version 2.0 will focus on the creation of the "three capabilities and one index" system:



Construction and operation & maintenance capability regarding the two digital spaces

The two digital spaces refer to the integration of physical space and data space. The design of the top layer of CEOVU digital park adopts the "PK system" developed by CEC. The intelligent foundation created by the two digital spaces, construction and operation of the full-life-cycle system, and operation and maintenance, and the data-based cross-regional parks connection contribute to the modern governance structure of cities.



Cultivation of industry clustering capability based on innovative factors

The cultivation of innovative factors holds the key to the creation of industry clusters. Such efforts made by CEOVU allows for the transformation of industrial parks from high growth to high quality and finally contribute to the development of regional economic and industrial upgrading: introducing innovative factors through several sides to CEC network security and information industry ecology, CEOVU Industrial resource sharing ecology and core technology ecology; high attention to talents, technology and industrial funds; improvement of industry clustering capabilities through industrial value chain planning, intelligent planning, spatial planning, and integrated operation planning.



Building new dynamism through cross-regional industrial collaboration

The industrial resources sharing platform and the industrial Internet platform provide an opportunity for the connection of cross-regional industrial resources. They make cross-regional industrial resource complementation, industrial park replication across different cities that implement different rules and cross-regional and cross-industry innovation possible. And with the help of cross-regional industrial collaboration, the new dynamism is finally established.



OVU industrial dynamism index

The OVU industrial dynamism index is established based on the logistics and administrative data, market activity data, HR demand data, capital demand data, supply chain data and capital flow data of enterprises introduced to the digital space platform. The cross-analysis helps to provide the industrial park vitality index, SME credit index, and SME location index.

02 Intelligent park system app

The intelligent park system, as an important result of the transformation and development of CEOVU in the past few years, constitutes a comprehensive industrial park information network system for park investment attraction, management and operation. Under this system, companies in different cities are no longer in an isolated position for investment introduction and operation, but instead, they can mutually provide customer resources and information for the expansion of market. It is an extension of any single market business and an amplification of the overall value of a group. Only when the intelligent park system evolves into a product can it drive the development of the integrated operation management business. To promote integrated operation and fully bring out the value developed by each city and each park will create an advantage. To connect the established operation ability, management ability, coordination ability and service ability of urban companies to such new value will certainly create a significant improvement in efficiency.

Currently, the construction of the intelligent park focuses on six aspects: operation and management of comprehensive park, park-based hotel, art gallery, DHC energy, enterprises, and office space. And such six aspects are targeted at by different intelligent park system: intelligent integrated operation platform, hotel operation platform, art gallery operation platform, energy management cloud-based platform, OVU Park Pass, and Rui Space (“睿空间”) intelligent office operation platform. The relationship between each system is indicated as below:

The professional system offers area-specific apps for real estate, living facilities, property management, facility operation and maintenance, and energy services based on their demand. Those correlated data are shared on the integrated platform for the processing of related businesses. The creation of two digital spaces, the integrated platform and professional system data allows the Park Pass (“园区通”) and Industry Pass (“产业通”) to offer companies intelligent logistics and industrial resources, and the operating company on-site management and operation management services.

The intelligent IoT platform is employed to display the security, environment, equipment, energy consumption and resource status, making it possible to digitally introduce investments and accurately control the big data of all businesses in the park. The digital management system used by the park provides enterprises with full lifecycle services before, during, and after they have entered. The launch of the digital office, supporting living facilities and property-related makes higher business efficiency a reality. The digital park management system offers a cross-regional fund, talents, technology, enterprise resource, and product sharing platform, creating a cross-regional collaborative industrial resources network system.

Case sharing: Park Pass APP

The Park Pass app represents a portal for enterprises in the digital park management system. With the help of the Internet, big data, AI, IoT and some other IT technologies, the cloud-based park management platform makes the connection between enterprises in the park, between parks, and between parks and Internet-based platforms possible. This app provides 47 services to enterprises, including enter-the-park, administration and logistics, daily office work, among others, as well as platforms such as tendering, recruitment, crowdsourcing and market-expansion. These services allow enterprises, operation managers and visitors to have a better experience, and better allocate space resources for enterprises and improve the operational efficiency of them.



The enterprise user interface of Park Pass

Case sharing: The integrated operation project of the national network security base

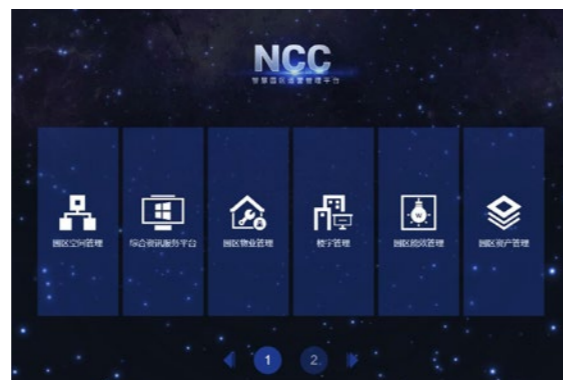
On July 17, 2019, Zhong Xin Network Security (Wuhan) Investment Development Co., Ltd. and CEOVU signed the Contract to authorize the integrated operation services of Wuhan Airport Economic Development Zone National Network Security Talents and Innovation Base (Phase I) and Municipal Roads at the Dongxihu District National Network Security Talents and Innovation Base (the "Network Security Base").

The National Network Security Base represents the first cybersecurity talent and innovation base. It is a major project to promote the implementation of China's network security strategy. Currently, CEOVU has provided 12 years of professional operation services to this project. This network security base plans to build the network infrastructure that integrates broadband and narrowband under the guidelines of "unified intelligent foundation, unified data platform, unified planning and design" and "separate construction and services", i.e. the "three unifications and two separates". The completion of such infrastructure will allow the establishment of the human-to-human communication system, human-to-things remote sensing system, things-to-human telemetry system, things-to-things IoT system. Thus the modern governance for the intelligent city can be achieved. The sustainable development of regional green ecology and the quick clustering in the network security industry ecology can be a reality.

On August 20, 2019, CEOVU and CITIC Industrial Cloud won the bid for "National Cybersecurity Talents and Innovation Base Digital Park Management System Construction and Application Integration Project". The construction covers basic IOC platform, integrated cybersecurity information service platform, intelligent mobile application platform, comprehensive park security management platform, park space operation platform and digital enablement platform. On November 30, the Network Security Base - Intelligent Park Operation Management Platform (1st version) independently developed by CEOVU was released.



The Signing Ceremony of Zhongxin Network Security and CEOVU



Network Security Base - Intelligent Park Operation Management Platform

Case sharing: Launch of Qiaokou Chutian Innovation Park system

On July 23, 2019, the digital park system was officially launched for trial operation. This system is designed to provide space operation, business services, etc. to the Chutian Innovation Park in Qiaokou District. The Chutian Innovation Park is an innovation and entrepreneurship center, technology R&D center, business service center for college students, as well as the "Chutian Zhihui" business incubation base established by Wuhan Qiaokou State-owned Assets Management Co., Ltd. On October 29, the version 2.0 platform was launched.



The Innovation Park App - operation page

Case sharing: 2019 Industrial Internet Innovation Development Project

On September 25, 2019, CEOVU won the bid for the BIM Design, Construction and Operation Platform Project under the "2019 Industrial Internet Innovation Development Project". The bid winning was created by 13 organizations, including CEOVU, CITIC Engineering, CITIC General Institute of Architectural Design and Research Co., Ltd. and Tsinghua University, among others. CEOVU was the leading organization in the subproject called the BIM Operation Software, and committed to the R&D of the BIM operation software platform.

CEOVU has been committed to the construction, development, management and operation of industrial parks. In the process of management and operation of parks, based on the BIM model, CEOVU has developed three systems, namely the BIM+IOT/PLC+APP (collaborative system), BIM+FM+ERP (management platform) and BIM+DHC (intelligent energy system), and launched them in several parks around the country. The results and experience produced from these efforts provide a sound foundation in terms of theory and practice.

INTELLIGENT INDUSTRIAL CHAIN ECOSYSTEM PLAN

Starting from industry clustering, and committed to the purpose of building China as a strong power in cyberspace and manufacturing, we aim at building a highland featured by the "PK system" and "intelligent manufacturing + Internet + information security". The result of such efforts is the intelligent-manufacturing and intelligent-service ecosystem that gathers the low-power wide-area IoT, Beidou navigation and positioning chip, UHF RFID, intelligent control, cloud computing and AI, among others, and further drives the high-quality development of SMEs and microenterprises.

01 EasyLinkin

Wuhan EasyLinkin Technology Co., Ltd. ("EasyLinkin") is a high-tech enterprise committed to the R&D and application of core technologies of low-power wide-area (LPWAN) Internet of Things owned by the Group. EasyLinkin has extensive experience in using the LPWAN technology. Currently, it has access to more than 300 terminal sensors from over 200 mainstream manufacturers around the world, and has launched more than 1,000 municipal, park and vertical projects. The actual number of IoT projects that we have launched tops the list in China.

Looking forward, EasyLinkin will become China's largest one-stop service platform for LPWAN IoT sensors. The development of the core technologies cloud + supply chain makes it possible to solve the three major problems in the IoT industry chain: high fragmentation, hard to standardize, and quality control difficulty. The application of cloud allows to provide unified data and service standards and models, the supply chain management allows to pool the most professional sensor suppliers, products, and solutions in this industry, thus creating a set of standardized quality system and after-sales system in the supply chain management.

Case sharing: EasyLinkin was awarded "2019 New Yiyi Zhongliu" enterprise (referring to enterprises that record a revenue at RMB 10 million to 100 million)

On November 22, 2019, the "12th Annual Meeting of Entrepreneurs & Industry Acceleration Conference" led by Dark Horse was held in Beijing. The "2019 Top 100 New Yiyi Zhongliu Enterprises" list developed by Dark Horse was officially released at this meeting. This list was initiated by Dark Horse together with 34 first-tier investment institutions. With objectivity and authority in mind, it aims at discovering more innovative companies with high future growth value. EasyLinkin, as a leading enterprise in the LPWAN field, displays rapid development and great industry value. It was counted in the "2019 Top 100 New Yiyi Zhongliu Enterprises" list and highly recognized by the industry.



EasyLinkin was counted in the "2019 Top 100 New Yiyi Zhongliu Enterprises" list

02 3D Thx

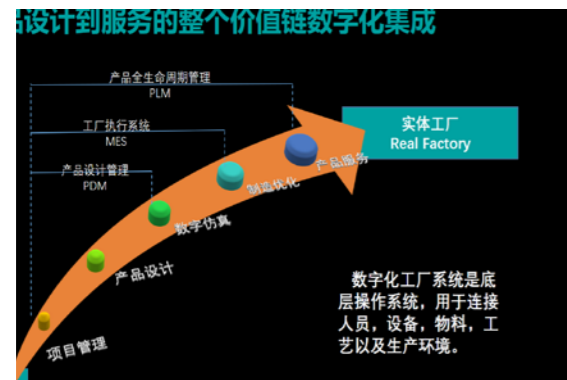
Hangzhou 3D Thx Co., Ltd. (“3D Thx”) is a system integrator owned by us that focuses on product-manufacturing big data and helps those SMEs and microenterprises in the service and the manufacturing industries provide personalized products. 3D Thx provides enterprises with digital factory solutions. Ten major core capabilities including design, production, logistics, sales, service, resource elements, interconnection, system integration, information fusion, and emerging business patterns are merged together based on “intelligence + manufacturing” dimensions. It allows manufacturing enterprises to assess the current status of intelligent manufacturing development and find the area for improvement. Hence enterprises can better plan and deploy their resources to provide way-outs and methods for the upcoming improvement, and enable the creation of intelligent plants covering the full life cycle of products.

The provision of digital solution allows 3D Thx to make the following improvements:

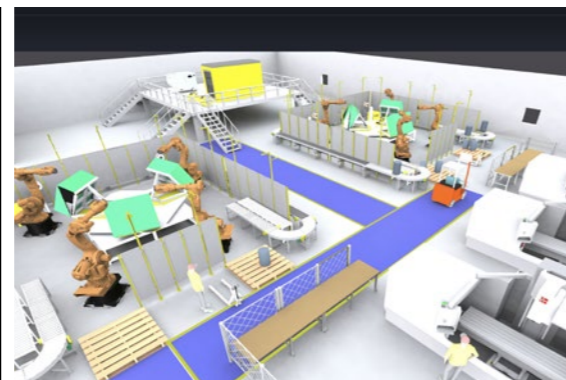
Intelligent manufacturing upgrading and transformation to reduce costs and improve manufacturing efficiency, and improve economic efficiency. The intelligent manufacturing upgrading and transformation of SMEs in the manufacturing industry can enable a full improvement in production capacity, management and business lines, and further provide better quality products. Digital solutions also allow enterprises to develop application and benefit analysis, and find the optimal benefit-seeking solution.

Effective connection of isolated management systems for better management decision-making. The digital solution allows for the integration of different systems and enables the connection of isolated management systems. Therefore, the management personnel in the plant can compare and analyze manufacturing data in real time to understand the production status for better decision-making.

Construction of flexible manufacturing capability. The digital solution allows enterprises to switch between mass production and short-run production as required due to the consistent quality, delivery time and costs. With such a solution, enterprises can switch the types of products in progress, and change the execution order of any supplementary works. Further, several machines can be mobilized simultaneously to process the same part, and thus enhance the competitive power of enterprises.



The Interface of the Digital Factory System



The Interface of Digital-Twin Production Line

03 RuiZhang Technology

RuiZhang Technology Co., Ltd. (“RuiZhang Technology”) is a high-tech enterprise focusing on IoT and IT service. It is an important member in our intelligent city industry chain. Equipped with the world-class RFID product performance R&D center and test center, the self-developed products of RuiZhang Technology cover a full range of IoT core products, including chips, tags, antennas, readers, handheld devices, integrated devices, middleware, cloud-based platforms, big data, etc. Also, it has over 100 international patents, and has led or participated in the preparation and formulation of several national IoT industry standards.

Case sharing: Launch of unmanned supermarket on Sichuan Zigong Ziliujing Old Street

On May 31, 2019, an unmanned supermarket called Xiqin Youxuan (“西秦优选”) was officially opened for business on the Ziliujing Old Street. It attracted over 100 citizens to visit. It is the first 24-hour unmanned supermarket featured by face recognition. Its official opening-up marked a new era of shopping in Zigong City – face scan payment. This unmanned supermarket was equipped with “RuiZhang U + Box” by RuiZhang Technology. The application of RFID technology made it possible to keep the business running with few logistics and tally personnel. The low costs and high flexibility are a result of innovation based on the consumption experience of modern people, which empowers business areas and merchants in the new and intelligent retail business field.

06

Driving innovative development at a new pace with the determination to create a carrier for mass entrepreneurship and innovation



Scan for more information

ESG issues:



Service quality and customer satisfaction



Compliance operation



Business performance



Jobs creation



Promotion of industry development

Important achievements under this topic:

1000+

OVU provided services to innovation teams and startups

5

national incubators national ad industry incubator base

7

national mass innovation spaces

1

national ad industry incubator base

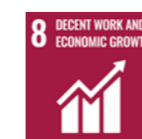
RMB 650 million

LingDu Capital managed the industrial funds

RMB 3 billion

CLP Zhongjin Fund raised capital

SDGs responded under this topic:



Message:

"We should focus on the innovation-driven development strategy. Innovation must be given priority because it is the primary driving force for development. The driving force for development determines the speed, efficiency, and sustainability of development...Innovation is the key to driving the overall social and economic development."

- By Xi Jinping

As an active response to the national strategy “mass entrepreneurship and innovation” and the recall of this time, CEOVU has deepened its transformation, and strives to explore industrial structure transformation, technical transformation and innovation, and deep integration of technology-oriented enterprises. The pursuit of comprehensive full-life-cycle operation services drives the Group to innovatively build an industrial resource sharing platform where “state-owned enterprises take the lead and enterprises at all levels make innovations jointly” . Such efforts have further systematically improved the innovation and business-starting environment, and fully exploited the potential of innovation and business-starting out of the society.

Creation of resources sharing platform

Directed by the purpose of “helping entrepreneurs access all resources” , Wuhan OVU Technology Co., Ltd. (“OVU”) controlled by the Group is committed to creating an innovative value-sharing ecology. The realization of the full-chain incubation service ecosystem will provide SMEs and microenterprises industry operation services and the most convenient resources-sharing platform. As of the end of 2019, OVU has created 38 stations in 18 cities across China and 413,000 m² innovation and business-starting space. It has provided services to 1,000+ innovation teams and start-ups, and gathered 80,000+ innovative talents and entrepreneurs. As the largest shared office resources brand in Central China, it has been recognized by the National Development and Reform Commission as a National Mass Entrepreneurship & Innovation Demonstration Base and a key project.

OVU integrates the resources of all sides and brings together elements required by the innovative industry, i.e. technology, talents, carriers, and capital, to offer a full package of services to enterprises introduced to the space:

<p>Featured platform services</p> <p>Create OVU online incubation and operation platform that offers a wide range of functions to provide access to space, investment and financing, business, human resources and other services required by entrepreneurs. Integrate offline resources to provide online crowd-answering and crowdsourcing services, community and life supporting facilities, etc.</p>	<p>Business communication service</p> <p>Organize seminars to analyze and discuss popular domestic and international entrepreneurship-related topics, and meetings to communicate with international start-ups incubation institutions and innovative opinion leaders; help start-ups to broaden their international vision.</p>
<p>Start-ups incubation service</p> <p>Provide incubation training courses on a regular basis to consolidate the management foundation of each start-up; divide start-ups introduced to the space into several groups and provide internal roadshow training to them separately; provide finance support or higher incubation training through “peer advisory groups” .</p>	<p>Team construction service</p> <p>Organize recruitment fairs, blind-date events, new year parties, creative markets, salons for start-ups introduced to the space on a regular basis to promote mutually beneficial cooperation</p>
<p>Venture capital investment service</p> <p>Help start-ups access funds of professional VC investment institution (LingDu Capital) under the Group and other well-known VC capital across the country. Facilitate the communication between start-ups and funds to help them grow faster.</p>	



The Office Environment Provided by OVU

As of December 31, 2019, OVU has won a number of quality certificates, including 5 national incubators, 7 national mass innovation spaces, 1 national ad industry incubator base, 6 provincial incubators, 9 provincial mass innovation spaces, 2 municipal incubators, 3 municipal mass innovation spaces, and 40+ other qualifications; in 2019, it was awarded the “Golden Bull Special Consultant” and “Top 100 Featured Spaces in China” and some other major honors. Looking forward, OVU will further establish cooperation with more leading innovation-oriented cities and innovation service institutions to build a shared office community and international innovation service network.

Case sharing: Change the world with AI – The AI Summit Forum

On April 26, 2019, the AI Summit Forum themed on “How to change the world together with AI” was kicked off in Wuhan Creative World. This forum was hosted by the People’s Government of Hongshan District, Wuhan City, and co-organized by the Management Committee of Wuhan Hongshan Economic Development Zone. OVU was the contractor of this event. It attracted more than 300 visitors from universities, technology companies, among others, of Wuhan.

This forum focused on the development and application of AI. At the forum attendees discussed the latest knowledge and development trends in the field of AI. They explored how to effectively use leading AI technologies and solutions to support decision-making and business development of enterprises, and further realize the application innovation and commercial value of AI. At the forum, Wei Qing, CTO of Microsoft (China), Zhang Haitao, Deputy Dean of School of Artificial Intelligence and Automation, HUST, and Zhang Zhenyu, co-founder of Geetest were invited to share their opinions. Together with those entrepreneurs attending this forum, they produced some very fascinating and deep discussions.



The AI Summit Forum

SOUND VC INVESTMENT TO BUILD ALL-EMBRACING FINANCING CHANNEL

Start-ups and SMEs and microenterprises are a group displayed with high potential and innovative capability. However, they tend to be constrained by financing plight due to limited resources. CEOVU sees the “mass innovation and entrepreneurship” strategy initiated by this country as its purpose, and attaches a lot of importance to the financing needs of enterprises. The creation of Wuhan LingDu Capital Investment Management Co., Ltd. (“LingDu Capital”), and CLP Zhongjin (Xiamen) Electronics Industry Equity Investment Management Co., Ltd. (“CLP Zhongjin”), and acquiring of Zhong Chuang Financing Guarantee Co., Ltd. (“Zhong Chuang Financing”) allow it to help enterprises introduced to the park access financing platforms, and further enable the effective matching of funds and industries. The consideration of the actual needs of enterprises and the availability of industrial and social resources make it possible for CEOVU to offer enterprises a wide range of comprehensive and full-lifecycle financial services. Such efforts facilitate the incubation and growth of start-ups and SMEs and microenterprises, and allow them to grow steadily.

Proper and well-considered investment strategy and risk management system was formulated as required by the Law of the People’s Republic of China on Securities Investment Fund, Interim Measures for the Supervision and Administration of Privately Offered Investment Funds and Measures for the Administration of the Fundraising of Privately Offered Investment Funds when the VC institution under our group was conducting private investment activities. It timely performed obligations including interest conflicts prevention, risk warning and anti-money laundering, as well as confirmation of specific investors, investor suitability review, private equity fund promotion and confirmation of qualified investors, etc. In 2019, the Group displayed no investment violations whatsoever.

Introduction of some notable investment projects



Allystar Technology (Shenzhen) Co., Ltd., formerly Huada Electronic Navigation Division of CEC, was invested and established by the Group, SAIC Motor, BAIC Group, BIRD (600130) and Jinjia Group (002191) on December 6, 2016. Its operation revenue continued to double from several million yuan, and exceeded 200 million yuan in 2019. The A round financing completed recently has increased its valuation to nearly RMB 1 billion.



Wuhan Easy Linkin Technology Co., Ltd. is a high-tech enterprise strategically invested by us. It focuses on the R&D and application of LPWAN. As of the end of 2019, the valuation of this enterprise has reached 15 times the initial investment of the Group.



Shenzhen JPT Opto-electronics Co., Ltd. is a national high-tech enterprise that focuses on the R&D, production and sales of lasers, intelligent equipment and optical devices. After CLP Zhongjin Fund invested in this company in 2018, currently it has been listed on the Science and Technology Innovation Board of Shanghai Stock Exchange since October 2019.

01 LingDu Capital

LingDu Capital is a professional institutional investor initiated by the Group. It is headquartered in Wuhan with liaison offices set in 30 cities across China, including Beijing, Shanghai, Shenzhen, Qingdao, Hefei, Shenyang, Chongqing, Changsha and Chengdu. The equity investments made by LingDu Capital cover digital city, intelligent manufacturing, network security and cultural and creative entertainment, which allow it to build a diversified industrial ecology. The support offered by us provided it access to industrial resources and allowed it to integrate its industrial chain, and further facilitated the good development of enterprises invested by it. In September 2019, CEOVU and LingDu Capital jointly established the Hubei Hongtai LingDu High-end Manufacturing Investment Fund. This fund focuses on investing in high-end manufacturing, including 5G, semiconductors, chips, new energy vehicles, AI, dual-use and some other emerging industries. A wide range of social funds were introduced owning to the full exploitation of local policy advantages where the partnership locates, resources advantages and the guiding role of such industries invested, and the directing of governments at all levels. The professional investment management team and advanced investment guidelines contributed to the development of local high-end manufacturing industry.

As of the end of 2019, the industrial funds managed by LingDu Capital exceeded RMB 650 million; it provides over 100 start-ups, growing-up companies and public companies investment and consulting related services, including:

Equity investment	Industry M&A
The equity investments made by LingDu Capital cover five major national strategic emerging industries, i.e. digital city, intelligent manufacturing, network security and cultural and creative entertainment. It focused on those innovative start-ups and growing-up companies that were expecting the seed round, angel round and pre-A round.	LingDu Capital helped enterprises and local government to conduct industry M&A under the “public company + PE” mode. Services provided by LingDu Capital covered M&A strategy formulation, M&A plan design, M&A negotiations and transactions, M&A integration, financial management, organizational structure and business process redesign.
Financial consultant	Industrial consulting
LingDu Capital provided “one-stop” value-added financial advisory services, covering mechanism adjustment, strategy systemization, management enhancement, financial optimization, industry integration, and international expansion for the development and growth of enterprises.	LingDu Capital provided local governments and corporations industrial consulting services. To systemize industrial development paths and transformation methods of local governments and corporations contributed to the creation of the industrial ecology fund by each side. And the connection between the primary market and the secondary market enabled the rapid industrial transformation and upgrading.



Some of the enterprises invested by LingDu Capital by the end of 2019

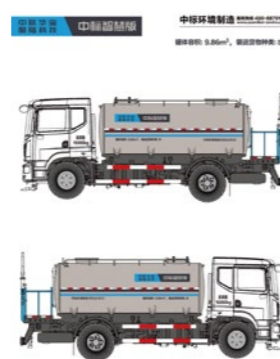
Case sharing: Seize new opportunities in the market to explore new environmental industry

Hunan Coollu Network Technology Co., Ltd. invested by LingDu Capital is an important enterprise on which emphasis is put by the High-tech District of Changsha. The self-developed Coollu Environment Cloud was born to protect the environment and meet customer needs, and therefore provides users with comprehensive environmental sanitation solutions and high-quality services. It injects new content and impetus into the construction of intelligent environmental sanitation information system. Further, the application of IoT, mobile Internet and big data in this system provides full-process and real-time supervision of people, vehicles and things involved in urban environmental health management; analysis and prediction of the amount of municipal wastes; well design and plan of environmental sanitation facilities and operation modes to improve sanitation operation quality and reduce operation cost. In this case, the digital evaluation is used to optimize the results of urban environmental sanitation management.

The introduction of the “garbage sorting” policy enabled the intelligent sanitation to become a hot industry. With the money injected by LingDu Capital in R&D, Coollu is becoming a pioneer in environmental solutions.



Coollu's Waste Yard Management System



Coollu's Intelligent sanitation vehicle

Case sharing: 2019 CEOVU Emerging Industry Forum

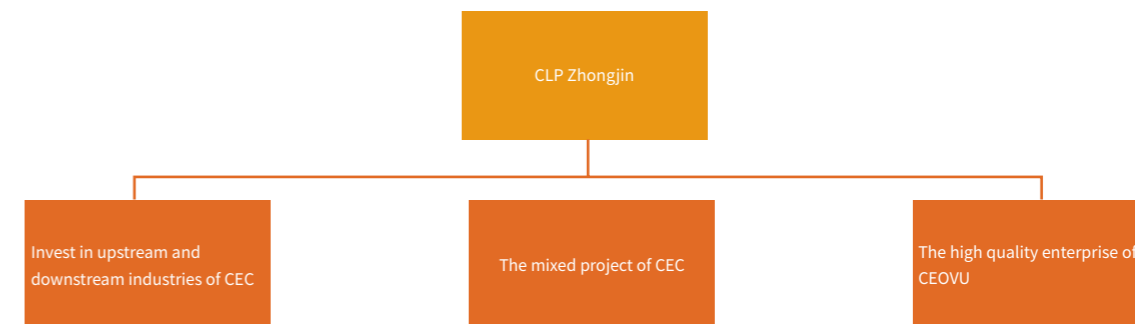
In response to the Group's goal of building an industrial resource sharing platform, LingDu Capital and CEOVU jointly organized the “2019 CEOVU Emerging Industry Forum” in Wuhan Creative World on February 22, 2019. Under the theme of “Open, Convergence and Collaboration”, this forum focused on the innovation chain and industrial chain to enhance the new momentum of regional economic development. Experts and scholars of industrial economy and future new technologies and hot industries, entrepreneurs, and partners of CEOVU around this country were invited to this forum. They discussed the development trends of emerging industries in 2019 based on different aspects and technical areas such as industrial economy, cybersecurity and IoT. This event provided start-ups invested by LingDu Capital an opportunity to make their opinions heard. They communicated and discussed their understanding and how the smart city will head towards the future based on their products, business and practice.



The Emerging Industry Forum

02 CLP Zhongjin

The need to seize the opportunities and reform trends in the electric information technology and related industries resulted in the establishment of CLP Zhongjin by the Group. It focuses on investments in the emerging electronics industry chain, and strives to exploit market potential and establish notable businesses in areas of new electronics, intelligent manufacturing, big data and IoT. As of December 2019, CLP Zhongjin has raised more than RMB 3 billion capital, and injected investments to 7 projects valued at RMB 600 million. These investments covered AI, chip manufacturing, big data of healthcare, among others, among which Shenzhen JPT Opto-electronics Co., Ltd. was listed on the Science and Technology Innovation Board in October 2019.



Make investments to businesses in industries such as integrated circuits/BeiDou navigation/communications, and exited through CEC's public company platform

Participate in the mixed ownership reform of companies under the control of CEC

Identify quality enterprises in the park to seek value-added returns

Case sharing: Focus on human-machine intelligent interactive solution

In the face of opportunities that have emerged in this time, CLP Zhongjin invested Shanghai Irisian Technology Co., Ltd. (the "Irisian") in 2019 to empower it to further expand its exploration in the field of human-machine intelligent interaction. Irisian focuses on the R&D of iris recognition algorithms, products, cloud services and solutions. The introduction of banks and the military into its customer pool allowed it to have access to a very large number of users (tens of millions) for iris registration and comparison. Currently, its key target markets are financial and public security. It offers a complete payment system for customers in the financial industry, including bio-assay, POS equipment, front-end software, backstage services, etc., and builds the iris library and certification platform for provincial-level public security systems, including installing relevant identification, inspection, and gate equipment.

03 Zhong Chuang Financing

Zhong Chuang Financing is a professional financial company owned by the Group that provides comprehensive financial services for SMEs and microenterprises. Its registered capital is RMB 100 million. It was awarded the Business License for Financing Guarantee Enterprise in June 2011 by Hubei Economy and Information Technology Commission. As a rising star in the "financial service puzzle" of the comprehensive service map established by the CEOVU industrial park, it focuses on providing SMEs and microenterprises comprehensive financial services in a professional and easy-to-access way. In the past three years, the company has provided SMEs and microenterprises over 600 million yuan social financing, covering 43 customers.



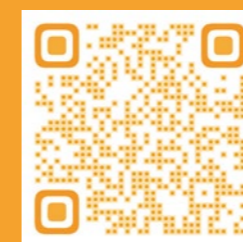
SMES Integrated financial service provider

Case sharing: Promoting R&D of the carrier-level application-oriented network equipment

As a carrier-level application-oriented network equipment solution provider, Wuhan GreeNet Information Service Co., Ltd. is committed to providing carrier-level application-oriented network equipment solutions. In 2019, it planned to expand market for its dpi products. The provision of such products allowed users to detect and analyze the traffic and messages displayed at the key points of network operators, thus making control functions including accurate identification of business, traffic analysis, analysis of big data of users, refuse-to-provide-services at the application level, and filtering and interception of zombies, Trojans and worms a reality. But lack of fund prevented this company from going further expanding markets and manufacturing. The comprehensive investigation of this company made us believe that the dpi products provided by it had bright market prospects and showed good social benefits. Therefore, we invested RMB 5 million in this company to help it promote its products and gain revenue increase.

07

Leading a new highland for the coordinated regional development with "one platform and two methodologies"



Scan for more information

ESG issues:



Service quality and customer satisfaction



Compliance operation



Business performance



Promotion of industry development

Important achievements under this topic:

30

expanded to cities

40

launched projects

22 million m²

covering industrial operation area

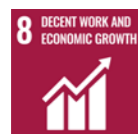
6500+

enterprises introduced to the park

400,000+

creating jobs

SDGs responded under this topic:



Message:

"We should have a correct understanding of the current new situation of regional economic development. The spatial structure of economic development is undergoing profound changes, and the development elements are shifting to central cities and city clusters. We must adapt to the new situation, and shape new paths for the coordinated development of regions."

- By Xi Jinping



To see the platform as an impartible and coordinated system is not only an inherent requirement of conducting comprehensive and deepened reform, but an important approach for CEOVU to advance group reform. The period from 2019-2022 was recognized as a new growth period after the careful analysis of the Group's decision-making personnel against the new complex global backdrop and China's deepening reforms. The strategic development framework, which underlined by the Group, for the new growth period includes two parts, i.e. "one platform (the industrial resource sharing platform) and two methodologies (system planning and integrated operation)".

In 2019, CEOVU saw serving the country's regional coordinated development strategy as its mission, and followed the step of this country to take comprehensive measures to continue reforms. It generalized its system planning and integrated operation methodologies under the strategic goal of building an industrial resource sharing platform. It also deepened organizational reforms and vigorously promoted the coordinated development of business to create super industrial ecologies and develop innovation enthusiasm in cities. Such efforts will provide comprehensive solutions for regional economic transformation and upgrading and sustainable development.

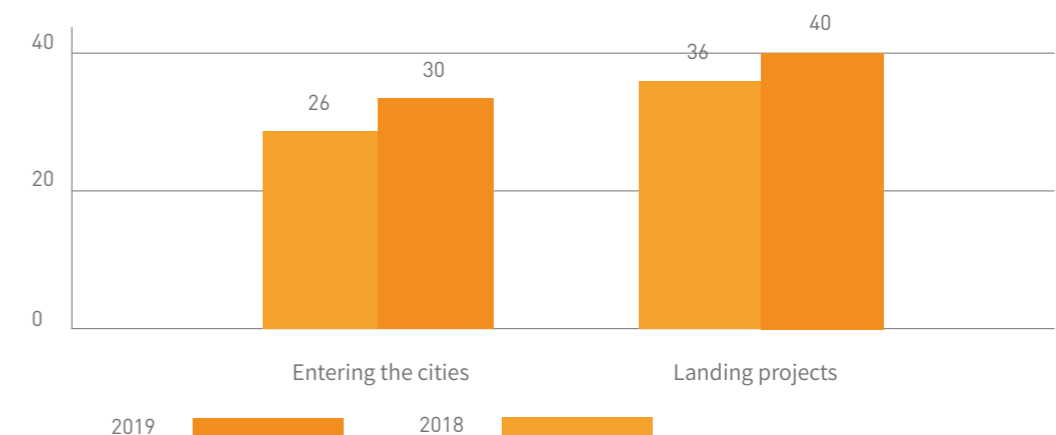
CONSTANTLY ADVANCING THE CONSTRUCTION OF INDUSTRIAL RESOURCE SHARING PLATFORM

Years of experience of CEOVU made us more convinced that building an industrial resource sharing platform holds the key when providing services to the coordinated development of regions under the new conditions. The integrated operation capacity of an industrial park is essential to the industrial upgrading and new industry cultivation.

2019 saw great progress in the construction of the industrial resource sharing platform. The reliance on the network security and information industry owned by CEC and the full-life-cycle operation services provided by the industrial park made it possible for CEOVU to gather the space, talents, fund and market resources required by the upstream and downstream industry chains of CEC; and the increase in the investment to the development of digital park system (see more in Topic 1) provided a powerful physical engine for the launch of the industrial resource sharing platform.

01 Industry clustering – joint innovation driven by state-owned enterprise for new carrier of the industry

By the end of 2019, the platform has been expanded to 30 cities, 40 projects launched, over 6,500 enterprises introduced to the park, and over 400,000 jobs created. Such efforts are fundamental to the coordinated development of the regional economy.



Cities and projects in 2018 and 2019

02 Intelligent services – core technology and open platform to create new dynamism for provision of services

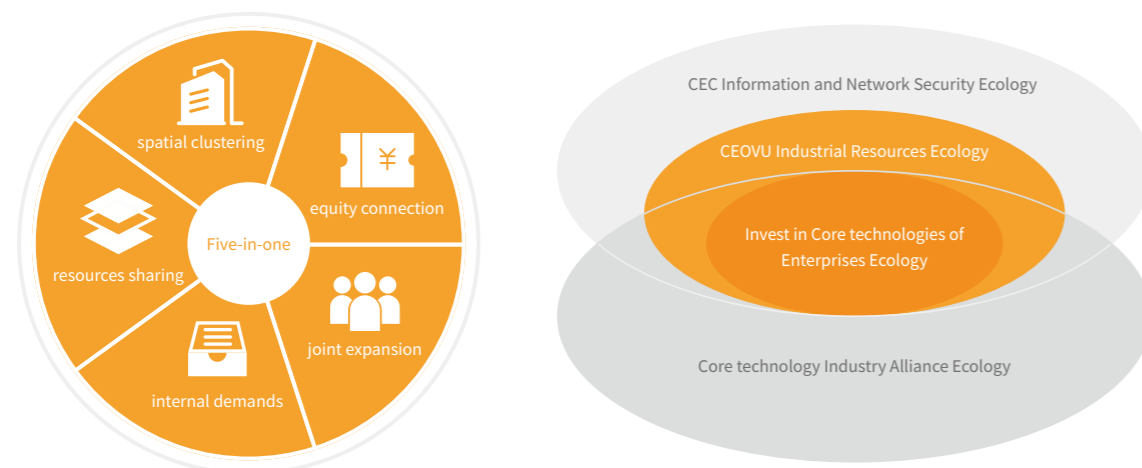
In 2019, we started from industry clustering, and established a highland featured by the “PK system” and “intelligent manufacturing + Internet + information security” (see more in Topic 1). The core goal of such efforts was to continuously meet the diversified needs of enterprises. The constant upgrading of the traditional service model, and construction of diversified intelligent comprehensive application scenarios contributed to the better and faster development of enterprises at all levels.

Distribution of the national industrial resources spatial network, to form a cross-regional industrial cooperation and investment service system



03 Investments through network– visionary five-in-one approach for new investment model

In 2019, the Group established an enterprise alliance through investments in essential enterprises on condition of industry clustering (spatial support), intelligent services provision (technical support) and the dual-innovation model that collected spatial clustering, equity connection, resources sharing, internal demands and joint expansion in one (core approach). The purpose of this alliance was to promote the widespread application of new technologies, and thus a bridge could be established between enterprises through the dual-space network, and further enabled the high-efficient allocation of resources. Those industrial capital focusing on funds accelerated the allocation of new investments with the help of the dual-space network (for more investment results, see topic 2). Hence the investment network based on the dual-space, which has greatly promoted the rapid development of enterprises.



Full implementation of system planning and integrated operation methodologies

The comprehensively deepening reform initiated by the PRC requires better top-level design and overall planning. So do the transformation and upgrading of enterprises. The system planning and integrated operation methodologies raised by CEOVU creatively provide a well-balanced approach to drive the high-quality development of the Group and boost regional economic efficiency.

The “system planning” methodology is an essential tool in exploring economic development mode of different regions and promoting industrial concentration based on specific conditions, so that industrial upgrading can be a reality; the integrated operation methodology holds the key to value increase.

In 2019, the Group showed active action in promoting integrated operation reform and changing the industrial service system, so it could provide full-lifecycle industrial services for the coordinated development of regional economies. One year’s efforts led to a significant increase in the Group’s integrated operation level. Promising breakthroughs were witnessed in the operational mode of the industrial park. The innovation displayed in these breakthroughs was based on the ability of the Group to build smart cities and smart industrial systems, and in the meantime, it showed two features, i.e. empowering industry upgrade and servicing innovation ecology.

Years of efforts have shaped 15 major comprehensive operating businesses, namely the digital park system, digital apartment system, project design and planning, architectural design, EPC, décor engineering, real estate agency, regional energy service, property management, united office, long-term rental apartment, park-specific financial services, catering, hotel; and eight combined integrated operation service modes based on consultation and planning, information technology and digital park (apartment) solutions, full-life-cycle integrated operation services, EPC, smart facilities and equipment, investment promotion, mass innovation and entrepreneurship-specific services, and regional energy management.

01 EPC-based integrated operation service

Engineering, Procurement and Construction (EPC) is a project general contracting mode that improves the collaborative efficiency of design, procurement and construction. The integrated operation services provided under the EPC mode are designed for companies operated on local government platforms or large enterprises, covering industrial park projects to be invested by such customers. The optimization and integration of the industrial chain resources such as CEOVU Architecture Design Institute Co., Ltd. (the “CEOVU Architecture Design Institute”), Wuhan JiTian Construction Engineering Co., Ltd. (the “Jitian Construction”) allowed the Group to provide the full-process integrated EPC services, including design, bidding and procurement, and construction, to governments, institutions and related enterprises. In the process of providing EPC services to customers, the Group allowed a full play of its core advantage “integrating multiple plans”, which was shaped based on the system planning methodology. The planning and design capability possessed by the design institutes under the Group enabled them to expand and plan consulting, EPC, investment promotion and operation businesses.

The CEOVU Architecture Design Institute is a wholly-owned subsidiary of CEOVU. It was established in 2011 and has Grade A qualification in the engineering design and construction industry (construction engineering), and Grade B qualification in urban and rural planning. The concept of “more than design” believed by the institute requires it to constantly improve its technology and customer-oriented service awareness. Through its design, projects are connected with cities, customers and users, and that’s how the value attached to the design can do the most.

As the EPC designer in the Group, CEOVU Architecture Design Institute coordinates the work of each party to complete EPC bidding, planning and construction drawing design as required by relevant regulations and the organization rules established by the Group for EPC work.

Case sharing: Xianyang Scourct Start Technology City EPC project

Xianyang Scourct Start Technology City is the largest EPC project led by CEOVU Architecture Design Institute. The project sits in Xianyang City, Shaanxi Province. It covers a total area of 435,662.00 m², including net land area 274,673.70 m². The total construction area is 716,061.10 m², including 582,445.70 m² that are recognized in the plot ratio. Its plot ratio and building density are 2.12 and 35.85%, respectively. The entire project consists of two parts: Phase I commercial land (including Zone A-hotel and display, Zone B- high-rise office, Zone C- commercial complex, Zone D- high-rise residential and supporting facilities), and Phase II industrial R & D and plant land (including Zone E-energy station and separate plants, F Zone-plants and multi-level R&D plant).

The Xianyang Scourct Start Technology City Project was designed as an innovation incubation platform that has hundreds of billions of electronic information industry clusters; the completion of this project will lead to an international intelligent industry clustering area that focuses on emerging information technology and intelligent manufacturing technology; and the intelligent R&D plants allow for a wide range of functions, including commercial office, technology incubation, residential, exhibition and hotel, production pilot and cultural view. This project will benefit the rapid development of areas around Xianyang’s west axis, and improve the supporting service industry in the High-tech District of Xianyang.



Rendering of Xianyang Scourct Start Technology City Project

Jitian Construction was restructured in October 2010. It is a wholly-owned subsidiary of the Group. Currently, it has the following qualifications: Grade A general contracting for housing construction, Grade B general contracting for mechanical and electrical installation works construction, Grade C general contracting for municipal public works construction, Grade B special contracting for building remodeling and decoration works, Grade B special contracting for waterproof, anti-corrosion and heat preservation works, Grade C special contracting for steel structure works, and Grade C special contracting for foundation works. Now it has been certified with ISO “quality, environment and occupational health and safety” system.

As an active response to the Group's major strategic measure of “promoting and developing EPC businesses inside and outside the system”, JiTian Construction set “integrating platform resources and coordinating win-win development” as its goal, and actively advanced the “industrial resource sharing platform” plan. In the process of development of construction of the EPC projects, JiTian Construction coordinated resources of each side based on the great support provided by relevant companies located in each city. As a matter of management difference, it established city-specific management procedures and methods, which further evolved into a new project management mode and made good economic benefit a reality.

Case sharing: Chengdu Jiu Xin Wei project

The Jiu Xin Wei project sits in a technology R&D base of Shuangliu District, Chengdu, China. This project covers construction of an R&D office building and supporting facilities. The estimated total floor area is about 65,000 m². Pursuant to the EPC contract, Chengdu Jiu Xin Wei appointed JiTian Construction as the general contractor for the overall design, procurement and construction. The works that JiTian Construction should complete included geotechnical engineering survey, design, procurement of equipment and materials, construction and installation, project implementation and follow-up services during the warranty period. The progress of the Jiu Xin Wei project decided whether the design institute and the investigation institute would further provide relevant construction drawings and geotechnical engineering survey, respectively. Any design, geotechnical engineering investigation and construction shall be developed as required by applicable national standards.



Rendering of Chengdu Jiu Xin Wei Project

02 Integrated operation services based on consultation and planning

The consultation relates to the development strategies of regions and cities, demands of industrial ecology, and function planning. In 2019, we started to expand our business through more than one channels and aspects based on local conditions. The reasons that we could make this move were our professional experience, advantages of the “system planning”, and the successful cooperation between CEC and local governments in the long term. In the meantime, we saw consultation management as a starting point, and further promoted integrated operation to achieve the synergistic effect.

01 CEOVU Industrial Cooperation Center

After the establishment of the diversified business mode that focused on “consultation+”, CEOVU industrial cooperation center continued to introduce innovative elements to its operation in 2019. It embraced the “one platform and two methodologies” and the collaborative innovation mechanism established by the Group, and kept up with the pace displayed in the first year of the long-term growth period. Apart from the consultation business, it also developed a wide range of integrated operation businesses. Its access to extensive resources allowed it to widely cooperate with companies in each city to jointly expand new business patterns. That was how it could contribute to the development of the Group in the new growth period in terms of integrated operation exploration and experiment.

Case sharing: Chongqing Shapingba District – Qingfeng Industrial Park

The implementation of the “one platform and two methodologies” development strategy of the Group and the provision of consultation to the Chongqing Science and Technology Innovation City Project in 2017 enabled the Industrial Cooperation Center to expand to Chongqing, and establish a long-term and beneficial partnership with the government of Shapingba District, Chongqing. Also, the provision of integrated operation services to the Chongqing Zhichuang Park project offered an opportunity to CEC Energy-saving, EasyLinkin, Qianbao Design, LingDu Capital, OVU, among others, to join this project, which was essential for the Group to explore and shape the Chongqing mode.

In 2019, the Industrial Cooperation Center provided an industrial development planning research for the Qingfeng Industrial Park in Shapingba District, Chongqing. This project is another achievement of provision of services by CEOVU for the regional industrial economic development of Shapingba District. It implemented the concept “intelligent regional innovation core” raised by the Chongqing Science and Technology Innovation City, and expanded this concept to the launch and implementation plan of the professional parks within the region. Such efforts have deepened the mutual trust and win-win cooperation between us and the government of Shapingba District.

We investigated 28.85 km² area for the Qingfeng Industrial Park, and the total planned area is 14.86 k m². Guided by the goal of “building Chongqing into an advanced national manufacturing city”, the project will focus on four major industries, namely the high-end equipment manufacturing, new energy vehicles, new generation of information technology, and bio industry, where manufacturing is the foundation, and intelligence is the direction. The park was designed with “one axis and one belt, three centers and nine zones”. We’ll strive to build it into an advanced manufacturing base in the west, an innovation-driven technology forerunner, and a green development demonstration area that integrates industries and city. Such efforts will enable high-quality leapfrog development in the manufacturing industry of Shapingba District.



Project Plan

02 Industrial Economy Institute

The Industrial Economy Institute (formerly the Group Research Office), as an affiliate of the Industrial Ecology Institute, provides services from a number of dimensions. It promotes the innovation of new industrial clusters as required by the concept of industrial ecology. Its business cover consultation provision to governments and companies in terms of strategic planning of the development zones and industrial parks, and project planning, as well as helping the Group expand its planning and design, digital parks, business incubation operations.

Case sharing: The positioning and planning for Agile Xiangyang Sci-tech Innovation Valley

Take the strategic cooperation between CEOVU and Agile in 2019 as example, which started from the positioning and planning of the Agile Xiangyang Sci-tech Innovation Valley. The research on Xiangyang’s industrial structure, urban characteristics, the strategic positioning of Dongjin New District, main industry upgrade direction and Agile’s industrial resources contributed to the drafting of the plan of Xiangyang Sci-tech Valley project. This project focused on the digital transformation demonstration bases of three dominant industries, including automobile, equipment manufacturing and agricultural product processing. The development of it allowed for better economic efficiency and industry clustering effect in the future, and also provided a good start for the industrial development of the Dongjin New District of Xiangyang.

03 Property management service

Wuhan Lido Property Management Co., Ltd. (“Lido Property”) was established in 2000. It is a wholly-owned subsidiary of the Group. So far, it provides 14 services, covering residential, industrial parks, logistics parks, commerce, factories, office buildings, banks, schools, rail transit, and marketing centers. It is based in Wuhan, and now has expanded to the whole country, including Changsha, Hefei, Chengdu, Chongqing, Wenzhou, Qingdao, Xi’an and Shenyang. The active integration of resources allows Lido Property to focus on the “full-industry-chain” property services. It provides consulting and early invention services for the development and construction companies, intelligent operation and asset management services for industrial parks, and professional supporting services for other property management companies. Last but not least, it also provides property owners all-around and one-stop property management services.



Honors awarded to Lido Property

During the reporting period, the Group changed the current property management model by resorting to IoT, BIM 3D visualization technology and mobile Internet technology. Such efforts greatly reduced personnel costs, and improved management efficiency and customer satisfaction.

The application of sensors, IoT and operation management software and platforms allows the Group to establish an early-version intelligent management mode for parks. Given the broad market prospect of this efficient and visual management model, and the strong customer demand, the Group planned to expand this model to a wider world in the next 3 year. By then, the operating income of this business is expected to grow rapidly.

01 Intelligent daily services

The “i Lido” is an intelligent APP developed by Lido Property for the property owners who use their services. It covers online fee-payment, failure reporting, intelligent door-open, interaction of neighbors, and online group purchase, among others. Its commitment to the construction of a versatile intelligent community-based service platform will provide property owners easy-to-access and intelligent services.

Case sharing: Intelligent water and electricity meters

All property owners can pay their water bills on the “i Lido” app. Alerts will be sent to property owners if your account doesn’t have enough money. The property management personnel can access your water consumption data on the backstage and analyze them, and in case of any leakage, they’ll find it as indicated below. This prevents any waste of resources. Also, the water valve can be controlled remotely, and an alert will be sent to the property owner who fails to pay his/her bill.



The operation interface of “i Lido”

02 Intelligent park operation

The OVUEMS system is an industrial resource information sharing platform developed by Lido Property. Lido Property believes that all property-related drawings should be turned into data, all daily procedures for property operation should be made into orders, and all management reports provided to the management at all levels during the property operation should be turned into sheets. That’s how Lido Property can constantly improve its property management level.

Case sharing: Introduction of application scenarios of intelligent security

Intelligent security is mainly used for community monitoring, access control and elevator systems. Take the access control as example. The face recognition camera installed in the park can capture the faces walking in the park and compare them with faces stored in the internal face library, thus realizing accurate identity verification. Therefore, with the intelligent access control system, personnel who work in the park can walk in after they are identified, while those who don’t work here will be labeled.



Intelligent equipment display stand

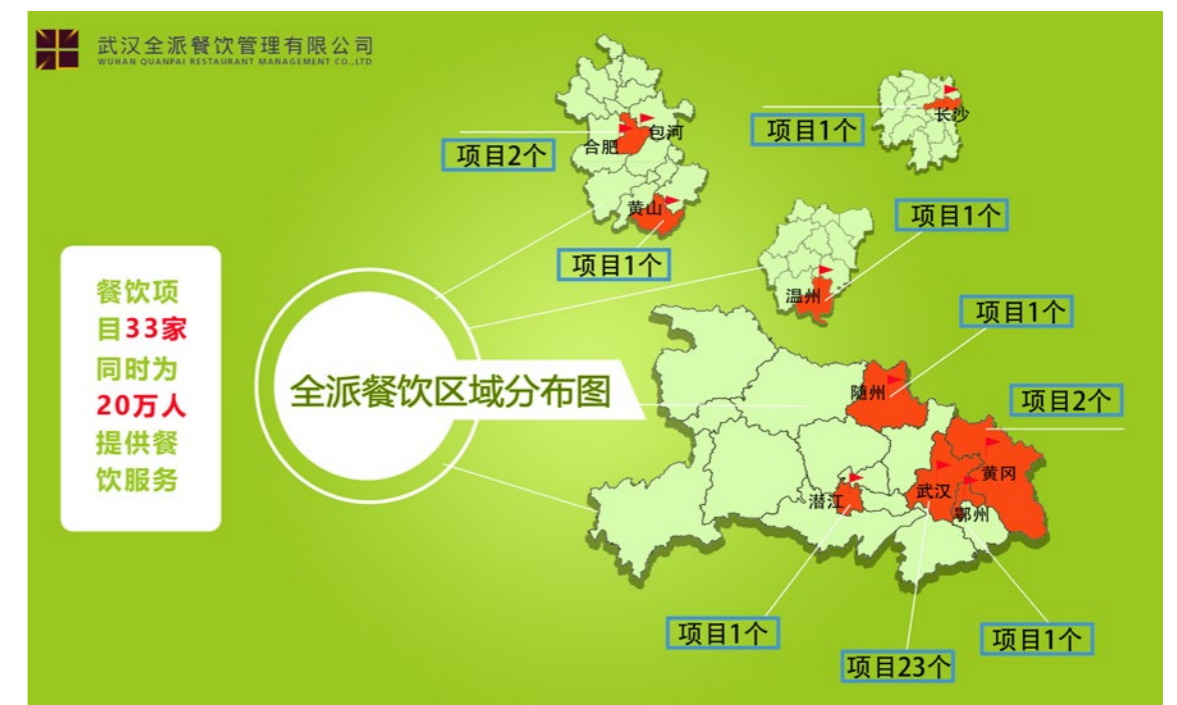
The working intelligent operation platform of Lido Property

04 Cafeteria and hotel

The cafeteria and hotel services of the Group are provided through Quanpai Restaurant Management Co., Ltd. (“Quanpai Restaurant”), a subsidiary of the Group, and CEOVU Ziyuan Creative World Hotel branch (“Ziyuan Hotel”).

01 Quanpai Restaurant

Quanpai Restaurant was established in 2011. It is a food and beverage operation and management company of the Group. Currently, it has 33 restaurants in 8 cities across the country, providing service to about 180,000 customers per day. In terms of quality, the company puts emphasis on the “source and key steps”, and believes in “constant satisfactory service”. Its operation principles attach importance to “quality, market and innovation”. For its company spirit, it pursues “open mind, passion, happy work and life”. That’s how it provides customers safe, hygienic and efficient food services. Quanpai Restaurant is not only a food provider in the park, but also a business expander. Its contribution to the creation of commercial atmosphere in the park, and introducing various types of business activities have improved the comprehensive service capability of the park.



The regional distribution map of Quanpai Restaurant

02 Ziyuan Hotel

Ziyuan Hotel is a subsidiary of the Group. Its business covers accommodation, food, banquets, swimming, gyms, etc. It is a first-class hotel owning to its complete supporting facilities, standardized work flow and operation guidelines, and international service management.



Ziyuan Hotel



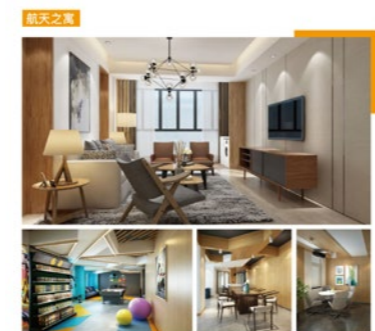
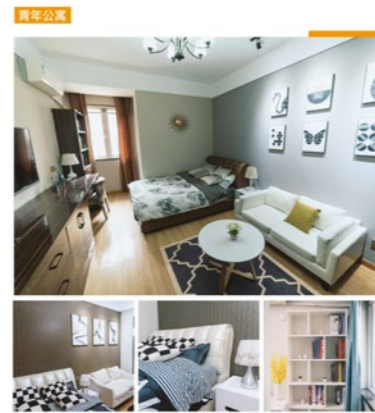
03 Digital apartment

The Digital Apartment Division of the Group was established on January 31, 2019. The intelligent transformation of traditional apartments, and the establishment of intelligent and integrated software and hardware platform made it possible to guarantee the security of tenants who rent the apartment, and improve the user experience.

During the reporting period, the Digital Apartment Division forged ahead with determination. With the goal of building the “leading intelligent apartment operation service provider”, five intelligent apartment projects were successfully launched in 2019, total contract value RMB 11.4094 million.

Case sharing: Wuhan Optics Valley intelligent Hangtian Apartment

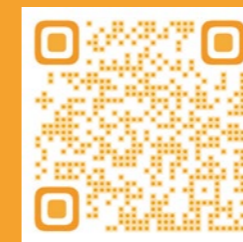
In January 2019, officials of Hubei Science Technology Investment Group Co., Ltd. visited Fanjian Apartment. The functions displayed by this product proved satisfying after they had a deep understanding of the overall intelligent solution of Fanjian Apartment. That was why they invited the Group to participate in the intelligent apartment project of Hangtian City located in Wuhan Optics Valley. After a detailed discussion, both parties agreed on the integration plan of Hangtian City intelligent hardware and online management system. This project covers about 24,000 m², 33 floors, 256 long-term rental apartments. It will cost around RMB 2.08 million. Currently, the construction of the project has been completed. The hardware has been installed and commissioned, and is running well. As for the software, the private cloud solutions designed for the Hangtian Apartment have been launched and deployed. The acceptance and delivery of this project are expected in August of the current year.



Part of the apartment interior displayed

08

Developing with green ideas and promoting the new normal of ecological civilization



Scan for more information

ESG issues:



Technology innovation and intellectual property protection



Green and civilized construction



Energy saving and green buildings



Pollutant discharge management



Promotion of industry development



Green operation

Important achievements under this topic:

500,000 m²

Total design area of sponge city

1 million m²

Total design area of green building

RMB 6.308 million

R&D investments for green technology

600,000 tons

Carbon emission reduced

SDGs responded under this topic:



Message:

"The construction of ecological civilization is essential to the well-being of the people, the future of the nation, and the 'two centenary goals' and the Chinese dream of the great rejuvenation of the Chinese nation."

- By Xi Jinping

In 2019, the Group continued to remain committed to the ecological civilization strategy that humankind and nature should live in harmony, and uphold green development as the basic guidelines of the Group. The construction of green regional energy system, green building and construction, and green operation allowed the Group to vigorously promote energy-saving and emission-reduction high-tech, green and environmentally friendly office, and creation of green industrial parks and communities, etc. Such efforts contributed to the creation of a harmonious and peaceful sustainable development society.

GREEN REGIONAL ENERGY SYSTEM

The transformation of the energy consumption system organization holds the key to the energy revolution in the new era. CEC Energy-saving Co., Ltd. ("CEC Energy-saving"), a subsidiary owned by the Group, focuses on the research and application of regional energy in the field of building energy conservation. It invests RMB 6.308 million annually in R&D, mainly allocated to the R&D of energy-saving technology, intelligent energy-saving control, and new energy-saving materials. Such efforts contribute to the construction of a green energy service system.

01 Regional heating and cooling system

CEC Energy-saving has invested heavily in the development and application of District Heating and Cooling (DHC) system. Such efforts have effectively utilize the upper energy to collect refrigerant or heat medium centrally, and then distributed to individual buildings and users as needed through regional pipeline network. In this way the heating and cooling demands of users are met in an energy-saving and comprehensive manner.

Compared with traditional HVAC equipment, the following advantages of DHC system contribute to the realization of the green operation goal:



As of the end of December 2019, the DHC projects invested, supported or operated by CEOVU has among others, expanded to Hubei, Hunan, Anhui, Henan, Sichuan, Zhejiang, Shanghai, providing services to over 640 enterprise users, covering an area of 11 million m², reducing carbon emissions by approximately 600,000 tons.



CEC Energy-saving Financial Harbor – energy station

Project size	Service plan	Project benefits
The planned construction area is 1.6 million m ² , and is expected to be completed in four phases. Currently, Phase 1 & 2 DHC systems have come into service, providing services to 800,000 m ² construction area. Phases 3 and 4 are under planning and design.	CEC Energy-saving is responsible for the investment and construction of energy stations and transmission and distribution network, and bears the full-lifecycle operation and maintenance fees, etc. Users need to pay for access to services provided by CEC Energy-saving. Lithium bromide refrigeration + electric refrigeration + ice storage are used in summer, and steam heating is used in winter.	The construction of the project reduces machine room space by 3,500m ³ , and electronic packaging by about 30%. The investment in supporting equipment decreases RMB 22.5 million, and the annual energy consumption of more than 300 customers drops at least 20%; carbon dioxide emissions are reduced by about 25,000 tons, equivalent to the total carbon dioxide absorbed by 50 adult trees a year.

02 Regional cooling & heating efficiency management system

The online regional cooling and heating efficiency management system (DHCEMS 3.0) developed by CEC Energy-saving is designed for auto control and management of regional cooling and heating and energy station equipment. It provides comprehensive solutions covering health examination, hydraulic balance, intelligent control, energy consumption management, and optimized operation. This system can improve the service life and quality of equipment, reduce operation and maintenance costs, and increase economic benefits. It can also meet the needs of users to reduce energy consumption and efficiently manage, and reduce equipment abrasion and exhaust emission. The core advantages displayed by the system are as follows:

Real-time monitoring of the operation of equipment and each building; remote control of equipment start & stop and variable-frequency operation to ensure efficient running.	Real-time computation and display of EER allow operational staff to timely adjust the operation strategy.	Hydraulic equilibrium status monitoring helps operational staff timely adjust water flow and allow customers to have a better experience.
Real-time data collection and provision of alarm information allow to timely identify hidden dangers and develop troubleshooting activities, thus improving the safety factor.	Precise diagnosis for the entire pipe network system (such as how bad is the congestion in the water pump filter) to achieve accurate cleaning.	

03 Intelligent energy cloud system

CEC Energy-saving has an intelligent energy cloud system. This system uses massive raw operating data resources available on the energy station to develop intelligent analysis models on the cloud. Such models offer the following customized functions to each energy station: load prediction, optimal operation target and parameter design, system simulation operation, loss of transmission and distribution system, equipment maintenance prediction, equipment health assessment and root cause analysis, data quality management, etc. The wide combination of these functions with the daily operation of energy stations enables further optimal control, efficient maintenance and operation during the running of energy stations.



The visual interface of big data

04 Industry communication

CEC Energy-saving is an active participant in industrial communication activities. It is a vice-director unit of Wuhan Regional Energy Research and Application Center, Wuhan Enterprise Research and Development Center, System Control Center of China Association of Building Energy Efficiency (CABEE), and China Regional Energy Association. In 2019, CEC Energy-saving, as an editor unit, participated in the preparation of the Regional Energy System Evaluation Standard organized by CABEE and NDRC, where CEC Energy-saving was responsible for the writing of two parts: intelligent system; and operation and maintenance. The Standard was prepared to implement the national energy strategy, and fulfill the energy conservation and emission reduction target and the commitment made by China in the Paris Agreement. It provides guidance on how to use regional energy systems to meet cooling and heating needs, and maximize energy efficiency. The participation in the preparation of this Standard allows CEC Energy-saving to direct the planning and design of regional energy systems, and promote the good development of the regional energy supply service industry.

Case sharing: The 12th Wuhan Building Material Expo

From March 21 to 23, 2019, the 12th Wuhan International HVAC and Home System Exhibition (also known as the “Wuhan Building Material Expo”), which was co-sponsored by Hubei Province AC Engineering Construction Association, Hubei Province Environmental Air Purification Industry Association, and Hubei Refrigeration Association, was held in Wuhan International Convention and Exhibition Center. CEC Energy-saving attended this exhibition and showed the world two intelligent control systems: the regional cooling & heating efficiency management system and the building efficiency management system. The innovative operating model, cutting-edge technology, and established service system provided by CEC Energy-saving allowed visitors to have a great impression on the “green, constriction and all-win” concepts upheld by CEC Energy-saving. This event introduced high attention from other similar companies attending this event to the two intelligent control systems. Further, it expanded business channels and improved the image of CEC Energy-saving, thus contributing to the better recognition of the company.



Wuhan Building Material Expo

GREEN BUILDING AND GREEN CONSTRUCTION

CEOVU introduces the green development concept through the entire project planning process. It imposes strict rules on green building design, construction and operation, and constantly improves the green management system. Such efforts are aimed at minimizing the environmental impact born with the business development.

01 Green building technology

The CEOVU Architecture Design Institute owned by the Group imposes strict rules on the quality of architectural design. Also, the introduction of proper architectural functions and technical system contributes to the energy saving and resources utilization. The use of the Building Information Management (BIM) system through the design process allows the Group to realize reasonable use of resources and materials, and reduction of energy consumption, thus protecting the environment and reducing pollution. In 2019, the Group attained the one-star standard for the green design of Xiaogan Transportation Investment Exhibition Hall project and Changsha CEC Software Park.

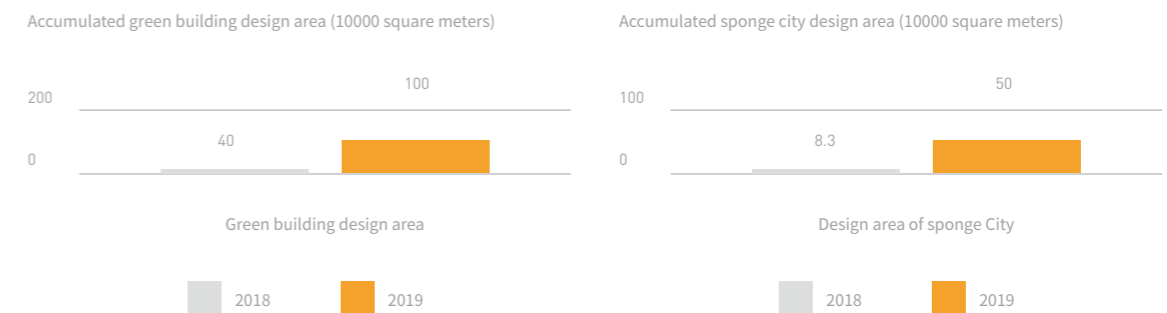


Figure: Total green building and sponge city design area in 2018 and 2019

Case sharing: Sponge city construction

The Group vigorously explores the planning and construction of the sponge city, striving to well store and allocate rainwater. Changsha CEC Software Park Phase II covers about 129,000 m². Directed by the low-impact development and design concept, the project combines rainwater pipelines and low-impact development (LID) facilities. When it rains, the rainwater on the roof of the building comes down through the downspout, and flows into the rainwater pipe network. The installation of LID facilities allows to collect the rainwater on roads, hard pavements, permeable pavements, and normal grassy area; in case the rainfall exceeds the designed amount, it will flow to the rainwater pipe network through LID facilities. The completion of this project will make 80% of the runoff volume every year controlled, and the non-point source pollution drops 50% or more. The LID facilities used in the project include the following three parts:

Rainwater garden: This project has a total of 9,194.15 m² rainwater garden, contributing to the effective storage and allocation of rainwater;

Permeable pavement: This is a LID-based measure that regulates surface runoff by reducing the proportion of impervious areas. It allows the storm runoff to go into the deeper soil in a very short time. The project also has about 26,412.62 m² permeable pavement, allowing it to reduce flood peak flow and non-point source pollution;

Rainwater collection and reuse system: This system for the project is designed to filter, disinfect, and reuse rainwater. On one hand, it enables the recycling of water resources in the building, which reduces water costs; on the other hand, it effectively alleviates the municipal water supply and rainwater discharge pressure, and further reduces the urban sewage treatment load.

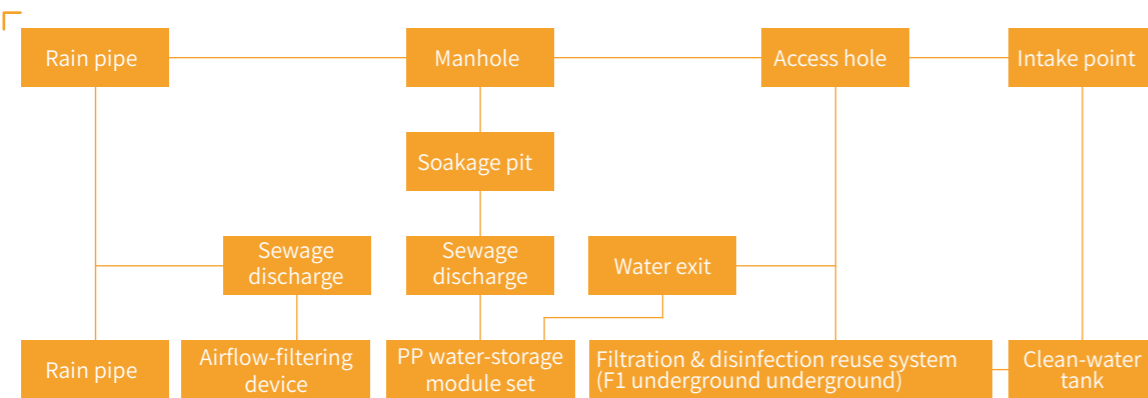


Figure: The Rainwater Recycling System of Hefei Financial Harbor

The rainwater recycling system used in Hefei Financial Harbor has a 207 m³ rainwater collecting tank. The rainwater collected will be used for plants watering and washing of hard roads after being filtered and disinfected. The designed annual rainwater provision is about 11,951.3 m³, which can save water bill about RMB 41,829 per year.

02 Green construction

The Group attaches great importance to environmental protection and energy conservation and emission reduction. It strictly follows the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Appraising of Environment Impacts, and Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste. Also, regarding this matter, it formulates internal rules and policies, i.e. the Measures for Low-carbon and Environmental Construction Management and Measures for Safe and Well-organized Construction Management. Such efforts allow the Group to actively develop clean production and identify the environmental protection responsibilities at all levels. In the meantime, as required by policies where the projects are located, we'll strictly implement the environmental impact assessment procedures before such projects start, including seriously organizing the feasibility assessment and environmental impact assessment of new projects, specifying relevant environmental protection measures in the List of Environmental Impacts of Construction Projects, and developing projects only when the approval by local environmental protection department is obtained. Further, during the period of project acceptance and delivery, the Environmental Assessment Report must be verified on the field. The results must be displayed on the website designated by the government for public supervision. This year no issues arose when we tried to obtain proper water sources. This year, our construction projects passed the environmental impact assessment by 100%, and no incidents that had a significant negative impact on the environment and natural resources occurred.

Environmental impact assessment	means conducting environmental impact assessment and analysis for construction projects, which is a means to prevent and control environmental pollution. In 2019, our projects were 100% approved in environmental impact assessments.
Dust reduction	-Site closure and landscaping -Cover stacked materials that are prone to generating dust with dense mesh -Use a vacuum cleaner to clean dust before pouring concrete
Exhaust gas emission control	-Use transport vehicles that meet exhaust emission standards -All equipment shall be maintained by professional companies
Noise reduction	-Use low-noise and low-vibration equipment and take sound and vibration insulation measures -Operation in loud noise shall have a time limit -Provide real-time monitoring of construction noise
Light pollution and water pollution control	-Use lampshades for outdoor lights at night -Use light shed or control the light angle against the control surface when welding -Put septic tank and sewage discharge control measures in place -Establish secondary setting ponds
Soil protection	-Establish surface drainage system, stabilize slopes, and grow plants -Earthwork backfill
Waste disposal	-Reduce solid wastes -Recycle of solid wastes -Sort solid wastes
Materials saving	-Set material loss rate -Reasonably arrange procurement and inventory -Obtain materials from local sources -Prevent material damage and spillage
Water saving	-Adopt water-saving construction technology -Reasonably arrange water supply pipelines -Build recyclable water collection and treatment system
Energy saving	-Energy saving education -Formulate energy consumption indicators -Use efficient and energy-saving construction equipment
Space saving	-Identify temporary facilities and their space-occupation indicators -Make full use of existing structures, roads and pipelines -Shorten the transportation distance within a reasonable limit

03 Green supply chain

The Group advocates the green procurement concept in the entire life cycle of projects, involving design, procurement and construction. Enterprises at all levels of the Group actively promote the concepts of green procurement, packaging and transportation, and communicate the values of environmental protection and sustainable development to relevant parties. In this way its partners can be encouraged to perform their environmental protection responsibility.

GREEN OPERATION

In addition to constantly exploring new technologies and deepening reforms on green technologies, the Group has also included the concept of green development into the whole life cycle of projects. In this way the operation of green industrial parks and green communities can be advanced through the green management.

01 Green industrial park

01 Green management

Intelligent electric meter

In addition to the aforementioned DHC energy stations deployed by the Group in the industrial park, all electricity meters in the industrial park of the Group have been replaced by long-distance electricity meters in 2019. The electrical parameter sensors installed in the distribution room allow the real-time monitoring of loop power loss and energy consumption data. Further, the park staff can quickly identify the abnormal loop and well ensure the electricity use in the park is up to standard and safe. Also, enterprises introduced to the park can access its real-time energy consumption data through the online platform, and thus contribute to the cultivation of the awareness of energy saving and emission reduction of enterprises.

Auto inspection

The installation of intelligent cameras in the park allows the Group to auto inspect the entire industrial park, and have 24h real-time monitoring of the environment and health quality in the park. Such efforts are initiated to provide enterprises in the park a comfortable and pleasant green environment.



02 Green office and environmental protection

We are a vigorous advocate of green life. We've launched many energy-saving and emission-reduction measures and environmental protection activities within the Group. Employees of the Group are encouraged to start with themselves in the process of building a green environment.

Electricity conservation:

- Set the AC temperature no lower than 26°C in summer, and no higher than 20°C in winter; close doors and windows when the AC is on. Turn off the AC when the office is empty.
- Reduce the power consumption of lights, and turn off them when the natural light in the office is sufficient; turn on lights when needed, and turn off them when the office is empty; putting an end to lights used during daytime or on a long-term basis.
- Computers, printers, copiers and other office equipment shall auto enter the low-power sleep state when not in use. Turn off such equipment when they are going to be idle for a long time to reduce standby power consumption;
- Environmentally friendly and energy-saving appliances and equipment are preferred.

Resources conservation:

- Generalization of water-saving equipment to improve water resource utilization efficiency and reduce wastewater discharge;
- Strengthen the daily management and maintenance of water equipment. Put strict rules on leaks or drips, and eliminate leakage immediately if any;
- Encourage employees to develop good water-using habits, and put water conservation signs in pantry, toilet, etc.;
- The Group office shall manage and approve any demands for vehicles owned by the Group;
- Encourage online OA system rather than paper documents; encourage double-sided printing and printing on the back of those unused papers.

Case sharing: The 5th Spring Tree-planting Day in Ezhou OVU Technology City

On March 30, 2019, a spring day that flowers bloom, grass sprouts and nightingales come out of their nests, the Ezhou OVU Technology City held its 5th spring tree-planting activity. Many enterprises in the park planted trees and contributed their efforts for a better environment. In this activity, the Group advocated that everyone starts from small things and things around himself/herself, and therefore advance the goal of building a green park. In addition to that, the Group encouraged its employees to be strict with themselves, and reduce the consumption of wood products, so the park is filled with green lives.



Tree Planting Activity

02 Green community

CEOVU introduces the green development concept into community management. Lido Property, a fully-owned subsidiary of the Group, is a pioneer and doer of the “green community”. Its “people-oriented” policy requires it to launch waste sorting and intelligent green management system, use energy-saving lights and put forestation commitment into action, thus creating a healthy, comfortable, and warm living environment for the community.

01 Waste sorting

All projects managed by Lido Property have developed waste-sorting activities. The waste-sorting education activities jointly launched by Lido Property and communities and sub-district offices encourage residents to participate in waste sorting. Such efforts have well spread the green lifestyle, and improved the environmental awareness of residents served by Lido.



The Waste Sorting Initiative of Lido Property

02 Use of energy-saving lights

The demand for reducing energy consumption of the property and realizing actual green operation stimulated Lido Property to integrate the green development and recycling economy concepts into its operational rules. And the increase in R&D led to an energy management system. The purpose of this system is to collect the energy consumption data of projects operated by it, conduct real-time monitoring and energy-saving diagnosis and analysis, thus identifying the proper energy-saving measures and vigorously advancing the green operation of projects.

In 2019, Lido Property took the Lido Garden (“丽岛花园”) as a trail project. It installed energy-saving lamps in underground garages, public area, offices, equipment rooms, among others, to reduce energy consumption. The energy-saving renovation and detail-oriented operation management reduced the power consumption in this year by about 0.36 kWh.

At the end of 2019, Lido Property developed an energy survey for all projects managed by it, and further formulated project-specific energy-saving and emission-reduction targets based on the survey results, and plan to reduce the energy budget of all projects by 8% in 2020.

03 Intelligent green management

Lido Property conducts public education of environmental protection and organizes green welfare-promotion activities on the “i Lido” app developed by it. The online real-time monitoring of water and electricity meters and the abnormality warning feature help to avoid wasting resources.



The Operation Interface of i Lido app

04 Forestation

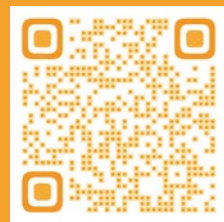
Forestation activities are held every year on the Tree-planting Day of China in all projects managed by Lido Property. Such activities are designed to plant trees in industrial parks or residential compounds, and conduct environmental protection education, encouraging customers, property owners to protect plants and create a habitable environment.



Tree-planting Activity

09

Stimulating China's cultural renaissance with artistic innovation



Scan for more information

ESG issues:



Investments in public welfare undertakings



Promoting the construction of arts and culture

Important achievements under this topic:

54

exhibitions in total

800,000

Attracted visitors in total

300+

public education activities in total

3500+

Received and sorted out contemporary art archives

20

Worked with universities and art research institutions to build Public education service and teaching practice bases

SDGs responded under this topic:



Message:

China's outstanding traditional culture is a prominent advantage of this country. It represents the most profound cultural soft power of ours.

- By Xi Jinping

The year 2019 is the “Innovative Culture Year” of CEOVU. CEOVU attaches importance to culture and art, and firmly believes that organizations paying attention to cultural development will last. It considers cultural renaissance as its mission, and actively promotes the development of public welfare and cultural undertakings. It is committed to empowering the industry with art. Over the past five years, the Group has been constantly exploring the blending of industrial park space and artistic aesthetics, and striving to integrate artistic elements into the park construction and public space, thus offering new vitality and energy to the development of modern cities.

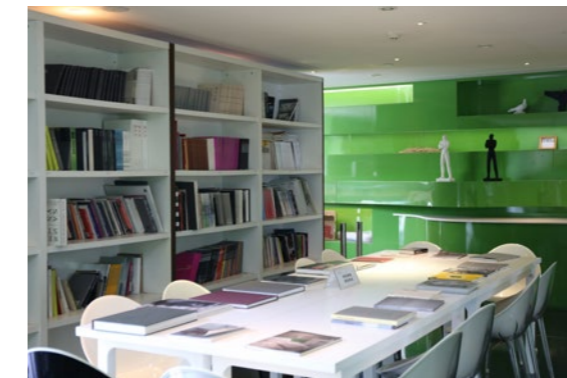
Hubei Creative World – United Art Museum (the “United Art Museum”) is created by the Group and supervised by Hubei Culture and Tourism Department. It is a non-profit art museum with independent legal personality, and freely provided to visitors. The United Art Museum provides world-class exhibitions and collections. It upholds the commitment of “academic, international and creative”, and “making contemporary art approachable to the public”. Academically it focuses on contemporary art, and emphasizes case-by-case study of artists who displayed achievement in art history. It puts emphasis on artistic creativity cultivation, and the combination of art and life. It is a new art museum that displays ideological influence and artistic transmission capability.



"Art" Gu Wenda Retrospective Exhibition of Art" exhibition hall scene

LOOKING-BACK OF UNITED ART MUSEUM'S FIVE-YEAR HISTORY

The year 2019 is the fifth anniversary of the United Art Museum since founded. Over the past five years, the United Art Museum has not only counted itself among the top art museums in China, but also grown into an important aesthetic education base and a must-try cultural sight. As of December 2019, the United Art Museum has held 54 exhibitions in total, attracting 802,902 visitors; independently planned 300+ public education activities, and worked with 20 universities to establish public education service and teaching practice bases; and as a local branch of the National Contemporary Art Library, it received and sorted out 3,420 contemporary art archives.



United Art Museum of National Contemporary Art Library

After five years of development, the United Art Museum is capable of providing functions such as exhibition, public education, study, foreign exchange, collection, and exhibition hall operation. As the cultural service showcase of the Group, the United Art Museum is committed to meeting the diverse and multi-level demands of the public. Also, it strives to make positive contributions to the construction of urban cultural ecology and brand.

The contribution made by the United Art Museum to the academic community has also been confirmed by this industry. In January 2019, Mr. Huang Liping, the director of the United Art Museum, was included into the 12th ART POWER 100 list of 2018 as one of the most influential figures in art; In the same month, the United Art Museum was awarded the Most Influential Art Institution in 2018, an honor decided by China National Academy of Painting and Art News of China.



Property won the honorary title of “The Most Influential Art Institution in 2018”

With five years of effort, the United Art Museum opened a window leading to the outside world for China. It is also a bridge connecting art with the heart of the audience, and a spiritual space where artists can express themselves freely. This museum believes in harmony in diversity, and has risen to be a star in the Chinese art community. This is really something we should be happy about, congratulate and advocate.

– Fu Zhongwang, Vice Director of China Sculpture Institute and Art Director of Hubei Museum of Art

Over the past five years, the United Art Museum has delivered a large number of high-quality exhibitions, among which the Chinese Contemporary Art Case-based Series has become an important exhibition brand in China today. We hope more important exhibitions will be launched by the museum in the future. It is expected that the United Art Museum will set a strong role model in the spread and promotion of Chinese contemporary art, and evolve into an example and benchmark for private art museums.

– Pang Maokun, Vice President of China Academy of Art and Dean of Sichuan Fine Arts Institute

ART PLATFORM TO PROMOTE PUBLIC EDUCATION

The United Art Museum was designed and intended for the public. By the end of December 2019, it has planned more than 300 public education activities in total, receiving over 60,000 visitors who are of different ages and backgrounds. The combination of academy and mass participation allows more people to feel the charm of art in the museum.

01 Working with universities to create super class

The “Super Class” is a branded public education activity of the United Art Museum. It provides experience-oriented classes in the museum and public classes outside the museum, intending to creating opportunities for students to interact with the United Art Museum. The classes provided are very well received by students, parents and teachers.

Case sharing: Students from Wuhan Vocational College of Software and Engineering & Zhang Xiaogang

On March 6, 2019, class of 2018 and relevant teachers of the School of Arts and Media, Wuhan Vocational College of Software and Engineering attended the ongoing exhibition called “Multiple Narratives – Zhang Xiaogang’s Art Archives 1975-2018” held in the United Art Museum. This exhibition used the narrative approach to show the creation process of the Artist Zhang Xiaogang. It allowed these art students to feel the charm of contemporary art closely, and add some diversity to the form of art classes.



Figure: Students of Wuhan Vocational College of Software and Engineering in front of the United Art Museum

Case sharing: Artist Matteo Basilé in Hubei Institute of Fine Arts

On March 27, 2019, the United Art Museum and Hubei Institute of Fine Arts jointly held an art lecture entitled “Semiotics between Ancient and Contemporary Art”. The artist Matteo Basilé from Italy was invited as the keynote speaker. His speech for art students of Hubei Institute of Fine Arts elaborated on his understanding of the interaction between Eastern and Western cultures, the impact of dialectics on traditional and contemporary art, and the difference between sacredness and mundaneness. It improved the understanding of art by students of Hubei Institute of Fine Arts, and promoted the exchange of Chinese and foreign arts and culture.



Matteo Basilé was giving a speech to teachers and students in English and Italian

02 Public education

In addition to the traditional art classes, the United Art Museum also actively explores some other public education approaches. The innovation displayed in the presentation and communication channels allows the United Art Museum to meet a wide range of demands of art fans of different genders, ages and educational backgrounds.

Case sharing: The “Women’s Spiritual Growth” seminar

The “Women’s Spiritual Growth” seminar was successfully held in the United Art Museum on the afternoon of March 30, 2019. Li Lei, the artist, and Li Ya, a psychological counselor from Zeng Qifeng Psychological Studio, were invited to this activity. They shared their opinions on the 40 oil paintings and watercolors displayed on the exhibition entitled the “My songs – Li Lei’s Works”. Also, they discussed the growth of women’s spirit and women’s spiritual independence from a professional perspective.



Li Lei (artist) and Li Ya (psychological counselor)

Attendees of the Seminar

Case sharing: Over 700 kids of YMM Art Space on their life-based drawing journey

From October 26 to 27, 2019, over 700 lovely kids from YMM Art Space visited the United Art Museum. They stayed here for two days, appreciating works on display, and creating. After the exhibition-seeing, they focused on creating works with their paintbrush, dreaming to be a great artist. This activity allowed kids to have a broad vision, beautiful touch and hearing experience. Further, they were provided an opportunity to feel the charm of art when they were visiting, which showed the importance that the United Art Museum attached to children's education.



Life-based Drawing Activity



Photo of Drawing Kids

03

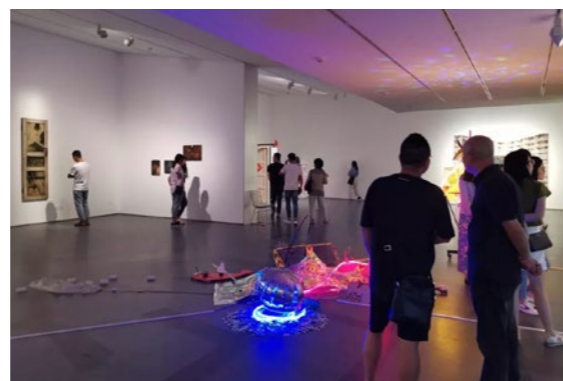
Young Artist Training Program: Palais Idéal du Facteur Cheval

The young artists at the present times are faced with two kinds of pressure: creating and living. The United Art Museum pays close attention to young artists in this time, and provides them a platform with massive resources to showcase the spirit and ideas of young artists. Also, such efforts have injected new energy into the future development of the United Art Museum.

In September 2019, the United Art Museum launched the 2nd Young Artist Program. Titled with “Palais Idéal du Facteur Cheval”, this exhibition showed over 50 works from 18 young artists, covering paintings, videos & photos, installations, and sculptures. The artists whose works were displayed in this exhibition were either professionals or part-time artists from all over China.



Opening Ceremony of Palais Idéal du Facteur Cheval



Activity

GRAND EVENT | WUHAN INTERNATIONAL MAKER ART FESTIVAL

In 2019, the United Art Museum held the Wuhan International Maker Art Festival. This event is designed to gather artists, entrepreneurs and talents in universities from home and abroad. Theme exhibitions, international artist workshops, forums and academic exchange activities were employed to construct an international platform for the exchange of ideas and discussions, which should further promote the development Wuhan's cultural and creative industries. In the meantime, the interdisciplinary combination of technology and art promoted the development of new industrial application products. This event fulfilled the requirement of the Wuhan Municipal Party Committee and Municipal Government to accelerate the high-quality development of the cultural industry. Also, it displayed the charm of cultural technology, contributing to the creation of a culturally creative city of Wuhan. The example set by the United Art Museum enables CEOVU to bring more cultural and creative brands out on the market, instead only staying in the art festival. More brilliant cultural and creative products are thus expanded to foreign countries and the world.



Figure: The United Art Museum Curator Huang Liping Was Making the Opening Ceremony

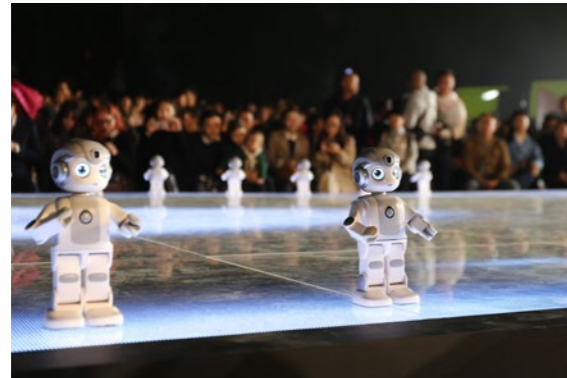


Scan for more information

01

The United Future Exhibition: a combination of art and technology

The United Future Exhibition, as an important part of the 2019 Wuhan International Maker Art Festival, displayed works of 25 artists and teams. Such works showed the forms in which art can be combined with technology today, covering machinery, AI, interaction-oriented new media, 3D printing, the Internet, etc. Furthermore, the exhibition also showed the paintings of AI robot Xiaobing (known as “Zo” in the U.S.) of Microsoft, reshaping the rigid image of art in people's minds. The United Future Exhibition plays an essential part in leading artists to the future, and also forebodes the future of the United Art Museum open to possibilities.



UBTECH robots showed at the Chinese Spring Festival Gala



The Mechanical Installation Interruption by Sun Yihan

02

“Maker Production” workshop: university-industry cooperation platform

The “Maker Production” workshop is an essential part of the 2019 Wuhan International Maker Art Festival. The participation of well-known domestic and foreign artists, technology companies, and college teams has created three major innovation-oriented platforms, namely the artists and technology company workshop, college workshop and youth workshop. Such workshops enable the re-creation of works:

- The artists and technology company workshop: It allowed the communication and discussion between technology companies and artists, and promoted the innovation and combination of industrial design and artistic ideas. The first projects involved included intelligent power-generation floor, intelligent wind generator, UBTECH robot, VR painting, etc.
- The college workshop: Teachers and students from nearly 10 well-known universities in China were invited to form 13 teams. The workshop continued for 72 hours so that teams could show their creativity. Those completed works were subject to online ballot and evaluation of the event committee. The works that stood out were displayed on the final roadshow of the 2019 Wuhan International Maker Art Festival.
- Youth workshop: 3D printing experience-based classes were available at this workshop for kids ranging from 6-12. The combination of design thinking, design activities and 3D printing provided an opportunity for children to improve their imagination, creativity and hands-on capabilities. The robot programming experience-based class allowed children to assemble, build and write programs to run the robot, and thus stimulated their interest in learning intelligent technology.



Discussion between Technology Companies and Artists



College creation Site

INDUSTRY COMMUNICATION

The deep understanding of the idea that “culture is the soul of a nation, and the cornerstone of economic renaissance” by the Group has led to its active participation in activities held by association and organizations at each level. The Group is an explorer, doer and leader in the renaissance of regional art and culture. Currently, it has been counted as members of Wuhan Gallery Association, Wuhan Cultural Creative Industry Association, and Wuhan Hongshan District Creative Industry Association. The Group Chairman Huang Liping, as the Director of these three associations, has made an uncountable contribution to the renaissance and development of Wuhan culture.

Case sharing: The 3rd Meeting of Members of Wuhan Cultural Creative Industry Association

On the afternoon of July 10, the 3rd Meeting of Members of Wuhan Cultural Creative Industry Association and the General Election Meeting was held in Ziyuan Hotel, Wuhan Creative World. Over 180 members sat in one room to discuss the new development path of the creative industry. Important figures who attended this meeting included Wu Tianyong, Deputy Director of the Publicity Department of Wuhan Municipal Committee, Zhao Lejun, Director of the Office of Reform and Development, Publicity Department of Wuhan Municipal Committee, Li Ling, Director of the Office of Administrative Examination and Approval, Municipal Civil Affairs Bureau, Zhao Zhi, Director of the Propaganda Department, Committee of Hongshan District, Mei Yue, Researcher of the Propaganda Department, Committee of Hongshan District, Yuan Shanla, the former President of Wuhan Cultural Creative Industry Association, and Zhang Shuchuan, the Executive President of Wuhan Cultural Creative Industry Association.

Wu Tianyong, Deputy Director of the Publicity Department of Wuhan Municipal Committee, made a keynote speech at the meeting. He first voiced support for and applauded the work Wuhan Cultural Creative Industry Association had done, and then pointed out the direction the Association should head towards in the future. As an important organization in the cultural industry of Wuhan, the Association should keep the feet on the ground and lead in the front of the line. Efforts are required from it to unite and lead its members to deliver new achievements and create new performances. In the meantime, Mr. Wu also contributed his inputs regarding the work of the Association: first is to well paly its role as a bridge; second is to constantly improve its service-provision capability; third is to lead the development of the industry; and fourth is to constantly strengthen self-construction.

It is the common responsibility of the association members and an important purpose of this meeting to promote the cultural industry of Wuhan to become the first-rate among all sub-provincial cities. Each member should commonly ponder upon the question that how Wuhan Cultural Creative Industry Association can proceed further and stably down the path of becoming a professional, market-based and international industry service organization. It is a must that it stays true to the original aspiration, and aim high and accomplish big to contribute its efforts to the high-quality and rapid development of the cultural industry of Wuhan.


At the meeting, Mr. Huang Liping, the co-chairman of CEOVU(the then chairman of CEOVU)and also the newly-elected President of the Association, said that the primary mission of the Association started from and settled on the development of this industry. It should drive culturally creative companies in different industries and of different types to integrate and thus achieve high-quality development. Our task is to provide a common platform for all kinds of culturally creative companies and individuals.



A photo of members attending the 3rd Meeting of Members of Wuhan Cultural Creative Industry Association



The Deputy Director of Wuhan Propaganda Department was Making a Speech

- 
- 86.Creating Value for Shareholders
 - 92.Caring for Employees
 - 102.Upholding High Quality of Products and Services for Customers
 - 110.Cooperating with Partners for Win-Win Outcomes
 - 116.Contributing to Social Welfare and Local Communities

Adhering to Social Responsibility and
Growing with Harmony

10

Creating Value for Shareholders

ESG Issues:



Compliance operations



Business performance

Important achievements under this topic:

19

"Three Sessions" held

42

corporate announcements disclosed

50%

Operating revenue accounted



Dividends paid annually after an IPO

SDGs responded under this topic:



CEOVU is a company that has always insisted upon improving the quality and efficiency through steady operations, so as to reward its shareholders with sustainable profitability and strong business performance. Since the establishment, we have been stepping up corporate governance, improving risk management and internal control, standardizing compliance management, and strengthening conference building; we have been refining information disclosure system and enhancing communication and interaction with shareholders through multiple channels; we have been deepening the reform and innovation of our business model, promoting high-quality development of the Group, formulating and implementing profit distribution plans in a rational, timely manner, and striving to create more value for investors.

PROMOTING HIGH-QUALITY DEVELOPMENT AND ACTIVELY DELIVERING VALUE TO SHAREHOLDERS

01 Promoting High-Quality Development and Optimizing the Business Structure

2019 is the first year for CEOVU to stride towards the "New Growth Period" plan. According to the requirements of CEC and the deployment of the board of directors, we have taken the implementation of the national strategies of innovation-driven development and industrial upgrade as the overall objective, and the construction of industrial resource sharing platform as the strategic goal. For that to happen, we have fully implemented the methodologies of system planning and comprehensive operation, deepened organizational reform, and vigorously pushed forward the "three-in-one" business collaboration in industrial park development, operation, and investment, striving for excellence in all given business activities.

In 2019, the Group demonstrated satisfactory outcomes, as the main operational performance reached the expected target, the business structure and asset structure were continuously optimized, and the marginal utility and long-tail effect of operational results showed a continuous rising trend. Among them, the revenues of industrial park operating and leasing services went up from 44.6% in 2018 to 51%; profits made by industrial investment also increased significantly.

02 Rewarding Shareholders

Since its listing on the main board of HKEX in March 2014, CEOVU has kept bringing reasonable cash dividends to its shareholders.

NO.	Year	Dividends Per Share (HK\$)
1	2014	0.032
2	2015	0.032
3	2016	0.03
4	2017	0.02
5	2018	0.02
6	2019	0.025

Figure: Dividend history data of CEOVU

CORPORATE GOVERNANCE

CEOVU believes that maintaining a high level of corporate governance is the basis for effective management and successful business growth. Based on the principles and code provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Main Board Listing Rules, the company has established a standardized corporate governance structure and a scientific and effective division of responsibilities and check-and-balance mechanism, with the aim of developing and maintaining sound corporate governance practices to protect the interests of shareholders and enhance the corporate value, accountability and transparency.

01 Improving the Levels of Risk Management and Internal Control

The Group is committed to improving its corporate governance by establishing a more complete and effective risk management and internal control mechanism. It has set up a risk management structure, which consists of a board of directors, a review committee, a risk management committee, and risk management posts, to address and protect against significant risks and to ensure that ESG-related risks are taken into account in the decision-making process. Through the "three defense lines," that is, executive management - risk management department - internal audit department, a rigorous internal control system can be achieved, and feasible solutions or remedies can be created in time when problems are found.

During the reporting period, the Group continued to improve the internal control system through the implementation of annual risk assessment, internal audit assessment, and special internal audit activities, which could ensure the efficient operation of risk management and internal control systems and further enhance the management level and risk prevention capability of the company.

02 Standardizing Compliance Management

CEOVU strictly abides by national and local regulations and industry rules to regulate the decision-making procedures of the Group. It adopted an approval responsibility tracking system for its subsidiaries and functional departments to track responsibilities of responsible personnel vertically. Further, it has strengthened the prevention of major risks, and effectively improved the compliance construction and risk management ability, thus providing legal support and guarantee for the transformation and upgrading of the Group and the realization of the goal in the new growth period.

In 2019, CEOVU introduced more legal training and law awareness improvement approaches, including adding sections such as “collection of legal awareness improvement materials”, “achievements in legal area” and “compliance guidance” into the OA system of the Group, and organizing three legal training (offline training + online playback). 500 skeleton personnel of the Group participated in the training, and contributed to the improvement of compliance and legal awareness of the entire Group.

Moreover, as the “year of innovative culture” for the Group, 2019 saw a sharp increase in brand-based cultural activities and stronger social influence. Compared with the past, the Group put more emphasis on propaganda activities regarding compliance management. In addition to the compliance with the Advertisement Law of the People’s Republic of China, the Legal Department of the Group also formulated the internal rules called the CEOVU Press and Propaganda Management Regulations and Operation Manual for strict review of the Group’s ad and brand promotion materials. Such efforts were designed to ensure an effective compliance control for propaganda and marketing activities of the Group, city-based companies and industrial chain-based companies.

The important compliance management measures in 2019 include:

- The Group has established a three-level review system (including the person-in-charge of the issuing unit, the editor of propaganda materials, and the person-in-charge of the propaganda department of the Group) to define the positions in charge of the review and the review process;
- Formulate explicit rules regarding the propaganda scope and forms, release frequency, message-push timing, etc. on the official website, Wechat official account, Weibo, etc.
- Establish a library for sensitive words and words that should be used with caution. Use professional media monitoring software to monitor the public voice and propaganda conducted by affiliates, and correct sensitive words and inappropriate messages timely;
- Set up the “propaganda materials sharing community” in the OA system of the Group. This is a data-sharing cloud platform of the Group that provides internal staff with a boundaryless communication means. It exploits the value of propaganda materials and improves work efficiency.

03 Strengthening Meeting Management

We strictly adhere to the requirement of "Corporate Governance Code," "Listing Rules", and "Articles of Association", so as to ensure that the board of directors, the general meeting of shareholders, and the management committee properly fulfill their obligations within the scope of functions and responsibilities, and that decision-making process, implementation, and results are open, transparent, fair and reasonable, and to avoid overlapping duties and powers. In addition, we actively organized the meetings in accordance with the company's strategic business plan, as well as the annual and periodic goals and responsibilities of the board of directors and shareholders, which included:



General meeting of shareholders

1 annual meeting of shareholders in Hong Kong and 1 special meeting of shareholders;



Board of directors and related committees within its jurisdiction

4 regular board meetings, 2 temporary board meetings, and 8 board committee meetings;



Management committee

Carried out management committee work 3 times.

DEVELOPING ACTIVE COMMUNICATION AND INTERACTION WITH SHAREHOLDERS

Since we went public in 2014, we have at all times attached great importance to investor protection by putting their interests on top priority, and fulfilled our information disclosure obligations in strict accordance with regulatory requirements. In 2019, based on the "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" (the "Listing Rules"), "Guidelines on Disclosure of Inside Information," "Securities and Futures Ordinance," and other laws and regulations and articles of association of the company, the Group formulated the "Measures for the Administration of Information Disclosure of CEOVU" in light of the actual conditions. The system clarifies the information collection and management of all departments and branches of the company, standardizes and reinforces the work of information disclosure, thereby providing solid support for the company to disclose information in a timely, true, accurate and complete manner and to protect the interests of shareholders. In 2019, the company made continued efforts to strengthen information disclosure management, with a total of 42 announcements issued to ensure the investors' right to know.

Announcement of Related Party Transaction	8
Next Day Disclosure Return - Share Repurchase	6
Next Day Disclosure Return - Cancellation	1
Other regular Announcements, such as annual, interim and ESG reports and annual and interim results announcements	5
Other Announcements and monthly report	22
Total	42

Figure: Information disclosure in 2019

Apart from timely and adequate information disclosure, the company also tries its best to maintain effective communication and interaction with investors in various ways, improving information transparency and safeguarding their rights and interests, especially small and medium investors. For example, investors can have easy access to interim announcements, periodic reports, monthly sales, and other information by logging in to the company's official website, and in the meantime, get the latest news about the Group in real-time via CEOVU's WeChat public account. Besides, the company also communicates with investors through telephone, email, online interactive platforms, etc. to ensure positive feedback between investors and the company and equal access to information for all shareholders and stakeholders.

11

Caring for Employees

ESG Issues:



Production safety and occupational health



Employee career development



Employees' rights and interests protection



Job creation

Important achievements under this topic:

0

in terms of major accidents on construction sites

0

working hours lost due to work-related injuries

18

Average training hours for employees

28

Carried out patrol inspections of work safety

261

safety hazards were identified and rectified

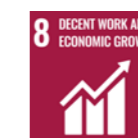
100%

Labour contract signing rate

100%

Health examination coverage rate of employees

SDGs responded under this topic:



Talents are the foundation to build a nation and thrive business. At CEOVU, employees are considered the most valuable asset for the development of the enterprise. So, the Group has always adhered to the people-oriented principle, safeguarding the rights and interests of employees and promoting their growth. Keeping staff happiness in mind, the Group has created a promising career development platform and shared the fruits of the company's development with employees. The way we do is to demonstrate our commitment to protecting and caring for each employee.

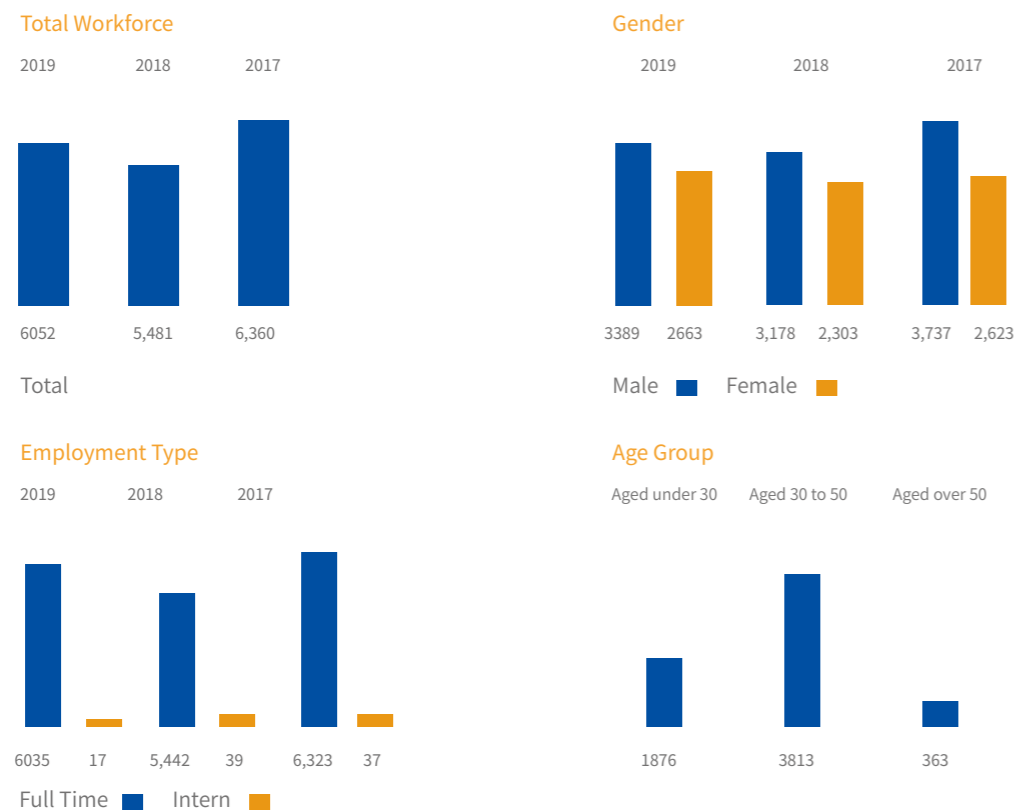
STAFF MANAGEMENT

01 Recruitment and Talent Management

Strictly complying with the "Labor Law of the People's Republic of China", "Employment Promotion Law of the People's Republic of China", "Minimum Wage Regulations", and other laws and regulations, the Group has gradually improved the internal human resources management system, and formulated and implemented a series of internal management systems, such as the "Measures for the Administration of Staff Recruitment", "Measures for the Administration of Employee Training", and "Measures for the Administration of Position-Related Performance". Throughout the year of 2019, guided by enhancing a sense of corporate identity among employees, the Group adhered to the principle of equality and fairness and continuously optimized management measures in talent recruitment, staff training, performance management, and staff welfare to promote mutual growth.

The Group sticks to the principle of equal employment and works conscientiously to implement the "Measures for the Administration of Staff Recruitment", ensuring a smooth recruitment and selection processes without affecting by factors like nationality, ethnicity, marital status, age, gender, and religion. The Group prepares annual recruitment plans according to business needs and introduces outstanding talents through various channels, such as campus recruitment, social recruitment, and employee referral program (ERP), so as to build a dynamic and diversified team for the rapid development of the Group.

As of December 31, 2019, The Group had a total of 6,052 employees. The details are as follows:



02 Comprehensive Performance Appraisal Mechanism

The Group continuously improves its performance appraisal system through the establishment of "Measures for the Administration of Position-Related Performance," and "Measures for the Implementation of Performance Management." With the criteria based on the annual "Letter of Responsibility for Business Objectives" and "Monthly Schedule," employees at all levels undergo a comprehensive assessment in the aspects of work quality, work progress, and work results. Also, a performance appeal channel is established to ensure the fairness of the appraisal results. As an important reference basis for bonus payment and internal promotion, the performance appraisal provides employees with a fair and transparent promotion channel while motivating them to make continuous improvements in professional quality and ability.

03 Scientific Compensation and Benefits System

The Group pays close attention to the needs of employees and takes outstanding enterprises in the market as a benchmark. It provides fair and reasonable remuneration and multi-level welfare system for employees by formulating the "Measures for the Administration of Compensation and Benefits," intending to attract and retain great talents.

Compensation Management	subsidy, etc. Employee Benefits
<ul style="list-style-type: none"> • Cash Income: Monthly salary (basic salary, post allowance, performance bonus), monthly operating rewards and sales commission • Subsidies: Overseas assignment subsidy, travel subsidy, transportation and communication subsidies, lunch subsidy, etc. 	<ul style="list-style-type: none"> • Statutory Benefits: Social insurance and housing fund, statutory holidays, paid annual leave, maternity leave, marriage leave, bereavement leave, etc. • Corporate Benefits: Labor insurance premium, high temperature subsidy, heating subsidy, birthday welfare, wedding welfare, maternity subsidy, bereaved condolence money, health checkup, medical aid fund for major illness, retirement allowance for key employees, etc.

EMPLOYEE GROWTH

01 Boosting Staff Development

Focusing on employee development, the Group has constantly helped employees improve their qualities and working skills. Lots of valuable training courses and learning opportunities are provided by CEOVU to stimulate the vitality of talents and to make common progress and development between the company and employees.

01 Multi-level Training System

The Group actively implements the "Measures for the Administration of Employee Training." According to different training objects and purposes, a multi-level training system is created to support the construction and development of the in-house talent pool of CEOVU, including new hire training, "Optical Valley Star" training, position-related training, reserve cadre training, managerial staff training, training for overseas assignments, and online training. Meanwhile, to enhance the professional level of training lecturers, the Group vigorously promotes the management system for lecturers and provides professional training and certification for internal lecturers through the human resources center. The active participation among employees has improved the quality and effect of internal training.

New Hire Training	A training and orientation to new hires, including theoretical training, project observation, outreach training, and senior officials meeting
"Optics Valley Star" Training	Designed for those recruited through "Optics Valley Star" on-campus recruitment program, including intensive training, special training, seminars, senior officials meeting
Position-related Training	A department-based training that aims to improve staff competency, including job duties, job requirements, job-related knowledge, skills, etc.
Reserve Cadre Training	A training designed for the Group's reserve cadres, including role switching, planning and division of labor, management skills, etc.
Managerial Staff Training	A training held typically 2 to 3 sessions a year, including general manager training college and mid-level managerial staff training
Training For Overseas Assignments	Select managers or those at higher-ranking positions and professionals to participate in external training according to strategic and business development needs
Online Training	A learning approach that is supported or dominated by electronic technology is an important part of employee training

Gender	The Percentage of Employees Trained (%)	The Average Training Hours (H)
	2019	2019
Male	92.5%	18
Female	92.5%	18

多层次培训体系及 2019 年度培训情况

Case Sharing: In-house Open Courses on Integrated Operations Training

To meet the needs of the company's "New Growth Period" plan and cultivate the professional and compound talents required for the development of integrated operations business, the human resources center has organized a series of training sessions on integrated operations for managerial staff at the middle and high levels since September 2019. There are 6 phases in this training, with 20 topics. The training content includes property management, catering management, decoration, renovation management, industrial research and project investigation, regional energy service, digital park system, project engineering construction, hotel management, etc. The purpose of the training is to help managerial staff develop a basic framework concept for integrated operations and apply it to future work. This training is of great significance to promote resource linkages and business collaboration between the Group headquarters and city companies and industrial chain companies.



The scene of the first phase of integrated operations training



Group photo of the first phase of integrated operations training

02 "Light" Theme Cultural Section

In addition to the diversified training activities, the Group has planned many featured sections with the theme of "Light," such as "Shining Light," "Luminous Employees," "Light Pursuer," so as to convey a positive attitude and spirit to employees and enhance their sense of corporate identity. In the meantime, it also enables the company to discover hidden talents and drive their career advancement. Amongst others, "Luminous Employees" mainly introduces work and life experience of CEOVU's excellent employees, shaping the role models and transmitting the positive energy of the company.



Part of the "Luminous Employees" featured section in 2019

EMPLOYEE CARE

01 Employee Health and Safety

The health and safety of employees is the guarantee for the stable operation of the enterprise. The Group strictly abides by the laws and regulations, such as the "Law of the People's Republic of China on Work Safety" the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases," "Measures for the Administration of Occupational Health Examination," and has formulated and implemented the "Measures for the Administration of Safe and Civilized Construction of Projects" and other internal policies and regulations to optimize the safety and health management system.

01 Construction Safety

Three-Level Safety Management System

The group has set up a Work Safety Committee (hereinafter referred to as the "Safety Committee"), and formed a three-level safety management system consisting of the Safety Committee, City Company, and Project Department to keep the safe production of projects conducted by the Group. Therefore, various systems have been established, such as the "Responsibility System for Work Safety" "Responsibility System for Safety Management Objectives" and "Project Safety Inspection System" to clearly define the content and responsibilities of work safety management at all levels and ensure the effective implementation of safety management objectives.

Safety Inspection Management Mechanism

According to the requirements of the "Measures for the Administration of Patrol Inspection of Group Projects," the Group's project management inspection team carries out safety checks on project planning, cost management, technical management, and engineering management practices of city companies at regular or irregular intervals, and in the meantime, puts forward targeted suggestions for the deficiencies of the safety management system of construction units and various safety hazards found on the spot and makes rectifications within a prescribed time limit. In 2019, 28 safety inspections were conducted for projects. 261 safety hazards were identified and rectified.

Safe and Civilized Construction Measures

The Group has developed and scrupulously implemented the following requirements of the "Measures for the Administration of Safe and Civilized Construction of Projects."

- Provide labor protection supplies for construction personnel, such as protective equipment against dust, poison, and radiation, to safeguard their occupational health, and require workers to wear approved safety belts and helmets during high-altitude operations;
- Establish a system regarding first aid, healthcare and epidemic prevention on construction sites to provide timely assistance in the event of safety accidents and disease outbreaks;
- Promote work safety regulations, safety slogans or signs, and warning signs on construction sites, and establish a VR safety experience zone to simulate accident scenes and raise the safety awareness of employees;
- Arrange reasonable work intensity and hours for the construction personnel and pay close attention to their working status.

The successful transformation of the Group led to the rapid expansion of operation projects, and rendered the original safe production system ill-suited for the new operation projects. The Group paid full attention to the safe production of projects. It actively improved the safe production management system of such projects, and urged the implementation of the safe production indicators of the Group in the new projects. Further, it invested efforts to the safety education and training.

All property, catering, hotel subsidiaries, and industrial chain companies of the Group strictly follow the work safety guidelines and continuously improve the safety management system. Thus, no fatal accidents on construction sites and working hours lost due to work-related injuries were recorded during the reporting period.

02 Fire Safety and Emergency Response Mechanism

The Group scrupulously abides by the "Fire Control Law of the People's Republic of China, consistently adheres to the principle of "safety first, prevention first, and integrated governance, and actively implements the policy of "putting prevention first and combining prevention with elimination." Under the above guidelines, the Group acts conscientiously on the fire management by inspecting fire protection system and holding fire drills on a regular basis.

Case Sharing: "119" | Preventing Fires, Lidao Property Takes Action 动

To celebrate the "119" National Fire Prevention Day and raise the awareness of practices that can help prevent fires, Lidao Property conducted fire drill activities in each project property service center, and organized "regional firefighting skills competitions" from November 1, 2019, including fire hydrant operation, extinguishing fire with the dry powder extinguisher, correct usage of fire extinguisher, knowledge quiz of extinguishment process on putting out small or incipient stage fires, which effectively strengthened the employees' safety fire awareness, emergency response and self-rescue abilities.



Employees used fire extinguishers

03 Employees' Physical and Mental Health

Caring for the health and well-being of employees, the Group organizes physical check-ups every year to continuously raise their health awareness; sets up a canteen near the office area to provide employees with hygienic and healthy meals; encourages employees to strengthen physical exercise after work, and holds sports activities, such as marathon, to prevent physical injuries caused by sedentary work; places green plants at their desks to create an office environment conducive to physical and mental health.

Case Sharing: Have a Big Dream and Keep Moving Forward | Chongqing CEOVU Spring Marathon

To enrich the leisure cultural life of employees and promote the development of physical and mental health, Chongqing CEOVU, a subsidiary of the Group, mobilized all employees to participate in the Bishan International Half Marathon on April 14, 2019. The total distance of this marathon is 21.1 km, which lasted nearly 3 hours. Upholding the spirit of "challenging ourselves, surpassing limits, staying persistent, and never giving up" throughout the race, our employees mutually encouraged, overcame the impact of rainy weather and physical discomfort, and finally completed the race and reached the finish line. They fully demonstrated the gritty spirit of CEOVU with excellent physical qualities.



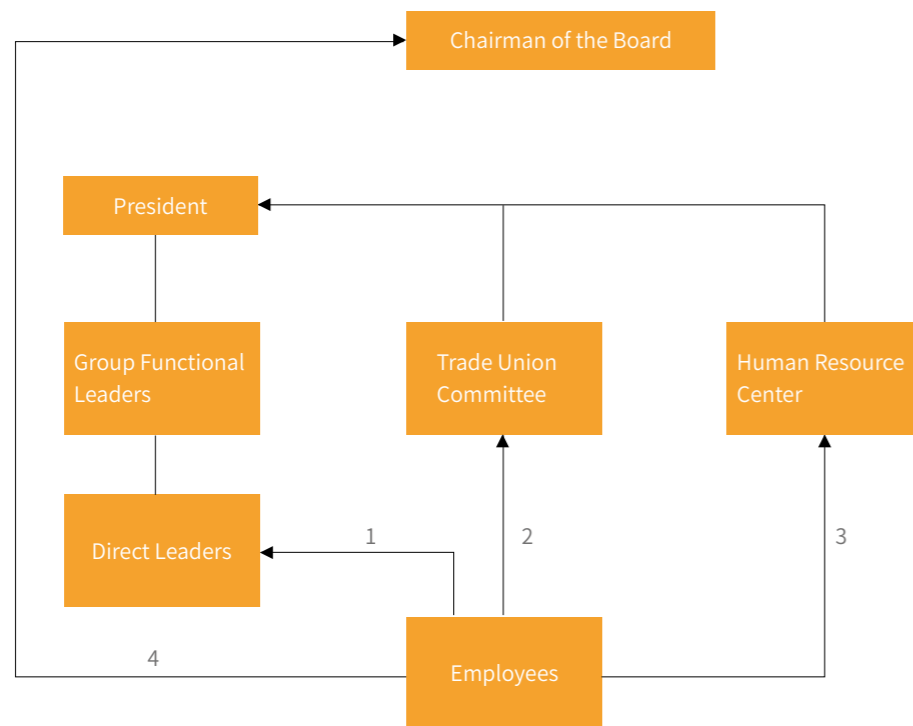
Group photo of 2019 Bishan International Half Marathon

02 Employees' Rights and Humanistic Care

At CEOVU, great importance is attached to the protection of employees' rights and interests. The Group provides equal employment and advancement opportunities for all, establishes a democratic communication channel, and takes a series of measures to create a harmonious working atmosphere from the perspective of employees' needs.

01 Protecting Employees' Rights and Interests

The Group scrupulously complies with the "Company Law of the People's Republic of China," "Labor Law of the People's Republic of China," and other laws and regulations, respects and follows the core labor standards of "ILO Constitution," which is an internationally recognized human rights norm, adheres to the principle of equal and fair employment, and ensures that treating employees based solely on their competence level and qualifications rather than on factors, such as gender, age, nationality, religious belief, family and health status, to eliminate any form of discrimination. In addition, the Group has set up a multi-channel grievance channel for employees. They can choose the appropriate channel to file a complaint with the company according to the procedure (see Figure below) if those rights and interests are unduly violated. During the reporting period, the Group did not receive any complaints of violation of employees' rights and interests.



The Group strictly checks the age of employees through the ID card during the recruitment process and prohibits the employment of child labor. At the same time, it also scrupulously observes the "Measures for the Administration of Attendance" for the proper management of overtime and compulsory labor. If employees who anticipate the need for overtime to complete work assignments must fill out an overtime request form and obtain approval from the relevant leaders. Those who work overtime can apply for compensatory leave to ensure a satisfying work-life balance for employees. During the reporting period, there were no cases of child recruitment and forced labor in the Group.

02 Caring for Employees

Employee care is given high priority at the Group. With the labor union, the Group understands the needs of employees and carries out diversified activities, such as warmth and love-giving activities on festival holidays, high temperature subsidies, so as to improve employees' quality of life, vitality, and wellbeing in an all-round way.

Case Sharing: Employee Care Activities of Mid-Autumn Festival

The Mid-Autumn festival is a time for family reunion. In 2019, the Group conducted a survey prior to this traditional holiday, intending to find out whether employees returned home to celebrate with their loved ones. For those who could not go back home, the Group specially invited their families to the company to make a home dish personally for them. The employees expressed gratitude for this surprise arrangement and said that they had spent an unforgettable and happy Mid-Autumn Festival. This activity not only reflected significant care for employees and demonstrated a warm "light" culture of the Group but effectively enhanced a sense of belonging among employees.



Employee Care Poster of Mid-Autumn Festival



Scan for more information

12

Upholding High Quality of Products and Services for Customers

ESG Issues:



Project quality management



Service quality and customer satisfaction

Important achievements under this topic:

98.33%

Customer satisfaction for property services

34

The number of complaints received by the hotel

100%

handling rate

SDGs responded under this topic:



Customer satisfaction is the cornerstone for CEOVU to achieve great progress and sustainable development. We have consistently improved the quality of products and services, strived to build an industrial resource sharing platform by gathering innovative resources, optimized the industrial space service system, and implemented high-quality long-term development plans, so as to take responsibility for customers and share value with stakeholders.

PROJECT QUALITY MANAGEMENT

The Group strictly abides by the "Product Quality Law of the People's Republic of China," "Regulations on Quality Management of Construction Projects," "Law of the People's Republic of China on the Administration of the Urban Real Estate," and other laws and regulations, and has formulated internal rules, such as "Measures for the Administration of Project Engineering Quality," "Measures for the Administration of Patrol Inspection of Group Projects," etc. It gives high priority to quality management from the aspects of safety, functionality, visuality, and applicability, and thus creating high-quality, healthy and safe products and projects. During the reporting period, none of our products were recalled due to safety and health problems.

01 Project Engineering Quality Management

General Manager Accountability System	The Group has established a quality management system, with the general manager of the city company issuing and approving quality plans and targets, organizing departments to prepare quality assurance measures and implement, and taking full responsibility for the quality of all projects.
Quality Control Procedures	Define responsibilities of each department and detailed quality control requirements and standards in terms of project planning, drawing review, construction organization design review, special technical scheme review, materials and equipment quality control, construction sample management, and other key procedures.
Project Acceptance Management	After completion of the project, an internal acceptance team is formed, which consists of the engineering department, project supervision, general contractor, and subcontractors, to conduct a quality inspection on the project's visual appeal and functions, ensuring that the quality of the project is in line with the technical standards and meets owner's satisfaction.
Hold Points Inspection Management	Set up important quality hold points in the project process for inspection, classify them according to their prioritization and compile a list of inspection contents. The inspection is carried out jointly by the engineering department, supervision unit, and general project contractor, whose results and plans for the next month will be submitted to the project management center for review every month.

02 Project Patrol Inspection System

The Group has set up a project management inspection team responsible for safety checks and evaluation of project planning, cost management, technical management, and engineering management practices of city companies. The patrol inspection is divided into two modes - regular and irregular. The regular patrol inspection is conducted once a quarter; the irregular one is performed in a flight inspection mode, which means the inspection team will carry out random spot checks without advance notice. Upon completion, the team proposes an improvement plan for the project management while following up on the implementation of relevant rectification measures of city companies. The inspection and rectification are used as the annual assessment basis for each city company and the persons in charge. Besides, the Group also summarizes the problems and highlights found during inspections and organizes training to further ensure the accurate implementation of quality strategies and to raise the awareness of quality responsibility among employees.

SERVICE QUALITY MANAGEMENT

The Group actively builds industrial park services with a full life cycle, and lays out the property, catering, hotel, and other business sectors as basic supporting facilities, so as to offer integrated and multi-level industrial space operation services for enterprises in the park.

01 Property Service Management

Lidao Property adheres to the quality development path of "excellent service, special features and strong brand," and has formulated and implemented internal policies, such as "Project Operation Guide," "Professional Assessment Standards," thus providing quality property services for customers of different business forms - high-end residential buildings, office buildings, themed industrial parks, logistics parks, and institutions of higher learning.

01 Project Quality Assessment Mechanism

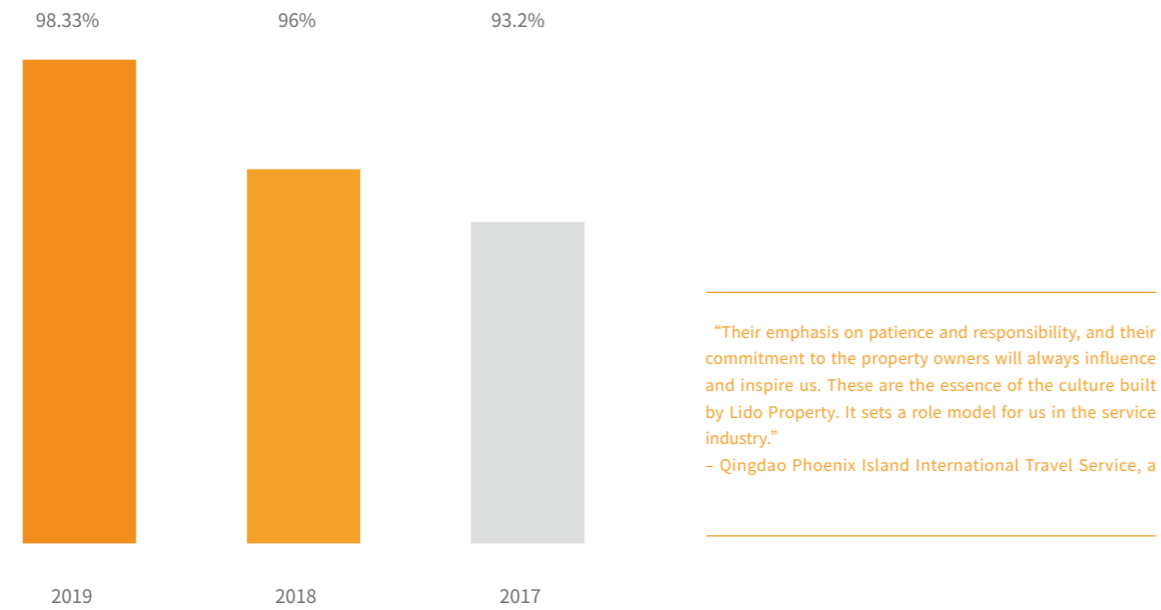
A rigorous project quality assessment mechanism is conducted at Lidao Property. The results are directly linked to the performance salary and annual performance assessment of relevant persons in charge, which not only motivates the team to implement the requirements of quality control strictly in their routine work, but also continuously improves the level of property services.

Monthly Quality Inspection	Conduct a comprehensive assessment of the quality of the projects in five dimensions - comprehensive management, order maintenance, engineering maintenance, green maintenance, and cleaning
Quarterly Quality Assessment	Secret customer visits are organized by the operation center every quarter, including six different scenes - stores in peripheral areas, vehicles or pedestrian entrances and exits, public areas, building areas, property service center office areas, and nighttime environments
Semi-annual Quality Inspection	The operation center conducts inspections on each project every six months, including etiquette image, fees and charges, information application, outsourcing supervision, customer relations, work safety, and team building.

02 Customer Satisfaction Survey and Complaint Handling

Lidao Property proactively obtains customer satisfaction information through the online survey, and determines the number of people taking part in the survey and the coverage area based on two indicators - floor area and the total number of households; in the meantime, by linking the results of customer satisfaction survey to the performance of employees, it strengthens their service awareness while motivating them to continuously enhance service quality.

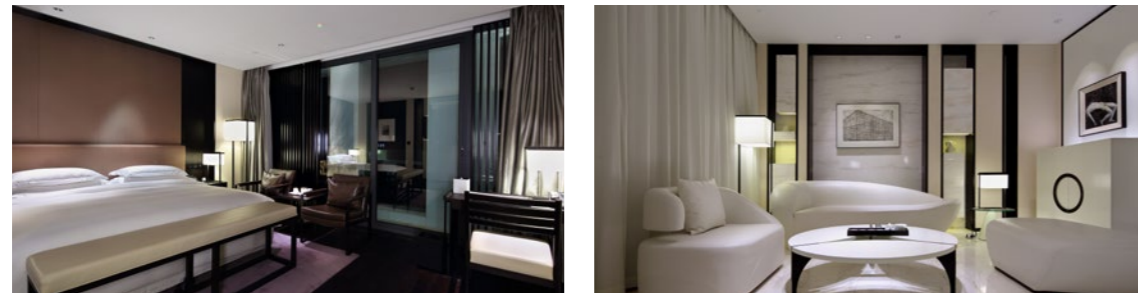
The park owners can make complaints to the property housekeeper through a 24-hour hotline or WeChat group. The company sets a corresponding time limit for each case according to the departments that shall be held accountable and the degree of risk, ensuring complaints can be resolved as quickly as possible. During the reporting period, the total number of customer complaints received by Lido Property was 243, and the handling rate was 100%.



Comparison of property service satisfaction over the past three years (all communities and parks of Lido Property services are covered in the customer satisfaction survey held every year. There were 29,421 participants in 2019.)

02 Hotel Service Management

Ziyuan Hotel attaches great importance to customer experience, and is committed to creating a first-class boutique hotel with complete supporting facilities, standardized workflows and operation guidelines, and international service management.



Boutique hotel services

01 Hotel Quality Control

To further strengthen the quality management of the hotel, Ziyuan Hotel holds regular monthly meetings to examine the management and control effects in the aspects of economic benefits, social responsibilities, brand building, and safe production. The monthly management meetings are conducted under the four major segments - "employee care," "customer experience," "corporate responsibility," and "financial return." During the meeting, staff and management communicate and discuss the existing problems, and also summarize excellent measures and development ideas, so as to make continuous improvement in the quality of hotel services.

02 Continuous Improvement in Customer Satisfaction

Ziyuan Hotel insists on treating all customers with honesty and respect, scrupulously abides by national and regional laws and regulations, and industry-related policies, ensures reasonable prices for products and services, true and transparent information, eliminates false advertising, safeguards the legitimate rights and interests of customers, keeps customer information safe and secure, and guarantees the realization of fair trading. Besides, it also focuses on the improvement of customer satisfaction and complaint handling. Through the establishment of multiple feedback channels and satisfaction tracking survey system, it listens closely to the customer needs and continuously improves service quality. In 2019, the customer satisfaction survey score of Ziyuan Hotel was 4.7 (out of 5).

Targeting at the problem of new employees' lack of experience in dealing with complaints, and to standardize the process to handle such complaints and improve the customer experience, Ziyuan Hotel has launched a series of training courses for the employees to improve their skills of dealing with complaints: For new hires, they are required to attend mandatory training on "Guest Complaint Handling Skills;" hotel supervisors are required to take courses on "Service Remedial Measures;" for senior managers, they need to participate in a set of courses like "Guidelines for Handling Complaints by Tour Operators", "LEARN Principles of Complaint Handling Process."

In 2019, Ziyuan Hotel have carried out 188 hours of "Guest Complaint Handling Skills"; more than 240 hours for "Service Remedial Measures" and 132 hours for "Complaint handling Standards in Tourism Operation".

Listen: Stay calm once the complaint is received, and always remain courteous when listening to the guest's complaint	Empathy: Express sympathy with appropriate facial expressions and body language, and guide guests to express their unpleasant emotions	Apology: Give a prompt response to the complaint the guest stated, and apologize for the unpleasant experience	Resolve: Request relevant departments to investigate the complaint, and resolve it as quickly as possible	Notify: Notify the guest once you get the solution, and ask if they are satisfied with the outcomes
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LEARN principles of complaint handling process

03 Catering Service Management

Quanpai Catering strictly abides by the quality policy of "source control, key management, perseverant moral, and service supremacy," and in the meantime, adheres to the principle of honest operation, striving to provide safe, healthy and efficient catering services for the park.

01 Food Safety Management

Quanpai Catering strictly complies with the "Food Safety Law of the People's Republic of China," "Regulation on the Implementation of the Food Safety Law of the People's Republic of China," and other laws and regulations, and has formulated and implemented internal policies, such as "Quanpai Food Safety Management System and Principles," which ensures the quality and safety of products.

Online Management and Control

The restaurant quality management cloud inspection system has been introduced to control the site cleanliness, food samples, and material costs. The relevant information is uploaded to the inspection system through the cloud mechanism, and the big data analysis function enables users to keep track of the quality control. As a result, the risk prevention can be done throughout the entire process.



The operation interface of the cloud inspection system

Food Safety Offline Inspection

Quanpai Catering assigns quality specialists to inspect the restaurant regularly, including the environmental hygiene of processing places and equipment, quality and storage environment of the food, chemical supplies management, food samples, and so on. Furthermore, a dedicated quality control team is set up for restaurant inspection during major holidays to strictly control food quality and safety.



On-site photos of restaurant quality and safety inspection in July 2019

Cleanliness and Hygiene Management

Quanpai Catering has formulated and strictly implemented the "Hygiene Management System," requiring the restaurant staff to undergo health checks every year and get medical certificates, and to ensure hygiene and safety in the interior and exterior spaces of the restaurant, food waste area, restrooms, and so on. It also entrusts third-party institutions to conduct a series of tests regularly, including water quality, tableware, finished products, measuring instruments. Moreover, information visualized equipment is introduced to invite customers for joint supervision, so as to enhance service transparency and satisfaction.

13

Cooperating with Partners for Win-Win Outcomes

ESG Issues:



Compliance operation



Supply chain responsibility management



Promoting industry development

Important achievements under this topic:

376

Total number of engineering suppliers of the Group

SDGs responded under this topic:



RESPONSIBLE SOURCING

The Group adheres to the concept of mutual benefit and win-win cooperation, insists on the principle of responsible sourcing, and has formulated relevant regulations, such as "Measures for the Administration of Procurement of Group Suppliers", "Detailed Implementation Rules for Centralized Procurement of Group Suppliers", and "Detailed Implementation Rules for Bidding Management of Group Project Suppliers". Under the principles of fairness and impartiality, it has made clear provisions on vendor onboarding process, evaluation, and management, so as to select high-quality suppliers and establish long-term cooperative relations. In addition, the Group embeds the concept of CSR into its entire supply chain from upstream to downstream, focusing on legal compliance, safety and environmental protection, employee rights and interests, transparent operation, fair competition, and other responsibility issues. Through review and approval workflows, common declaration statement, and contracting, the Group raises CSR awareness among suppliers, and in the meantime, increases the proportion of local sourcing to actively build a new supply chain ecology in the industry.

01 Supplier Onboarding Mechanism

The Group Project Management Center is responsible for inspecting the construction service providers and material and equipment suppliers recommended by the city companies, and examining their detailed information - e.g., qualification certificates, project performance documents, technical certifications, financial statements, product quality certificates, related licenses and permits of imported materials, award certificates and accreditations, and so on. Then, the Center creates portals for each qualified construction unit and has them reviewed and approved by all related parties. For units or suppliers of construction, services, materials or equipment in the same category, the Group requires that at least 3 suppliers participate in the evaluation process to maintain healthy competition and reasonable price structure. Finally, it involves contract negotiation. The Group will negotiate and draft contracts with the approved suppliers or service providers.

The property, hotel, catering, and other park service companies of the Group have established evaluation and pricing committees to review the qualifications of suppliers and compare their prices with those of the market. For food suppliers, the park service company focuses more on their food sources, food safety, product quality, distribution sites, and enterprise qualifications, ensuring that the quality of food ingredients meets the requirements of consumers.

02 Supplier Evaluation and Performance Rating

The Group Project Management Center, together with various city companies and industrial chain companies, takes charge of the evaluation and rating management of suppliers from multiple dimensions, such as product quality, service quality, moral integrity, and so on. The suppliers are classified into four levels depending on the scores - excellent, qualified, unqualified, and prohibited. For those rated "excellent," they will become the preferred partners for the Group's headquarters and subsidiaries; on the contrary, for those receiving "unqualified" or "prohibited" rating, the Group will no longer cooperate with them in future sourcing activities while removing them from the contract units database to ensure the timely information maintenance and update.

The property, hotel, catering, and other park service companies, which are subordinated to the Group, regularly evaluates and measures the performance of suppliers with whom they have been cooperating for a long time. The suppliers are jointly scored by the receiving department, user department, and sourcing department in terms of product quality, delivery time, service satisfaction, and price. The practice for this is to select good suppliers and eliminate unqualified ones.

During the reporting year, the Group had a total of 376 engineering suppliers, 9 of which were preferred partners.

03 Supplier Communication and Cooperation

The Group makes continuous improvement in internal and external communication mechanisms, maintains effective communication and cooperation with suppliers, and conducts timely exchange on market and supply conditions. Through regular communication, the Group raises CSR awareness among the suppliers while driving them to continuously enhance product quality, and ensures the smooth operation of the industry supply chain, thereby providing reliable guarantee for the daily operation of the parks and its subsidiaries.

The subordinated park service companies of the Group, including property, hotel, and catering, hold regular meetings to communicate with suppliers about their services and propose rectification opinions, addressing issues of mutual concern in a timely manner; and besides, we regularly invite suppliers to participate in public welfare activities related to social responsibility, so as to establish a harmonious and interactive relationship between both parties and give full play to the value-added role of the whole supply chain.

CO-CREATING VALUE

In 2019, CEOVU further strengthened its strategic partnership with the aim of building strategic resource integration capabilities, making full use of its advantages in industrial park operation and management to newly establish strategic cooperation relationships with institutions, such as National Intelligent Sensor Innovation Center, Wuhan Industrial Institute for Optoelectronics (WIIO), CITIC Engineering, WISCO Group, China Jinmao, Kaisa Group, Agile Group, Hubei Provincial, Communications Investment Group, Hubei Hongtai Capital, China First Capital International Group, Shenzhen Longgang Industrial Group, etc.

Case Sharing: CEOVU Signed a "Strategic Cooperation Agreement on Comprehensive Operation" with Baotou Qingshan District

On July 21, Huang Liping, co-chairman of CEOVU (the then chairman of CEOVU), went to Baotou Qingshan District for field research, and developed a talk with Zhao Jiangtao, Deputy Secretary of the Baotou Municipal Party Committee and Mayor, Wang Xulian, Deputy Mayor, Hu Rong, Deputy Secretary of Qingshan District Committee and District Mayor, Sun Liankun, Deputy Director of the Baotou Municipal Development and Reform Commission, Li Peiwen, member of the Standing Committee of the District Party Committee and Executive Deputy District Mayor, Hou Yongfeng, Director of the Management Committee of Baotou Equipment Park, and other leaders, after which CEOVU and Qingshan District Government of Baotou signed a "Strategic Cooperation Agreement on Comprehensive Operation."



CEOVU signed an agreement with the Qingshan District Government of Baotou

Case Sharing: Industry Cooperation | Build an Electronic Information Industry Exchange Platform for Enterprises in the Chip Valley

On November 28, He Haihua, Vice President of the Chengdu Integrated Chip Valley Industrial Park Development Co., Ltd., signed a strategic cooperation agreement with Shenzhen Internet Society, Shenzhen Computer Association, Shenzhen Internet of Things Industry Association, and Shenzhen Financial Chamber of Commerce.



CEOVU signed a contract with related associations

Case Sharing: CEOVU signed a "Strategic Cooperation Framework Agreement" with WISCO Group

On the afternoon of August 20, CEOVU and WISCO Group Co., Ltd. (hereinafter referred to as "WISCO Group") held a signing ceremony for the strategic cooperation framework agreement in the office building of WISCO. Zhou Zhongming, Party Secretary and Chairman of WISCO Group, Fu Xinyu, General Manager and Deputy Party Secretary, Chen Qingquan, Party Standing Committee and Deputy General Manager, Huang Liping, Chairman and President of CEOVU, Chen Tongju, Vice President, and Yin Bitao, Assistant President and President of Planning and Design Institute, attended this signing ceremony.



CEOVU signed a framework agreement with WISCO Group

Case Sharing: CEOVU and Otis Electric Opened a New Chapter on Strategic Cooperation

On October 23, the signing ceremony of the strategic cooperation between CEOVU and Otis Electric was successfully held, starting a new chapter on the cooperation of elevator equipment supply and maintenance and intelligent building construction since both parties developed a business relationship in 2005. Chen Tongju, Vice President of CEOVU, Huang Min, Assistant President, Zheng Hongtao, Deputy General Manager of Project Management Center, Li Cheng, Vice President of Operations of Otis Electric Elevator, Zhou Jian, Marketing Director of Central China and East China Regions, Wang Long, General Manager of Wuhan Branch, Gong Liusheng, General Manager of Hualian Elevator, and other leaders attended the signing ceremony.



CEOVU signed a strategic cooperation agreement with Otis Electric

14

Contributing to Social Welfare and Local Communities

ESG Issues:



Investment in public welfare undertaking

Important achievements under this topic:

RMB 100,000

Donated to Caizui Village, Xinchong Street, Xinzhou District

600

Organized or participated public welfare activities

SDGs responded under this topic:



PROMOTING COMMUNITY HARMONY

The Group is committed to driving the construction of urban ecological civilization, supporting community development, and organizing and undertaking various cultural sports and caring activities, so as to promote community integration, improve the quality of life of residents, and create a harmonious and warm living environment.

Case Sharing: Ziyuan Hotel Visited the Empty-Nest Elderly

On September 5, 2019, volunteers from the Ziyuan Hotel visited the elderly in Kangxin Nursing Home and gave them Mid-Autumn gift packs. Ziyuan Hotel has always remained aware of corporate social responsibility and paid close attention to the well-being of the elderly while developing the business. In the future, Ziyuan Hotel will continue to contribute to society and public welfare.



Ziyuan Hotel employees took a group photo with the elderly people

Case Sharing: Lidao Property Held A Fun Parent-Child Sports Event

On November 2, 2019, the Lidao · 2046 Community Property Service Center organized a unique parent-child sports event that included many competitive and fun games, such as "4-legged running race", "blowing balls", "crab dribbling" etc. It not only encouraged parenting interactions with children but brought about a joy moment of togetherness. At the same time, Lidao Property has set up a volunteer service team in each community to regularly carry out various types of volunteering services, making a continuous contribution to the development and construction of the communities.



4-legged running race



Blowing balls game

PROMOTING TARGETED POVERTY ALLEVIATION

The Group always devotes itself to fulfilling social responsibility and paying great attention to social issues. Fully leveraging corporate resources and platform advantages, the Group actively participates in various targeted poverty alleviation programs and contributes to public welfare undertakings; it also strives to assume greater responsibility towards the public by improving the quality of life of community residents and creating a harmonious and warm social atmosphere.

For the implementation of the strategic policy of the CPC Central Committee and the State Council on "Winning the Battle Against Poverty" and the public welfare concept of "Helping Vulnerable Groups and Promoting Social Harmony and Progress," the Group actively explores and applies the targeted poverty alleviation model, and provides multi-dimensional assistance in the aspects of capital, talents, technology, and management. Besides, the Group flexibly pushes forward the work of poverty alleviation in combination with online and offline modes, thus making a significant contribution to the fight against poverty.

Case Sharing: Lidao Property Helped the Caizui Village Fight Against Poverty

In August 2019, Lidao Property participated in the sales promotion of unmarketable agricultural products - red crown peach - for Caizui Village, which is situated in Xinchong Street, Xinzhou District, and donated 100,000 yuan to the village for poverty alleviation under the call of the Village Task Force and the Hongshan District Property Industry Party Committee, contributing to the construction of the convenience store and elderly activity center in Caizui Village. In the same month, Lidao Property was rated as "Xinzhou District Targeted Poverty Alleviation Enterprise" by Wuhan Hongshan Housing Management Bureau, CPC Hongshan Property Service Industry Party Committee, and Hongshan District Property Management Association.



Lidao Property won the honorary title of "Xinzhou District Targeted Poverty Alleviation Enterprise"

Case Sharing: Charitable Donations to Qingyun Village

In response to the national call of "Targeted Poverty Alleviation Strategy," the Group joined hands with many financial institutions in the park to establish the Wuhan · China Optics Valley Financial Back-up Services Association (hereinafter referred to as the "Financial Back-up Services Association"), and carried out public welfare activity with the Wuhan Public Security Village Task Force to support Qingyun Village and promote the steady development of the industry. On November 28, 2019, Wang Ning, President of the Financial Back-up Services Association, donated 7,000 kgs of fertilizer to Qingyun Village and visited three poor households to learn about their recent improvements in production, living and family income, sending the warmest blessings and hearty greetings on behalf of the Association.



Charity donation event

Case Sharing: Driving the Industrial Development in Poor Mountainous Areas by the Way of “Purchase Rather Than Donation”

To help the poverty-stricken areas in Baokang County, Xiangyang City, the Group dispatched researchers to the local area multiple times between October and December 2019 to gain an in-depth understanding of the development status of poor households. After fact-finding visits, it was found that local wood ears and mushrooms are high-quality products growing in the mountains at an altitude of about 800 meters, and the walnut deep processing is a key industry in Baokang. Combining the characteristics of local industrial development, the Group purchased agricultural products, such as basswood mushrooms, wood ears, walnuts, and walnut oil, from poor households rather than donated, and distributed them to employees as gifts for Spring Festival. This activity not only effectively promoted the industrial development in the poor areas but brought quality products to employees, demonstrating the Group’s care for employees and great support for local businesses.



Scan for more information

15

Value Vision for 2020

VALUE VISION FOR 2020

2020 is the final year to achieve the goals of the "13th Five-Year" Plan while also being the crucial year to draft and compile the "14th Five-Year" Plan. Moreover, the "New Growth Period" plan set out by CEOVU comes at a critical time during its implementation.

The world today is undergoing major changes that are unseen in a century, and the COVID-19 pandemic has further accelerated these changes in the world patterns. As China's epidemic situation has improved, its economy is now staging a strong comeback. CEOVU will continue to be fully committed to epidemic prevention and control while strengthening the conviction and sparing no pains to implement its "New Growth Period" plan. We will step up efforts from the following five aspects in the post-pandemic period, so as to promote the resumption of economic and social order across the board, assume more responsibility, and create greater value.

1. Resolutely improving the strategic position of the enterprise. We will develop a profound understanding while making active response to the national strategic deployment, especially the overall plan and requirements of CEC, which is the "national team" to guide us to implement the network great power strategy. In the meantime, we will make full use of our resources, strive for better alignment and development of the information technology application projects across the country, and give full play to the role of a carrier for the cross-regional industrial park as well as the synergistic and supporting roles of innovation space in central cities like Wuhan, Tianjin, Chongqing, Chengdu, Changsha, Qingdao, Hefei, Shanghai, Shenzhen, Xi'an, and other places in building a "credible" industrial ecology.

2. Promoting the national strategies by enterprise management and giving full play to the role of industrial resource sharing platform as a typical case of the "sharing economy" of the National Development and Reform Commission as well as the enterprise cloud computing project of the Ministry of Industry and Information Technology. A cross-regional digital park network is formed through two service systems. Also, the methodologies of "system planning" and "comprehensive operation" are vigorously pushed ahead to provide more effective solutions for regional industrial upgrading and new economic development.

3. Further strengthening the construction of the system of "joint innovation of enterprises at all levels." We will put more efforts towards the construction of science and technology business incubation bases and makerspaces with our own characteristics, take the newly-launched corporate visual identification system as an opportunity to increase brand visibility, and better align the CEC's joint innovation system to give the brand "OVU Maker Star" a boost in both popularity and influence. In 2020, we will strive to newly build 2-3 national-level technology business incubators and makerspaces, bringing the total number to 10. Based on the reduction of RMB 20 million in rents for micro-, small, or medium-sized enterprises in our parks in the first quarter of 2020, we will moderately increase the budget for reductions and exemptions to scale up support for the difficult enterprises according to the epidemic situation in the second quarter. The construction of regional innovation ecology will be placed in a more prominent position. The annual plan for equity investment in about 20 high-quality science and technology start-ups is set to be completed, making a closer integration of space services and financial services. The methods and means of innovation ecological construction will be further optimized. Lastly, we will do our best to list 1-2 enterprises on the science and technology innovation board within the year.

4. Fully leveraging the model innovation in the construction of ecological civilization. We will take CEEC as a focal point to further advance the regional energy revolution while focusing on the promotion of intelligent control system and the popularization of science and technology. Besides, we will expand its scale of operation to greatly increase the annual main operating index of green energy business by more than 50% from the same period last year.

5. Further exploring new models to drive the development of social welfare. We will continue to uphold the commitment of "making contemporary art approachable to the public," pay more attention to the artistic innovation, and deepen the construction of innovative culture. At the same time, in the context of the "urban renewal" plan that has been vigorously promoted by our country, we will actively cooperate with local governments to create a new way of urban renewal and community governance based on enterprise management and social welfare activities, making contributions to the sustainable development of the city.

In 2020, CEOVU will continue to adhere to the principles of "openness, foresight, and unity," move forward bravely to accomplish the goals we set, thus creating greater value for high-quality development of economy and society.

Appendix

Appendix 1. Table Of KPIs

Table of Market Performance

Statistical Indicator	Unit	2017	2018	2019
Total Assets	RMB 10,000	1,336,807.70	1,518,059.40	1,761,550.60
Owner's Equity	RMB 10,000	686,074.50	692,743.60	759,229.10
Total Operating Revenue	RMB 10,000	269,289.90	300,113.70	337,686.50
Total Profits	RMB 10,000	82,950.20	90,369.30	95,673.50
Net Profits	RMB 10,000	48,568.70	59,091.60	59,418.30
Total Tax Paid	RMB 10,000	42,450.82	37,228.19	44,224.72
Return on Equity (ROE)	%	0.08	0.09	0.08
Earnings Per Share (EPS)	RMB 0.01	5.74	7.07	7.44
Debt to Asset Ratio (D/A)	%	49%	54%	57%
Total Assets Turnover Ratio	%	22%	21%	21%
Current Ratio	%	2.34	1.65	1.51
Cash Ratio	%	0.64	0.39	0.27
Economic Contract Performance Rate	%	100%	100%	100%
Number of Cities Covered by Business	-	20	26	30
Service Area	m ²	2000	2000	2200
Number of Enterprises Served	-	3000	5100	6500

Table of Social Performance

Statistical Indicator	Unit	2017	2018	2019
Number of Workforce and its Division				
Total Number of Workforce	-	6,360	5,481	6052
Gender	Female	2,623	2,303	2663
	Male	3,737	3,178	3389
Employment Type	Full Time	6,323	5,442	6035
	Intern	37	39	17

Age Group	Aged under 30	-			1876
	Aged 30 to 50	-			3813
	Aged over 50	-			363
Proportion of Female Managerial Staff at Management or Executive Level	%	34%	33%		33%
Employees' Rights and Interests					
Employment Contract Signing Rate	%	100	100		100
Social Insurance Coverage Rate	%	100	100		100
Employee turnover rate	%	38.39%	17.28%		14.06%
Employee Care					
Average Number of Days of Paid Annual Leave Per Employee	days	> 5	> 5		> 5
Employee Health Management	Total Investment in Health Body Check	RMB 10,000	192.1	197.3	217.9
	Body Check Coverage Rate	%	99.4%	99.3%	99.7%
Employee Satisfaction	%	98.0%	97.5%		98.2%
Work Safety					
Investment in Work Safety Per Year	RMB 10,000	4000	2850		5900
Number of work Safety drills	-	192	183		186
Number of Major Accidents	-	0	0		0
Number and Proportion of Work-related Fatalities	Number of Fatalities	-	0	0	0
	Proportion	%	0%	0%	0%
Number of Working Days Lost Due to Work-related Injuries	Days of Work-related Injury	days	0	0	0
The Percentage of Employees Trained by Gender					
Gender	Female	%	92%	90%	92.5%
	Male	%	92%	90%	92.5%
The Average Training Hours Completed Per Employee by Gender					
Gender	Female	hrs	17	15	18
	Male	hrs	17	15	18
Number of Suppliers					
	Total Number of Suppliers	-	376		376
The Percentage of Total Products Sold or Shipped That Are Subject to Recall for Safety and Health Reason					
	Percentage of Recall	%	0%	0%	0%

Number of Complaints Received About Products and Services				
Number of Complaints	-	232	161	277
Complaint Handling Rate	%	97%	95%	100%
Customer Satisfaction	%	96%	93%	98.33%
Number of Concluded Legal Cases Regarding Corrupt Practices Brought Against Employees During the Reporting Period				
Number of Legal Cases	-	0	0	0
Resources Allocated to the Focus Areas				
Investment in Social Welfare Activities	RMB 10,000	284.9	171.1	195.0
Direct Donations	RMB 10,000	2.0		10.0

Table of Environmental Performance

Statistical Indicator	Unit	2017	2018	2019
Types of Emissions and Related Emissions Data				
SOx	kgs	0.18	0.27	0.34
NOx	kgs	5.26	160.91	135.80
PMs	kgs	0.39	12.13	12.84
GHG Emissions and Density				
GHG Emissions (Scope 1)	tons	40.67	57.95	68.08
GHG Emissions (Scope 2)	tons	42,983.18	41,082.11	59,800.97
Total GHG Emissions	tons	43,023.85	41,140.06	59,869.05
Total Emission Density of GHG	tons/m ²			0.03
Total Volume and Density of Hazardous Wastes				
Discarded Inkjet Cartridges/Toner Cartridges	tons	0.19	0.27	0.19
Discarded Light Tubes and Bulbs	tons	3.79	0.87	0.73
Discarded Batteries	tons			0.04
Total Volume of Hazardous Wastes	tons		1.14	0.95
Total Density of Hazardous Wastes	tons/m ²			0.0000005

Total Volume and Density of Non-Hazardous Wastes				
Total Volume of Non-Hazardous Wastes	tons	2,827.43	2,294.17	8,287.26
Total Density of Non-Hazardous Wastes	tons/m ²			0.004
Total Direct and / or Indirect Energy Consumption and Density by Type				
Gasoline	litres	14,463.63	20,878.36	24,376.32
Diesel Fuel	litres	576.00	540.00	800.00
Electricity Consumption	kWh	45,174,130.00	45,575,889.40	66,342,324.60
Electricity Consumption Density	kWh/m ²		19.63	31.63
Direct Energy Consumption	GJ	482.66	671.29	789.83
Indirect Energy Consumption	GJ	162,626.86	164,073.20	238,832.37
Total Energy Consumption	GJ	163,109.51	164,744.49	239,622.20
Energy Intensity	GJ/m ²	0.07	0.07	0.11
Paper Consumption in the Workplace	tons		1.74	2.00
Total Water Consumption and Density				
Total Water Consumption	m ³	29,173,187.96	129,141.90	99,082.80
Water Intensity	m ³ / m ²	12.36	0.06	0.05
Total Expenditure on Environmental Protection (including R&D Inputs on Green Technology)				
	RMB 10,000	2,904.46	5,232.68	630.8
Total Volume of Packaging Materials Used for Finished Products and with Reference to Per Unit Produced				
Total Volume of Packaging Materials			N/A	
Per Unit Produced			N/A	

Environmental Data Description

- The collection of environmental data for the year 2019 covers the period from January 1, 2019 to December 31, 2019; the scope of environmental data collection includes the office area of the Group headquarters, the operation parks and office areas of 5 industrial parks, namely, Wuhan Optics Valley Software Park, Wuhan Creative World, Wuhan Financial Port, Wuhan Research and Innovation Center, and Ezhou United Technology City.
- The emissions in 2019 were generated from the consumption of gasoline by official vehicles of the Group, lawnmowers, and floor scrubbers, as well as diesel fuel by backup generators. The main sources of GHG emissions (Scope 1) were gasoline and diesel consumption mentioned above, while the GHG emissions (Scope 2) were from the generation of purchased electricity. The relevant emission coefficients were based on the "Reporting Guidance on Environmental KPIs" released by HKEX, and the GHG emission coefficients of purchased electricity were based on the "Chinese Regional Power Grid Baseline Emission Factors for 2017 Emission Reduction Projects" released by the Ministry of Ecology and Environment of PRC.
- The energy consumed by the Group in 2019 included gasoline, diesel fuel, and purchased electricity; the energy consumption coefficients were based on the national "GB2589-2008T General Principles for Calculation of the Comprehensive Energy Consumption."
- The total volume of hazardous wastes in 2019 was generated by discarded inkjet cartridges/toner cartridges, discarded light tubes and bulbs, as well as discarded batteries.
- The non-hazardous wastes (greening garbage included) in 2019 were mainly generated from the office areas and public areas of the park.
- The amount of direct energy consumption was associated with the use of gasoline and diesel fuel.
- The amount of indirect energy consumption was associated with the use of purchased electricity.
- The relevant density values were calculated based on the total area of the park.
- The rise in some of the Group's environmental data in 2019 resulted from the increased number of enterprises in the park (within the scope of data collection).

Appendix 2. List of Industry Honors and Awards

Honors and Awards	Presented by	Award Winner
2018 Typical Cases of "Enterprises in the Cloud"	China Cloud Computing Service Alliance	Wuhan Optics Valley Union Group Co., Ltd.
2019 China Benchmark City Operator in Comprehensive Strength (Ranked 8th)	EH Consulting	Wuhan Optics Valley Union Group Co., Ltd.
2019 China Technology City Operator TOP10	EH Consulting	Wuhan Optics Valley Union Group Co., Ltd.
2019 CEC "i+" Cybersecurity Innovation and Entrepreneurship Competition Outstanding Organization Award	China Electronics Corporation Limited	Wuhan Optics Valley Union Group Co., Ltd.
Second Prize in the 2019 CEC "i+" Cybersecurity Innovation and Entrepreneurship Competition (Team)	China Electronics Corporation Limited	Wuhan Optics Valley Union Group Co., Ltd.
2019 CEC "i+" Cybersecurity Innovation and Entrepreneurship Competition Best Popularity Award	China Electronics Corporation Limited	Wuhan Optics Valley Union Group Co., Ltd.
2019 S-Park China Industrial Real Estate TOP30	S-Park	Wuhan Optics Valley Union Group Co., Ltd.
2019 Chinese TOP100 Featured Spaces	Ctoutiao	Wuhan OVU Technology Co., Ltd.
2019 National Science and Technology Business Incubator	Ministry of Science and Technology of the People's Republic of China	Wuhan OVU Technology Co., Ltd.
Xi'an Youth Innovation and Entrepreneurship Incubation Base	Municipal Committee of the Communist Youth League of Xi'an City	CEC Xi'an Industrial Park Development Co., Ltd.
2018 Advanced Unit for Industrial Project Construction	Changsha High-tech Industrial Development Zone Management Committee Office	Changsha CEC Industrial Park Development Co., Ltd.
2018 TOP20 Taxpayers in Gedian Development Zone	Ezhou Gedian Economic and Technological Development Zone Management Committee Office	Hubei Technology Enterprise Accelerator Co., Ltd.
"Caring Enterprise" for Targeted Poverty Alleviation in Xinzhou District	Wuhan Hongshan District Housing Estates Authority	Wuhan Lidao Property Management Co., Ltd.
2019 Industrial Park Property Service Leading Enterprise	China Property Management Institute	Wuhan Lidao Property Management Co., Ltd.
2019 TOP500 Property Service Enterprises in Comprehensive Strength	China Property Management Institute	Wuhan Lidao Property Management Co., Ltd.
2019 Hubei Province Excellent Building Decoration Project	Wuhan Building Decoration Association	Wuhan Lidao Technology Co., Ltd.
Second Prize of the Outstanding Survey and Design Award in the 2019 Engineering Survey, Architectural Design Industry and Municipal Public Works	Exploration and Design Association of Hubei Province	CEOVU Architecture Design Institute Co., Ltd.
2019 Wuhan Software TOP100 Enterprises	Wuhan Software Industry Association	Wuhan Easy Linkin Technology Co., Ltd.
2019 "Gold Seed" Listed Enterprises in East Lake High-tech Zone	Wuhan East Lake New Technology Development Zone Management Committee	Wuhan Easy Linkin Technology Co., Ltd.
2019 Wuhan "Gold Seed" Listing Reserves	Wuhan Municipal Finance Bureau	Wuhan Easy Linkin Technology Co., Ltd.

Appendix 3. Rating of the Report

Rating Report of "Corporate Social Responsibility Report 2019 of China Electronics Optics Valley Union Holding Company Limited"

Upon the request of China Electronics Optics Valley Union Holding Company Limited, the Chinese Expert Committee on CSR Report Rating invited experts to form rating team to rate the "Corporate Social Responsibility Report 2019 of China Electronics Optics Valley Union Holding Company Limited" (hereinafter referred to as "the Report").

I. Rating Criteria

"Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)" of the Chinese Academy of Social Sciences & the "Rating Standards for Corporate Social Responsibility Report of Chinese Enterprises (2020)" of "Chinese Expert Committee on Corporate Social Responsibility Report Rating".

II. Rating Process

1. The rating team reviews and confirms the Process Data Confirmation of Corporate Social Responsibility Report submitted by the Report writing group and relevant supporting materials;
2. The rating team conducts evaluation on the preparation process and the content disclosed by the Report, and then drafts the rating report;
3. The Vice Chairman of the Rating Expert Committee, the leader of the rating team, and the experts of the rating team jointly sign the rating report.

III. Rating Results

Process (★★★★☆)

The Secretariat of the Board of Directors of the company takes the lead in setting up the report writing group to coordinate and promote the report preparation. The audit committee controls the overall direction and key nodes. The board of directors is responsible for the final approval; the company positions the report as an important tool for fully displaying the enterprise's social value action and result, responding to the expectations and claims of the stakeholders, improving the enterprise's brand image and enhancing the market competitiveness of the enterprise, with a clear function and value positioning; the company identifies the substantive issues based on the national macro policies, industry benchmarking analysis, company's development strategy and investigation of the stakeholders; prepares Administrative Measures for Social Value Work of China Electronics Optics Valley Union Holding Company Limited, specifies the key issues and work process of information disclosure, strengthens the standardization of the information disclosure; plans to publish reports on the official website and presents reports in electronic, print and other formats, with excellent procedural performance.

Materiality (★★★★★)

《The Report systematically discloses key issues in the implementation of macro policies, product quality management, customer relationship management, scientific and technological innovation, construction of intelligent park, safety production, environmental impact assessment of new project, energy and resource saving, reduction of "three wastes" emission and green building, with excellent substantive performance.

Integrity (★★★★☆)

The main contents of the Report systematically disclose 80.29% of the core indicators of the industry it operates within from the perspectives of "keeping the value and mission in mind and docking with national strategy" and "adhering to the social responsibility and working together", with excellent performance of its integrity.

Balance (★★★★☆)

The Report discloses "illegal investment matter", "number of client complaints", "employee losing rate", "number of significant site casualties", "toll of death due to work", "percentage of total products sold or shipped that must be recycled for safety and health reason" and other negative data information, with excellent balance performance.

Comparability (★★★★★)

The Report discloses data of 64 key indicators for three consecutive years, including "operation revenue", "earnings per share", "customer satisfaction", "direct capital endowment", "energy consumption intensity" and "greenhouse gas emission load" and compares horizontally with the same industry with respect to such data as "8th place of 2019 China's Benchmark Industrial City Operator's Comprehensive Strength", with excellent comparability performance.

Readability (★★★★☆)

The report is divided into Part One and Part Two. The Part One systematically demonstrates the unique value of the enterprise in serving national strategy and promoting industrial development. The Part Two systematically demonstrates the fulfillment and performance of the enterprise for the shareholders, employees, clients, partners and the public; fully responds to the expectations and claims of the stakeholders; the Report is embedded with QR codes in many places to extend the interpretation of the Report; enhances the report communication value; sets the featured columns such as "glossary" and "tips" to explain the terminology of the industry, which makes the Report more readable, with excellent readability performance.

Innovation (★★★★)

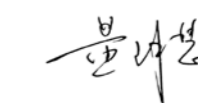
The Report actively responds to the sustainable development goals (SDGs) of the United Nations, highlights the characteristics of the times of the Report and the international vision of the company; responds to the hot issues of the nation and industry such as poverty alleviation and "mass entrepreneurship and innovation" and demonstrates the enterprise's value pursuit and responsibility assumption, with leading innovative performance.

Overall Rating (★★★★☆)

According to the rating team's assessment, the Corporate Social Responsibility Report 2019 of China Electronics Optics Valley Union Holding Company Limited has reached the four and a half star level is a leading corporate social responsibility report.

IV. Improvement Suggestions

1. Enhance the disclosure of the core indicators of the industry and improve the integrity of the Report.
2. Add the detailed disclosure of the inadequate performance of the corporate responsibilities and further improve the balance of the Report.



Vice President of Chinese Expert Committee on CSR Report Rating

















Leader of the Rating Team Expert of the Rating Team
Process Evaluator Ren Jiaojiao











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Enterprise Rating Files



Appendix 4. Reporting Index

Contents of the Report	Sustainable Development Goals	Environmental, Social and Governance Reporting Guide	Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises
I. About This Report		P1.1-P1.3	
II. Chairman's Message		P2.1-P2.2	
III. An Overview of CEOVU	B6 General disclosure B6.3 B6.5 B7 General disclosure B7.1 B7.2	P3.1、P4.1-P4.4、M1.1、M1.3、M2.5、M2.13、M3.5、S1.1、A1	     
IV. Value Management		P3.2、G1.1-G1.2、G2.1-G2.3、G3.1-G3.3、G4.1-G4.2、G5.1、G6.1-G6.2、S4.1	
Core part I. Keeping the Value Mission in Mind and Aligning National Strategies			
V. Building new dynamism for a cyber superpower through digital operation capability	B6 General disclosure	M2.4、M2.9、M2.10	   
VI. Driving innovative development at a new pace with the determination to create a carrier for mass entrepreneurship and innovation		M2.1-M2.2、M2.4、M2.9、M3.4、M3.6、S1.4	   

VII. Leading a new highland for the coordinated regional development with "one platform and two methodologies"		M2.1-M2.2、M2.4、M2.9、M3.4、M3.6、S1.4	   
VIII. Developing with green ideas and promoting the new normal of ecological civilization	A1 General disclosure A1.1 A1.2 A1.3 A1.4 A1.5 A1.6 A2 General disclosure A2.1 A2.2 A2.3 A2.4 A3 General disclosure A3.1	M2.5、M2.7、M2.9、M2.12、E1.1、E1.3、E1.5、E1.7、E1.9、E1.10、E2.1-E2.5、E2.7、E2.9、E2.12、E2.14、E2.16、E2.18、E2.24、E3.1	      
IX. Stimulating China's cultural renaissance with artistic innovation	B8 General disclosure B8.1 B8.2	G6.3、S4.9	  
Core part II. Adhering to Social Responsibility and Growing with Harmony			
X. Creating value for shareholders		M1.1-M1.2、M1.4-M1.5、M2.8、S1.1、S1.2	
XI. Caring for employees	B1 General disclosure B1.1 B2 General disclosure B2.1 B2.2 B2.3 B3 General disclosure B3.1 B3.2 B4 General disclosure B4.1 B4.2		    

XII. Upholding high quality of products and services for customers	B6 General disclosure B6.1 B6.2 B6.4	M2.1-M2.3、M2.11、M2.14、M2.15、M2.18、M3.1	 
XIII. Cooperating with partners for win-win outcomes	B5 General disclosure B5.1 B5.2	G6.2、M2.11、M3.1、M3.3、M3.6- M3.8、M3.11、M3.12、M3.14、S4.4、E1.6	
XIV. Contributing to social welfare and local communities	B8 General disclosure B8.1 B8.2	S4.5、S4.6、S4.9	 
XV. Value Vision for 2020			
Appendix		M1.6-M1.8、M2.16、M2.18、M3.2、M3.12、S1.3、S2.3、S2.5、S2.9-S2.11、S2.19、S3.4-S3.7、S4.8、E1.2、E1.4、E1.8、E2.10、E2.13、E2.17、E2.25、E3.2、E3.6、A2-A6	
Note	The group's business does not involve the direct provision of packaging materials for manufactured goods, so A2.5 is not applicable		

Appendix 5. List of Internal Policies, Laws and Regulations

ESG Indexes	Internal Systems	Laws and Regulations
A1 Emissions	《Waste Oil Recycling Management System》 《Provisions on the Management of Swill》 《Measures for the Administration of Low-Carbon and Environmental Protection Construction》 《Garbage Room Management System》 《Work Safety Management System》 《Measures for the Administration of Working Environment》 《Measures for the Administration of Equipment Environment》 《Identification Management System of Hazardous Sources and Environmental Factors in Energy Center》	《Environmental Protection Law of the People's Republic of China》 《Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution》 《Air Pollution Prevention and Control Law of the People's Republic of China》 《Law of the People's Republic of China on Prevention and Control of Water Pollution》 《Marine Environmental Protection Law of the People's Republic of China》 《Regulations of the People's Republic of China on the Prevention of Pollution Damage to the Marine Environment by Land-sourced Pollutants》 《Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes》 《Directory of National Hazardous Wastes》 《Measures for the Administration of Hazardous Waste Transfer Manifest》 《Integrated Emission Standard of Air Pollutants》 《Law of the People's Republic of China on Environmental Impact Assessment》 《Law of the People's Republic of China on the Promotion of Clean Production》 《Integrated Wastewater Discharge Standard (GB 8978-1996)》 《Measures for the Administration of Urban Living Garbage》 《The "13th Five-Year" Work Plan for Greenhouse Gas Emission Control》
A2 Resource Utilization	《Measures for the Administration of Low-Carbon and Environmental Protection Construction》 《Measures for the Administration of Measurement》 《Measures for the Administration of Energy Consumption》 《Practice for the Administration of Energy Supply Quality》 《Standard Operation Methods for (Energy Station) Operators》 《Monitoring and Measurement Management System》	《The Energy Conservation Law of the People's Republic of China》 《Regulations on Urban Water Saving Management》 《Measures for the Administration of Electricity Saving in Hubei Province》 《Renewable Energy Act》 《Law of the People's Republic of China on the Promotion of Clean Production》
A3 Environment and Natural Resources	《Measures for the Administration of Low-Carbon and Environmental Protection Construction》	《Regulations on Urban Water Saving Management》 《Law of the People's Republic of China on the Promotion of Clean Production》
B1 Employment	《Supplementary Provisions on Relevant Welfare of Overseas Assignment for Employees of CEOVU Industry Cooperation Center》 《Measures for the Administration of Staff Recruitment》 《Measures for the Administration of Post Performance》 《Measures for the Administration of Attendance》 《Measures for the Administration of Remuneration and Welfare》 《Measures for the Administration of Employee Training》	《Labor Law of the People's Republic of China》 《Labor Contract Law of the People's Republic of China》 《Employment Promotion Law of the People's Republic of China》 《Social Insurance Law of the People's Republic of China》 《Minimum Wage Regulations》 《Trade Union Law of the People's Republic of China》 《Law of the People's Republic of China on the Protection of Women's Rights and Interests》

B2 Health and Security	<p>《Fitness System of CEOVU Industry Cooperation Center》</p> <p>《Measures for the Administration of Safe and Civilized Construction at Group Construction Sites》</p> <p>《Identification Management System of Hazardous Sources and Environmental Factors in Energy Center》</p> <p>《Measures for the Administration of Equipment Use and Maintenance》</p> <p>《Measures for the Administration of Patrol Inspection and Point Checking of Equipment》</p> <p>《Measures for the Administration of Detailed Rules for Equipment Technical Diagnosis and State Evaluation》</p> <p>《Measures for the Administration of Equipment Accidents》</p> <p>《Code of Practice for Power Equipment Maintenance in Energy Stations》</p> <p>《Work Safety Management System》</p> <p>《Environmental Management System for Distribution Room》</p> <p>《Measures for the Administration of Working Environment》</p> <p>《Measures for the Administration of Equipment Environment》</p> <p>《Monitoring and Measurement Management System》</p> <p>《Occupational Health Management System》</p> <p>《Safety Management System for Lifting and Hoisting Operations》</p> <p>《Safety Management System for Hot Work Activities》</p> <p>《Safety Management System for High Altitude Operation》</p> <p>《Safety Management System for Equipment Maintenance》</p> <p>《Safety Management System for Operation in Confined Space》</p> <p>《Safety Management System for Pumping and Blocking of Blind Plates》</p> <p>《Safety Management System for Ground Breaking》</p> <p>《Safety Management System for Road Breaking》</p> <p>《Emergency Plan for Water, Power, Gas Outage, and Equipment Failure at Energy Stations》</p> <p>《Emergency Plan for Fire, Electric Shock, Mechanical Injury and Steam Leakage at Energy Stations》</p> <p>《Incident Statistics, Registration, and Investigation Processing System》</p> <p>《Incident Investigation Processing System》</p> <p>《Emergency Plan for Water Stagnation at Energy Stations》</p> <p>《Work Safety Target Management System》</p> <p>《Implementation Plan for Work Safety Target》</p> <p>《Work Safety Inspection System》</p> <p>《System of Regular Work Safety Meetings》</p> <p>《Company Fire Safety Management System》</p> <p>《Standard of Practice for Various Equipment》</p>	<p>《Labor Law of the People's Republic of China》</p> <p>《Law of the People's Republic of China on the Prevention and Control of Occupational Diseases》</p> <p>《Law of the People's Republic of China on Work Safety》</p> <p>《Fire Control Law of the People's Republic of China》</p> <p>《Emergency Response Law of the People's Republic of China》</p> <p>《Regulations on Safe Management on Hazardous Chemicals》</p> <p>《Regulations on the Reporting, Investigation and Disposition of Production Safety Accidents》</p> <p>《Interim Provisions on the Investigation and Control of Safety Accidents》</p> <p>《Regulations on Work-Related Injury Insurance of the People's Republic of China》</p> <p>《Provisions on the Supervision and Administration of Occupational Health at Work Sites》</p> <p>《Occupational Disease Classification and Catalogue》</p> <p>《Food Hygiene Law》</p> <p>《Standard of Edible Vegetable Oil》</p> <p>《Provisions on the Administration of Labor Protection Supplies》</p> <p>《Measures for the Administration of Occupational Health Examination》</p>
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B3 Development and Training	<p>《Measures for the Administration of Staff Training》</p> <p>《Responsibilities of Head of Energy Station》</p> <p>《Responsibilities of Operation Staff of Energy Station》</p> <p>《Standard of Practice for Operation Staff (Energy Station)》</p> <p>《Standard of Practice for Various Equipment》</p>	<p>《Labor Law of the People's Republic of China》</p> <p>《Labor Contract Law of the People's Republic of China》</p>
B4 Labor Code	<p>《CEOVU Staff Manual》</p> <p>《Measures for the Administration of Staff Recruitment》</p>	<p>《Labor Law of the People's Republic of China》</p> <p>《Provisions on the Prohibition of Using Child Labor》</p> <p>《Law of the People's Republic of China on the Protection of Minors》</p>
B5 Supply Chain Management	<p>《Measures for the Administration of Procurement of Group Suppliers》</p> <p>《Detailed Implementation Rules for Centralized Procurement of Group Suppliers》</p> <p>《Detailed Implementation Rules for Bidding Management of Group Project Suppliers》</p>	<p>《Labor Contract Law of the People's Republic of China》</p> <p>《Bidding and Tendering Law of the People's Republic of China》</p>
B6 Product Liability	<p>《Measures for the Administration of Patrol Inspection of Group Projects》</p> <p>《Hotel Information Security Management System》</p> <p>《Work Instruction Manual for Industrial Park Project Planning - Eight Major Planning Systems》</p> <p>《Work Instruction Manual for Industrial Park Project Planning - Eight Major Planning Systems》</p> <p>《Measures for the Implementation of Intensifying Group Design Technology Platform Construction (Trial)》</p> <p>《Measures for the Administration of Evaluation of Planning and Construction Schemes》</p> <p>《Exhibition Center Guidance Manual》</p> <p>《Measures for the Administration of Group PMO》</p> <p>《Measures for the Administration of Construction Drawing Design》</p> <p>《Measures for the Administration of Project Engineering Quality》</p> <p>《Measures for the Administration of Customer Energy Supply Services》</p> <p>《Management Regulations and Operation Manual for News Publicity of CEOVU》</p> <p>《Measures for Emergency Handling of Internet Public Opinion》</p> <p>《Details of Requirements for Supervision Work》</p> <p>《Measures for the Administration of Design and Evaluation of Exhibition Center》</p>	<p>《Standard of Environmental Noise of Urban Area》</p> <p>《Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution》</p> <p>《Standardization Law of the People's Republic of China》</p> <p>《Product Quality Law of the People's Republic of China》</p> <p>《Law of the People's Republic of China on Protection of the Rights and Interests of the Consumers》</p> <p>《Law of the People's Republic of China on the Administration of the Urban Real Estate》</p> <p>《Regulations on Quality Management of Construction Projects》</p> <p>《Code for Fire Protection Design of Buildings (GB50016-2014)》</p> <p>《Property Management Ordinance》</p> <p>《Opinions of the CPC Central Committee and the State Council on Further Strengthening the Management of Urban Planning and Construction》</p> <p>《Opinions of the General Office of the State Council on Promoting the Sustainable and Sound Development of the Construction Industry》</p>
B7 Anti-corruption	<p>《Anti-Corruption Management System of the Group》</p>	<p>《Anti-Unfair Competition Law of the People's Republic of China》</p> <p>《Interim Provisions on Prohibition of Commercial Bribery》</p> <p>《Company Law of the People's Republic of China》</p> <p>《Anti-Money Laundering Law of the People's Republic of China》</p> <p>《Bidding and Tendering Law of the People's Republic of China》</p> <p>《Anti-Monopoly Law of the People's Republic of China》</p>
B8 Community Investment		<p>《Charity Law of the People's Republic of China》</p>

Appendix VI. Reader's Feedback Form

Dear Readers,

Thank you for reading the 2019 Corporate Social Responsibility Report issued by CEOVU. We sincerely appreciate your evaluation on this report and your valuable advice to help us continuously improve the management of social value, constantly improve the level of responsibility fulfillment, and create value for the construction of a green ecology and a harmonious society.

Your evaluation on this report: (Please tick the appropriate position)

	Very Good	Good	Ordinary	Poor	Very Poor
Do you think this report highlights important information about the environmental and social responsibilities of the company?					
Do you think the information and indicators disclosed in this report are clear, accurate and complete?					
Do you think the content arrangement and style design of this report are easy to read?					

Do you have any comments or suggestions on the social value of the Group and this report?

Please leave your personal information if available:

Name: _____

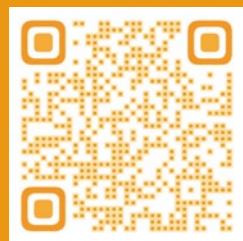
Work Unit: _____

Tel: _____

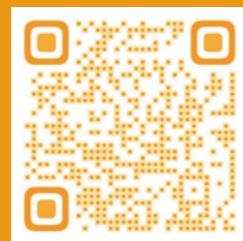
Email: _____



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China Electronics Optics Valley
Union Holding Company Limited