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## **China Electronics Optics Valley Union Holding Company Limited**

### **中電光谷聯合控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 798)**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2023 FACILITY AGREEMENT**

#### **THE 2023 FACILITY AGREEMENT**

Reference is made to the announcement of the Company dated 19 September 2022 in relation to the 2022 Facility Agreement. Pursuant to the 2022 Facility Agreement, CEC Finance provided a revolving facility up to RMB880,000,000 to Wuhan OVU (being an indirect wholly-owned subsidiary of the Company) for the period from 20 October 2022 to 19 October 2023.

In light of the expiry of the revolving facility under the 2022 Facility Agreement on 19 October 2023, and taking into consideration the constant need for financing of Wuhan OVU, on 25 October 2023, Wuhan OVU entered into the 2023 Facility Agreement with CEC Finance, pursuant to which CEC Finance has conditionally agreed to provide the Revolving Facility up to RMB878,000,000 (equivalent to approximately HK\$956,844,400) to Wuhan OVU for the period of one year from 18 December 2023 to 17 December 2024.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CEC indirectly holds 2,550,000,000 shares of the Company (representing approximately 33.67% of the issued share capital of the Company). Therefore, CEC is a substantial shareholder of the Company. CEC Finance, being a subsidiary of CEC, is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the transactions contemplated under the 2023 Facility Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) calculated in accordance with the Listing Rules in respect of the New Caps is more than 5%, the Transactions are subject to reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) details of the 2023 Facility Agreement, the Guarantee, the Charges and the transactions contemplated thereunder and the New Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Transactions and the New Caps; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the Transactions and the New Caps; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 6 December 2023.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 19 September 2022 in relation to the 2022 Facility Agreement. Pursuant to the 2022 Facility Agreement, CEC Finance provided a revolving facility up to RMB880,000,000 to Wuhan OVU (being an indirect wholly-owned subsidiary of the Company) for the period from 20 October 2022 to 19 October 2023.

In light of the expiry of the revolving facility under the 2022 Facility Agreement on 19 October 2023, and taking into consideration the constant need for financing of Wuhan OVU, on 25 October 2023, Wuhan OVU entered into the 2023 Facility Agreement with CEC Finance, pursuant to which CEC Finance has conditionally agreed to provide the Revolving Facility up to RMB878,000,000 (equivalent to approximately HK\$956,844,400) to Wuhan OVU for the period of one year from 18 December 2023 to 17 December 2024.

## **THE 2023 FACILITY AGREEMENT**

The principal terms of the 2023 Facility Agreement are summarised below:

**Date:** 25 October 2023

**Parties:** (1) CEC Finance (as lender); and  
(2) Wuhan OVU (as borrower)

- Revolving Facility:** Subject to the satisfaction of the condition precedent as set out below, a revolving facility up to RMB878,000,000 (equivalent to approximately HK\$956,844,400) shall be made available to Wuhan OVU by CEC Finance. The Revolving Facility is available for one or multiple drawings during the Availability Period. For the avoidance of doubt, the repaid principal amounts of the Revolving Facility (if any) shall be available for drawing during the Availability Period.
- Availability Period:** The Revolving Facility is, subject to the satisfaction of the condition precedent as set out below, available for drawings during the availability period of one (1) year from 18 December 2023 to 17 December 2024. Whilst the drawdown of each of the Single Loans shall be made within the term of the Availability Period, the maturity date of each of the Single Loans shall follow the maturity date of such Single Loan as set out in the relevant Specific Agreement.
- Condition precedent:** The 2023 Facility Agreement shall become effective upon the Company obtaining Independent Shareholders' approval at the EGM in accordance with the Listing Rules.
- Interest rate:** The interest rate of each drawdown shall be specified in the corresponding Specific Agreement. Such interest rate is determined, upon the entering into of the Specific Agreement, with reference to (i) the one-year loan prime rate (LPR) published by the National Interbank Funding Center (全國銀行間同業拆借中心) at the material time, which rate is currently 3.45% as at the date of this announcement; and (ii) the prevailing interest rates for loan facilities of the same tenure and types and offered by major commercial banks in the PRC.
- Purpose:** For the credit services provided by CEC Finance to Wuhan OVU in relation to short-term liquidity loans, acceptance and discounting of commercial bills of exchange and guarantees for non-financing purposes.
- Security:** The Revolving Facility is guaranteed by the Company and secured by the Charges, details of which are set out in the section headed "Security Documents" in this announcement.

**Other terms:** Wuhan OVU shall apply in writing to CEC Finance for each drawdown (each a “**Single Loan**”) of the Revolving Facility (which shall not exceed the maximum amount of the Revolving Facility), and shall enter into separate agreements (the “**Specific Agreements**”) which set out the specific terms including the repayment date(s) of each drawdown with CEC Finance according to the 2023 Facility Agreement.

## **SECURITY DOCUMENTS**

Pursuant to the 2023 Facility Agreement, in order to secure Wuhan OVU’s repayment obligations of the aggregate outstanding amount(s) owed by Wuhan OVU to CEC Finance contemplated under the 2023 Facility Agreement (and the Specific Agreements), the following security documents have been entered into by the relevant parties:

### **1. The Guarantee**

On 25 October 2023, the Company (as guarantor) and CEC Finance (as beneficiary) entered into the Guarantee, the principal terms of which are as follows:

**Guarantee:** Subject to the condition precedent as set out below, the Company shall, on a joint and several basis, guarantee the repayment obligations of Wuhan OVU under the 2023 Facility Agreement. The scope of the Guarantee includes, *inter alia*, (i) the principal amount and interest of the loan; (ii) overdue interest, penalty and damages accrued due to breach of contract; and (iii) other expenses of CEC Finance in realising the debts in default.

**Term of Guarantee:** The term of the Guarantee shall be, in respect of each Specific Agreement, two years commencing on the expiry date of repayment obligation under that Specific Agreement.

**Condition precedent:** The Guarantee shall become effective upon the Company obtaining Independent Shareholders’ approval at the EGM in accordance with the Listing Rules.

### **2. The Huangshi OVU Charge**

On 25 October 2023, Huangshi OVU (as chargor) and CEC Finance (as chargee) entered into the Huangshi OVU Charge, pursuant to which Huangshi OVU shall, upon the Company obtaining Independent Shareholders’ approval at the EGM in accordance with the Listing Rules, grant security in favour of CEC Finance by way of a charge over 52 units in the office buildings for research and development located in No.185 Jinshan Boulevard, Golden Hill Development Zone, Huangshi, Hubei, the PRC\* (中國湖北黃石黃金山開發區金山大道185號) with an

aggregated gross floor area of approximately 19,985.84 sq.m., as security for due performance of obligations of Wuhan OVU under the 2023 Facility Agreement. Pursuant to the valuation report issued by an independent property valuer in the PRC, the appraised value of such charged assets amount to RMB100,009,200 (equivalent to approximately HK\$108,990,026.16).

The scope of the Huangshi OVU Charge shall be all liabilities owed by Wuhan OVU under the 2023 Facility Agreement, including the principal and interest of the loan, overdue interest, penalty, damages and all expenses incurred by CEC Finance in enforcing and realising the debts in default. The term of the Huangshi OVU Charge shall commence on the effective date of the Huangshi OVU Charge and end on the expiry date of the limitation period of the last liability under the 2023 Facility Agreement.

### **3. The OV Financial Harbour Development Charge**

On 25 October 2023, OV Financial Harbour Development (as chargor) and CEC Finance (as chargee) entered into the OV Financial Harbour Development Charge, pursuant to which OV Financial Harbour Development shall, upon the Company obtaining Independent Shareholders' approval at the EGM in accordance with the Listing Rules, grant security in favour of CEC Finance by way of a charge over the first floor and second floor of No. A5 Exhibition Centre, OVU Financial Harbour, 77 Guanggu Avenue, East Lake New Technology Development Zone, Wuhan, Hubei, the PRC\* (中國湖北武漢東湖新技術開發區光谷大道77號光谷金融港A5號展覽中心一樓及二樓), with a gross floor area of approximately 2,414.06 sq.m, as security for due performance of obligations of Wuhan OVU under the 2023 Facility Agreement. Pursuant to the valuation report issued by an independent property valuer in the PRC, the appraised value of such charged asset amount to RMB45,258,800 (equivalent to approximately HK\$49,323,040.24).

The scope of the OV Financial Harbour Development Charge shall be all liabilities owed by Wuhan OVU under the 2023 Facility Agreement, including the principal and interest of the loan, overdue interest, penalty, damages and all expenses incurred by CEC Finance in enforcing and realising the debts in default. The term of the OV Financial Harbour Development Charge shall commence on the effective date of the OV Financial Harbour Development Charge and end on the expiry date of the limitation period of the last liability under the 2023 Facility Agreement.

### **4. The Xi'an Industrial Park Charge**

On 25 October 2023, Xi'an Industrial Park (as chargor) and CEC Finance (as chargee) entered into the Xi'an Industrial Park Charge, pursuant to which Xi'an Industrial Park shall, upon the Company obtaining Independent Shareholders' approval at the EGM in accordance with the Listing Rules, grant security in favour of CEC Finance by way of a charge over 18 commercial units located in No. 1288 Caotan 10th Road, Xi'an Economic Development Zone, Shaanxi Province, the PRC\* (中國陝西省西安市經濟開發區草灘十路1288號), with an aggregated gross floor area of approximately 24,113.34 sq.m. as security for due performance of obligations

of Wuhan OVU under the 2023 Facility Agreement. Pursuant to the valuation report issued by an independent property valuer in the PRC, the appraised value of such charged assets amount to RMB130,212,300 (equivalent to approximately HK\$141,905,364.54).

The scope of the Xi'an Industrial Park Charge shall be all liabilities owed by Wuhan OVU under the 2023 Facility Agreement, including the principal and interest of the loan, overdue interest, penalty, damages and all expenses incurred by CEC Finance in enforcing and realising the debts in default. The term of the Xi'an Industrial Park Charge shall commence on the effective date of the Xi'an Industrial Park Charge and end on the expiry date of the limitation period of the last liability under the 2023 Facility Agreement.

## **HISTORICAL AMOUNTS AND PREVIOUS CAPS**

Set out below are details of (i) the historical maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance and (ii) the previous caps under the 2022 Facility Agreement:

	<b>From 20 October 2022 to 31 December 2022</b>	<b>From 1 January 2023 to 19 October 2023</b>
Previous caps under the 2022 Facility Agreement	RMB880,000,000	RMB880,000,000
Historical maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance	RMB465,000,000	RMB880,000,000

## **NEW CAPS AND BASIS OF DETERMINATION**

The maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance pursuant to the 2023 Facility Agreement, being the new caps for the Revolving Facility, are as follows:

	<b>From 18 December 2023 to 31 December 2023</b>	<b>From 1 January 2024 to 17 December 2024</b>
Maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance	RMB878,000,000	RMB878,000,000

In determining the New Caps, the Directors have taken into account the following:

- (a) the historical maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance. In particular, during the period from 1 January 2023 to 19 October 2023, the historical maximum daily outstanding loans was RMB880,000,000, which indicated that the previous cap of RMB880,000,000 had been fully utilised;

- (b) the bank balances and cash of Wuhan OVU Group as at 30 September 2023;
- (c) the constant need for financing of Wuhan OVU; and
- (d) the operation scale of the Wuhan OVU Group.

In light of the above, the Group expects that Wuhan OVU Group will continue to have a strong demand for secured loans, and therefore the New Caps of RMB878,000,000, which are at a similar level as the previous caps under the 2022 Facility Agreement, have been fixed under the 2023 Facility Agreement.

## **INTERNAL CONTROL MEASURES**

The Group has adopted the following internal control measures in relation to the utilisation of the Revolving Facility by Wuhan OVU:

- (1) Wuhan OVU is required to obtain internal approval from the Company before entering into any Specific Agreement in relation to the Revolving Facility. Before entering into any Specific Agreement, Wuhan OVU will make enquiries with at least three major commercial banks about their offers (including interest rates) in respect of the credit facilities of the same tenure and type;
- (2) regular checks will be conducted to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the Specific Agreement and the 2023 Facility Agreement and that the interest charged by CEC Finance for a transaction contemplated under a Specific Agreement is fair and reasonable;
- (3) meetings of the finance department of the Company, with the attendance of audit, legal, finance and other related departments, will be convened on a monthly basis, to keep abreast of the Single Loan(s) granted by CEC Finance to Wuhan OVU and to reasonably formulate recommendations on financing arrangements of the Company for the next month, which shall also be reported to the management of the Company;
- (4) the finance department of the Company will prepare half-year reports and annual reports in relation to the relevant transactions contemplated under the 2023 Facility Agreement. Such reports will be submitted to the Board regularly and be provided to the independent auditor of the Company for their review;
- (5) the staff of the finance department will closely monitor each of the Single Loan(s) obtained by Wuhan OVU from CEC Finance and ensure that the interest paid for each Single Loan will not exceed the interest rate as specified in the corresponding Specific Agreement;

- (6) to ensure proper and complete separation of duties, no common staff, senior management or director of the Group and CEC Finance (and its subsidiaries) will be involved in the internal control procedures. The Company will conduct an annual review of the above internal control measures and report the review results to the Board;
- (7) the independent non-executive Directors and the independent auditor of the Company will conduct an annual review on the terms of the relevant transactions; and
- (8) the Board will oversee the Company's internal control measures in relation to the 2023 Facility Agreement on an ongoing basis.

In light of the above, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the 2023 Facility Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

The Board considers that the internal control procedures adopted by Wuhan OVU in respect of the transactions contemplated under the 2023 Facility Agreement are appropriate and that they will give sufficient assurance to the Shareholders that the transactions under the 2023 Facility Agreement will be appropriately monitored by the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS**

Wuhan OVU is principally engaged in (i) development, sales and leasing services of industrial park properties; and (ii) industrial park operation services (including design and construction services, property management services and digital park services, etc.) in the PRC. Wuhan OVU requires efficient and reliable credit facilities for its daily business operations for the purposes of obtaining services with regards to acceptance and payment of commercial bills of exchange, issuance of letters of guarantee, discounting of commercial bills of exchange, and other international trade finance services.

The Group has all along been obtaining loans from CEC Finance for the purpose of financing its operational needs. Having considered the previous satisfactory relationship with CEC Finance and the efficient and reliable credit facilities provided by CEC Finance under the 2022 Facility Agreement, and that CEC Finance is familiar with the financing needs, policies and operations of the Group and therefore can provide customised and high quality loan services to the Group, the Board is of the view that the entering into of the 2023 Facility Agreement would enable Wuhan OVU continue to obtain a large credit line at an interest rate that is not higher than those offered by major commercial banks in the PRC of the same tenure and type, enhance the bargaining power of Wuhan OVU in obtaining external loans (if required) in the future, and hence lower its overall finance costs. Taking into consideration the constant need for financing of Wuhan OVU and to maintain sufficient liquidity of Wuhan OVU, the Board is of the view that the financing arrangement under the 2023 Facility Agreement is in line with the Group's plan to optimise its financing channels and resolve its own funding needs.

In addition, as disclosed in this announcement, the aggregate appraised value of the assets over which security is created under the Charges is RMB275,480,300. Such assets were determined with reference to the ratio of their aggregate value to the maximum daily amount of outstanding loan under the 2023 Facility Agreement, which the Board considers to be in line with the general market standard.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be given after taking into consideration the advice from Gram Capital) consider that the Transactions have been negotiated on arm's length basis, are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the 2023 Facility Agreement, the Guarantee, the Charges, the transactions contemplated thereunder and the New Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **INFORMATION ON CEC FINANCE AND ITS ULTIMATE BENEFICIAL OWNERS**

CEC Finance is a company incorporated in the PRC with limited liability on 21 April 1988 and is principally engaged in the provision of various financial services such as deposit services, loan services and settlement services. CEC Finance is a non-wholly owned subsidiary of CEC and is, insofar as the Board is aware, held:

- (1) as to approximately 57.66% by CEC;
- (2) as to approximately 23.61% by 南京中電熊貓信息產業集團有限公司 (Nanjing Panda Information Industry Group Co., Ltd.\*), which is in turn ultimately owned by CEC as to approximately 79.24%, the State-owned Assets Supervision and Administration Commission of Nanjing Municipal Government as to approximately 17.68%, and the Jiangsu Provincial People's Government as to approximately 3.08%;
- (3) as to approximately 5.37% by 武漢中原電子集團有限公司 (Wuhan Zhongyuan Electronics Group Co., Ltd.\*), which is indirectly wholly-owned by 中國長城科技集團股份有限公司 (China Greatwall Technology Group Co., Ltd.\*), a company listed in the Shenzhen Stock Exchange (Stock Code: 000066), which is in turn controlled by CEC;
- (4) as to approximately 4.66% by 中國電子進出口有限公司 (China Electronics Import and Export Company Limited\*), which is indirectly wholly-owned by CEC;
- (5) as to approximately 3.93% by 中國振華電子集團有限公司 (China Zhenhua Electronics Group Co., Ltd.\*) (“**Zhenhua Electronics**”), which is in turn owned as to approximately 54.28% by CEC, as to approximately 31.30% by 貴州省黔晟國有資產經營有限責任公司 (Guizhou Qiansheng State-owned Assets Management Co., Ltd.\*), as to approximately 10.60% by 中國華融資產管理股份有限公司 (China Huarong Asset Management Co., Ltd.\*), a company listed in the Stock Exchange (Stock Code: 2799), as to approximately 3.57% by 中國長城資產管理股份有限公司 (China Great Wall Asset Management Co., Ltd.\*) and as to approximately 0.25% by 中國東方資產管理股份有限公司 (China Orient Asset Management Co., Ltd.\*);

- (6) as to approximately 2.12% by 中國振華(集團)科技股份有限公司 (China Zhenhua (Group) Science & Technology Co., Ltd.\*), a company listed in the Shenzhen Stock Exchange (Stock Code: 000733), which is in turn controlled by Zhenhua Electronics;
- (7) as to approximately 2.02% by 中電智能卡有限責任公司 (China Electronics Smart Card Co., Ltd.\*), which is in turn ultimately owned by CEC as to approximately 58.13%, 公安部第一研究所 (First Research Institute of the Ministry of Public Security of the People's Republic of China\*) as to approximately 37.21%, 華大半導體有限公司 (Huada Semiconductor Co., Ltd.\*) as to approximately 2.33%, and Chongqing State-owned Assets Supervision and Administration Commission as to approximately 2.33%; and
- (8) as to approximately 0.63% by 中國中電國際信息服務有限公司 (China Electronics International Information Service Company Limited\*), which is indirectly wholly-owned by CEC.

CEC is a substantial shareholder of the Company and is a state-owned company whose ultimate beneficial owner is the State Council of the PRC. It is committed to establishing itself as a national leader of the network safety and informatisation industry, and regards network safety as its core business and core capacity. Its main business covers network security, new display, integrated circuits, high-tech electronics, information services and other electronic information industry fields featuring national strategy, foundation and guidance.

#### **INFORMATION ON WUHAN OVU, HUANGSHI OVU, OV FINANCIAL HARBOUR DEVELOPMENT, XI'AN INDUSTRIAL PARK AND THE GROUP**

Wuhan OVU is principally engaged in (i) development, sales and leasing services of industrial park properties; and (ii) industrial park operation services (including design and construction services, property management services and digital park services etc.) in the PRC and is an indirect wholly-owned subsidiary of the Company.

Huangshi OVU is principally engaged in development and infrastructure construction of industrial parks, real estate development and sales of commercial housing in the PRC and is an indirect wholly-owned subsidiary of the Company.

OV Financial Harbour Development is principally engaged in real estate development, sales of commercial housing and leasing of residential properties in the PRC and is an indirect wholly-owned subsidiary of the Company.

Xi'an Industrial Park is principally engaged in property development in the PRC and is an indirect non-wholly owned subsidiary of the Company.

The Group is an industrial park integrated operation service provider in the PRC. Leveraging on the industrial resources of CEC and based on integrated life cycle operation services of the Group, the Group constructed an industrial medium that is “State enterprise-led and innovated by joint efforts by small, medium and big enterprises” to establish an industrial resource sharing platform that carries features such as clustered industry, intelligent service and investment networks.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CEC indirectly holds 2,550,000,000 shares of the Company (representing approximately 33.67% of the issued share capital of the Company). Therefore, CEC is a substantial shareholder of the Company. CEC Finance, being a subsidiary of CEC, is therefore a connected person of the Company under the Rule 14A.07(4) of the Listing Rules. Accordingly, the transactions contemplated under the 2023 Facility Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) calculated in accordance with the Listing Rules in respect of the New Caps is more than 5%, the Transactions are subject to reporting, announcement, annual review and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Save for Mr. Liu Guilin and Mr. Xiang Qunxiong (both being non-executive Directors) who have abstained from voting on the relevant Board resolution(s) for reason of their respective positions in and/or relationship with CEC Group, to the best knowledge of the Company having made all reasonable enquiries, none of the other Directors is required to abstain from voting on the relevant Board resolution(s).

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all independent non-executive Directors (namely, Mr. Qi Min, Mr. Qiu Hongsheng and Mr. Qi Liang) has been established to advise the Independent Shareholders on whether or not the Transactions and the New Caps are conducted in the ordinary and usual course of business and on normal commercial terms or better, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Gram Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Transactions and the New Caps.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) details of the 2023 Facility Agreement, the Guarantee, the Charges, the transactions contemplated thereunder and the New Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the Transactions and the New Caps; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the Transactions and the New Caps; and (iv) a notice of the

EGM, is expected to be despatched to the Shareholders on or before 6 December 2023 which is more than 15 business days after publication of this announcement as additional time is required by the Company to prepare the relevant information in the circular.

## **DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“2022 Facility Agreement”	the comprehensive credit facility agreement dated 19 September 2022 entered into between Wuhan OVU and CEC Finance, details of which were disclosed in the announcement of the Company dated 19 September 2022;
“2023 Facility Agreement”	the comprehensive credit facility agreement dated 25 October 2023 entered into between Wuhan OVU and CEC Finance in relation to the provision of the Revolving Facility by CEC Finance to Wuhan OVU, details of which are set out under the section headed “The 2023 Facility Agreement” in this announcement;
“Availability Period”	from 18 December 2023 to 17 December 2024, being the period during which the Revolving Facility is made available to Wuhan OVU;
“Board”	the board of Directors;
“CEC”	中國電子信息產業集團有限公司 (China Electronics Corporation Limited*), a state-owned company established under the laws of the PRC and a substantial shareholder of the Company;
“CEC Finance”	中國電子財務有限責任公司 (China Electronics Financial Co., Ltd.*), a company established under the laws of the PRC and a non-wholly owned subsidiary of CEC;
“CEC Group”	CEC and its subsidiaries;
“Charges”	collectively, the Huangshi OVU Charge, the OV Financial Harbour Development Charge and the Xi’an Industrial Park Charge;
“Company”	China Electronics Optics Valley Union Holding Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, to approve the Transactions and the New Caps;
“Group”	the Company and its subsidiaries;
“Guarantee”	a guarantee provided by the Company in favour of CEC Finance, pursuant to which the Company agreed to guarantee the obligation of Wuhan OVU under the 2023 Facility Agreement up to a maximum principal amount of RMB878,000,000, details of which are set out under the section headed “Security Documents – 1. The Guarantee” in this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huangshi OVU”	Huangshi Optics Valley Union Development Co., Ltd.* (黃石光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 24 January 2005 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company;
“Huangshi OVU Charge”	the charge granted by Huangshi OVU in favour of CEC Finance pursuant to the charge agreement dated 25 October 2023 entered into between Huangshi OVU and CEC Finance, details of which are set out under the section headed “Security Documents – 2. The Huangshi OVU Charge” in this announcement;
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely Mr. Qi Min, Mr. Qiu Hongsheng and Mr. Qi Liang, which is established to advise the Independent Shareholders in respect of the Transactions and the New Caps;
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions and the New Caps;

“Independent Shareholder(s)”	Shareholders who are not required to abstain from voting at the relevant general meeting of the Company to be held to consider, and if thought fit, approve the Transactions and the New Caps;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Caps”	the proposed new caps for the maximum daily amount of outstanding loans owed by Wuhan OVU to CEC Finance pursuant to the 2023 Facility Agreement as set out in the section headed “New Caps and basis of determination” in this announcement;
“OV Financial Harbour Development”	武漢光谷金融港發展有限公司 (Wuhan Optics Valley Financial Harbour Development Co., Ltd.*), a limited liability company incorporated in the PRC on 24 July 2008 and a wholly-owned subsidiary of Wuhan OVU, and an indirect subsidiary of the Company;
“OV Financial Harbour Development Charge”	the charge granted by OV Financial Harbour Development in favour of CEC Finance pursuant to the charge agreement dated 25 October 2023 entered into between OV Financial Harbour Development and CEC Finance, details of which are set out under the section headed “Security Documents – 3. The OV Financial Harbour Development Charge” in this announcement;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Revolving Facility”	a revolving loan facility up to RMB878,000,000 to be made available by CEC Finance to Wuhan OVU pursuant to the 2023 Facility Agreement;
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“Single Loan(s)”	has the meaning ascribed to it under the section headed “The 2023 Facility Agreement – Other terms” in this announcement;
“Specific Agreement(s)”	has the meaning ascribed to it under the section headed “The 2023 Facility Agreement – Other terms” in this announcement;

“sq.m.”	square metres;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the entering into of the 2023 Facility Agreement, the Guarantee, the Charges and the transactions contemplated thereunder;
“Wuhan OVU”	武漢光谷聯合集團有限公司 (Wuhan Optics Valley Union Group Company Limited*), a limited liability company incorporated in the PRC on 24 July 2000 and an indirect wholly-owned subsidiary of the Company;
“Wuhan OVU Group”	Wuhan OVU and its subsidiaries;
“Xi’an Industrial Park”	中國電子西安產業園發展有限公司 (China Electronics Xi’an Industrial Park Development Co., Ltd.*), a limited liability company incorporated in the PRC on 12 November 2010 and a non-wholly owned subsidiary of Wuhan OVU, and an indirect non-wholly owned subsidiary of the Company;
“Xi’an Industrial Park Charge”	the charge granted by Xi’an Industrial Park in favour of CEC Finance pursuant to the charge agreement dated 25 October 2023 entered into between Xi’an Industrial Park and CEC Finance, details of which are set out under the section headed “Security Documents – 4. The Xi’an Industrial Park Charge” in this announcement; and
“%”	per cent.

By Order of the Board  
**China Electronics Optics Valley Union Holding Company Limited**  
**Liu Guilin**  
*Chairman*

Wuhan, Hubei, the PRC  
25 October 2023

*As at the date of this announcement, the directors of the Company are Mr. Liu Guilin, Mr. Xiang Qunxiong, Mr. Zhang Jie, Ms. Sun Ying and Mr. Hu Bin as non-executive Directors; Mr. Qi Min, Mr. Qiu Hongsheng and Mr. Qi Liang as independent non-executive Directors; Mr. Huang Liping as executive Director.*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.0898 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.*

*\* For identification purposes only*