Optics Valley Union Holding Company Limited
光 谷 聯 合 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 798)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board (the "**Board**") of directors (the "**Directors**") of Optics Valley Union Holding Company Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2015 (the "**Reporting Period**"), together with the comparative figures for 2014 as follows. These consolidated interim financial results have not been audited, but have been reviewed by the independent auditors of the Company and the audit committee of the Company (the "**Audit Committee**").

UNAUDITED INTERIM RESULTS OF THE GROUP FOR THE REPORTING PERIOD

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2015 — unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Turnover	*3*	**427,974**	553,622
Cost of sales		**(247,967)**	(341,908)
Gross profit		**180,007**	211,714
Other income		**1,798**	1,148
Selling and distribution expenses		**(30,742)**	(28,917)
Administrative expenses		**(83,378)**	(64,329)
Other expenses		**(5,301)**	(264)
Results from operating activities before changes in fair value of investment properties		**62,384**	119,352
Increase in fair value of investment properties	*7*	**127,996**	76,590
Results from operating activities after changes in fair value of investment properties		**190,380**	195,942
Finance income	*4(a)*	**18,314**	6,402
Finance costs	*4(a)*	**(1,202)**	(11,169)
Net finance income/(costs)		**17,112**	(4,767)
Share of losses of associates		**(1)**	(190)
Share of profits/(losses) of joint ventures		**(6,789)**	2,738
Profit before taxation		**200,702**	193,723
Income tax	*5*	**(78,414)**	(60,223)
Profit for the period		**122,288**	133,500

	Note	Six months ended 30 June 2015 RMB'000	2014 RMB'000
Attributable to:			
Equity shareholders of the Company		**117,942**	130,676
Non-controlling interests		**4,346**	2,824
Profit for the period		**122,288**	133,500
Basic earnings per share (RMB cents)	*6*	**2.95**	3.71

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2015 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit for the period	**122,288**	133,500
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
— financial statements of subsidiaries in other jurisdictions, net of nil tax	**(347)**	(15)
Total comprehensive income for the period	**121,941**	133,485
Attributable to:		
Equity shareholders of the Company	**117,595**	130,661
Non-controlling interests	**4,346**	2,824
Total comprehensive income for the period	**121,941**	133,485

Consolidated Statement of Financial Position

At 30 June 2015 — unaudited

(Expressed in Renminbi)

	Note	**At 30 June 2015** *RMB'000*	At 31 December 2014 *RMB'000*
Non-current assets			
Property, plant and equipment		**282,648**	278,784
Investment properties	*7*	**689,950**	527,510
Intangible assets		**4,220**	4,354
Interest in associates		**3,760**	761
Interest in joint ventures		**37,260**	165,249
Other investments		**11,000**	10,000
Deferred tax assets		**62,935**	67,963
		1,091,773	1,054,621
Current assets			
Properties under development	*8*	**3,101,657**	2,545,744
Completed properties held for sale	*9*	**1,988,653**	1,993,088
Inventories and contracting work-in-progress	*10*	**280,242**	243,855
Trade and other receivables	*11*	**1,132,544**	1,215,158
Current tax assets		**14,282**	3,800
Restricted cash		**284,873**	139,798
Cash and cash equivalents		**658,391**	936,977
		7,460,642	7,078,420
Current liabilities			
Trade and other payables	*12*	**2,144,264**	1,964,900
Loans and borrowings		**1,427,246**	1,170,800
Corporate bonds payable	*13*	**280,696**	384,627
Current tax liabilities		**68,439**	134,743
Current portion of deferred income		**4,167**	4,006
		3,924,812	3,659,076
Net current assets		**3,535,830**	3,419,344
Total assets less current liabilities		**4,627,603**	4,473,965

	Note	At **30 June** **2015** ***RMB'000***	At 31 December 2014 *RMB'000*
Non-current liabilities			
Loans and borrowings		**1,067,650**	968,046
Corporate bonds payable	*13*	**806,697**	802,637
Deferred tax liabilities		**109,714**	82,187
Non-current portion of deferred income		**37,503**	36,056
		2,021,564	1,888,926
Net assets		**2,606,039**	2,585,039
Capital and reserve			
Share capital	*14*	**316,800**	316,800
Reserves		**2,048,315**	2,032,420
Total equity attributable to equity shareholders of the Company		**2,365,115**	2,349,220
Non-controlling interests		**240,924**	235,819
Total equity		**2,606,039**	2,585,039

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

Optics Valley Union Holding Company Limited (the "Company") was incorporated in the Cayman Islands. The interim financial report of the Company as at and for the six months ended 30 June 2015 comprises the Company and its subsidiaries (together referred to as the "Group").

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue by the Company's Board of Directors on 26 August 2015.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company. It has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included in the 2015 interim report.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a few amendments to IFRSs that are first effective for the current accounting period of the Group and the Company.

- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2011–2013 Cycle

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 TURNOVER AND SEGMENT REPORTING

The principal activities of the Group are development and sales of properties, design and construction, property management services and operation of industrial park properties in the People's Republic of China (the "PRC").

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following five reportable segments.

(a) Segment results, assets and liabilities

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

For the six months ended 30 June 2015

	Property development *RMB'000*	**Construction contract** *RMB'000*	**Property leasing** *RMB'000*	**Development management services** *RMB'000*	**Business operation services** *RMB'000*	**Total** *RMB'000*
Revenue from external customers	**270,942**	**29,167**	**15,883**	**3,868**	**108,114**	**427,974**
Inter-segment revenue	**—**	**100,663**	**22**	**171**	**19,134**	**119,990**
Reportable segment revenue	**270,942**	**129,830**	**15,905**	**4,039**	**127,248**	**547,964**
Reportable segment profits	**51,871**	**(3,657)**	**10,601**	**3,327**	**11,046**	**73,188**

For the six months ended 30 June 2014

	Property development *RMB'000*	Construction contract *RMB'000*	Property leasing *RMB'000*	Development management services *RMB'000*	Business operation services *RMB'000*	Total *RMB'000*
Revenue from external customers	395,273	31,753	16,883	26,156	83,557	553,622
Inter-segment revenue	—	184,403	343	1,122	28,464	214,332
Reportable segment revenue	395,273	216,156	17,226	27,278	112,021	767,954
Reportable segment profits	86,953	(4,488)	11,172	25,684	7,845	127,166

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profits		
Reportable segment profit derived from Group's external customers	**73,188**	127,166
Increase in fair value of investment properties	**127,996**	76,590
Share of losses of associates	**(1)**	(190)
Share of (losses)/profits of joint ventures	**(6,789)**	2,738
Other income	**1,798**	1,148
Finance income	**18,314**	6,402
Finance costs	**(1,202)**	(11,169)
Depreciation and amortisation	**(12,602)**	(8,962)
Consolidated profit from continuing operations before tax	**200,702**	193,723

	At 30 June	At 31 December
	2015	2014
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**8,371,729**	7,891,624
Equity accounted investees	**41,020**	166,010
Other unallocated amounts	**139,666**	75,407
Consolidated total assets	**8,552,415**	8,133,041
Liabilities		
Reportable segment liabilities	**5,945,638**	5,542,729
Other unallocated amounts	**738**	5,273
Consolidated total liabilities	**5,946,376**	5,548,002

4 PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
(a) Finance (income)/costs:		
Finance income:		
Interest income	**(17,901)**	(5,408)
Net realised and unrealised gains on other investments	**(413)**	(961)
Net foreign exchange gain	**—**	(33)
Sub-total	**(18,314)**	(6,402)
Finance costs:		
Interest expense	**131,724**	129,616
Less: Capitalised interest expenses	**(130,544)**	(118,447)
	1,180	11,169
Net foreign exchange loss	**22**	—
Sub-total	**1,202**	11,169
Net finance (income)/costs	**(17,112)**	4,767
(b) Staff costs:		
Salaries, wages and other benefits	**110,816**	110,067
Contributions to defined contribution retirement schemes	**6,922**	6,289
	117,738	116,356
(c) Other items:		
Depreciation	**12,273**	8,645
Amortisation	**329**	317
Auditors' remuneration	**500**	500
Cost of properties sold	**128,710**	241,330
Cost of construction and goods sold	**40,197**	29,649
Rentals receivable from investment properties	**(15,883)**	(16,883)
Less: Direct outgoings	**86**	50
Operating lease charges	**1,723**	2,152

5 INCOME TAX

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax ("CIT")	**18,084**	37,864
PRC Land Appreciation Tax ("LAT")	**27,775**	13,151
	45,859	51,015
Deferred tax		
Origination and reversal of temporary differences	**32,555**	9,208
Total income tax expenses	**78,414**	60,223

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

No provision for Hong Kong Profits Tax was made as the Group's Hong Kong subsidiaries did not earn any income subject to Hong Kong Profits Tax for the period (six months ended 30 June 2014:RMB nil).

(ii) PRC CIT

Effective from 1 January 2008, under the PRC CIT Law, the PRC's statutory income tax rate is 25%. The Group's PRC subsidiaries are subject to PRC income tax at 25% unless otherwise specified. According to the approval from the tax authority in Wuhan, Hubei Province, Wuhan Lido Technology Company Limited and Wuhan Jitian Construction Company Limited's assessable profits were calculated based on 8% of their gross turnover for the period.

(iii) PRC LAT

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

(iv) Withholding tax

According to the PRC CIT Law and its related regulations, the Group is subject to a withholding tax at 10%, unless reduced by tax treaties or arrangements, for dividends distributed by a PRC enterprise to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. According to the China-HK Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of a PRC enterprise is entitled to a reduced withholding rate of 5%. On this basis, the Group has made provision of withholding income tax on the distributable profits generated by PRC subsidiaries.

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB117,942,000 (six months ended 30 June 2014: RMB130,676,000). The weighted average number of ordinary shares for the six months ended 30 June 2015 is approximately 4,000,000,000 (six months ended 30 June 2014: 3,524,862,000).

(b) Diluted earnings per share

There were no dilutive potential ordinary shares for the six months ended 30 June 2015 and the six months ended 30 June 2014 and therefore, diluted earnings per share are not presented.

7 INVESTMENT PROPERTIES

Investment properties comprise a number of commercial and residential properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 1 year to 10 years.

The Group's investment properties carried at fair value were revalued as at 30 June 2015 by Savills Valuation and Professional Services Limited ("Savills"), an independent firm of surveyors. The valuation were carried out by Savills with reference to market value of property interest, which intended to be the estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In valuing the property interest in the PRC, Savills has adopted the investment approach (income approach) by taking into account the current rental income of the property interest and the reversionary potential of the tenancy, and also adopted the direct comparison approach and made reference to the recent transactions for similar premises in the proximity. Adjustments have been made for the differences in transaction dates, building age, floor area etc., between the comparable properties and the subject property. During the period ended 30 June 2015, a total net gain of RMB127,996,000 (six months ended 30 June 2014: RMB76,590,000), and deferred tax thereon of RMB31,999,000 (six months ended 30 June 2014: RMB19,148,000), has been recognised in the consolidated statement of profit or loss for the period in respect of investment properties.

As at 30 June 2015, certain investment properties of the Group with an aggregate carrying value of RMB426,000,000 (31 December 2014: RMB285,300,000), were without building ownership certificate. The Group was in progress of obtaining the relevant building ownership certificate.

Certain bank loans granted to the Group were jointly secured by certain investment properties with an aggregate fair value of RMB30,337,000 (31 December 2014: RMB33,357,000) as at 30 June 2015, certain properties under development (Note 8) and certain property, plant and equipment held by the Group.

8 PROPERTIES UNDER DEVELOPMENT

(a) Properties under development in the consolidated statement of financial position comprise:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Expected to be recovered within one year		
Properties under development for sale	**2,046,690**	1,375,670
Expected to be recovered after more than one year		
Properties held for future development for sale *(Note)*	**448,631**	538,372
Properties under development for sale	**606,336**	631,702
	1,054,967	1,170,074
	3,101,657	2,545,744

Note: Properties held for future development for sale is net of benefits from government grants of RMB7,836,000 (for the year ended 31 December 2014: RMB6,535,000) for the six months ended 30 June 2015. Pursuant to the agreements between the Group's subsidiaries and local governments, such grants are for subsidising the infrastructure construction of certain projects of the Group.

(b) The analysis of carrying value of leasehold land included in properties under development is as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
In the PRC, with lease term of 40 years or more	**1,203,453**	1,292,014

Properties under development with an aggregate carrying value of RMB2,757,447,000 (2014: RMB2,178,199,000) as at 30 June 2015 were pledged for certain bank loans granted to the Group.

9 COMPLETED PROPERTIES HELD FOR SALE

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

No completed properties held for sale as at 30 June 2015 were pledged for any bank loans granted to the Group (31 December 2014: RMB23,354,000).

10 INVENTORIES AND CONTRACTING WORK-IN-PROGRESS

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Gross amounts due from customers for contract work *(Note (i))*	**241,204**	234,794
Raw materials	**2,038**	1,327
Work in progress	**10,806**	7,234
Finished goods	**26,194**	500
	280,242	243,855

(i) Gross amounts due from customers for contract work

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Cost plus attributable profit less foreseeable losses	**266,841**	298,917
Less: Progress payments received and receivable	**(25,637)**	(64,123)
Contracting work-in-progress	**241,204**	234,794
Representing:		
Gross amounts due from customers for contract work included in stocks and contracting work-in-progress	**241,204**	234,794

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Carrying amount of inventories recognised as — Cost of sales	**40,197**	29,649

11 TRADE AND OTHER RECEIVABLES

As of the end of the Reporting Period, the ageing analysis of trade debtors and bills receivable, based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

	At 30 June 2015	At 31 December 2014
	RMB'000	*RMB'000*
Within 1 month	**59,507**	234,261
1 to 3 months	**9,318**	2,485
3 to 6 months	**13,656**	17,911
Over 6 months	**226,662**	139,520
Trade and bill receivables (net of allowance) *(Note (i))*	**309,143**	394,177
Amounts due from related parties	**—**	287
Prepayments		
— for properties held for development *(Note (ii))*	**569,146**	538,372
— for construction cost and raw materials	**39,461**	61,417
Prepaid business tax and other tax	**24,511**	12,208
Others	**190,283**	208,697
Total	**1,132,544**	1,215,158

Trade debtors and bills receivable are due within 3 months to 6 months from the date of billing.

Notes:

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

The remaining balance of trade receivables is expected to be recovered within one year.

The Directors are of the view that all trade receivables are neither individually nor collectively considered to be impaired as at the end of each reporting period.

(ii) The Group has entered into a number of contracts of property development projects and has made prepayments in accordance with the terms of contracts.

12 TRADE AND OTHER PAYABLES

As of the end of the Reporting Period, the ageing analysis of trade creditors and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Within 1 month	**64,880**	998,969
1 to 12 months	**993,308**	166,755
Over 12 months	**126,419**	31,389
Total creditors and bills payable	**1,184,607**	1,197,113
Receipts in advance	**665,115**	368,827
Accrued payroll	**4,485**	16,527
Other payables and accruals	**225,795**	229,835
Amounts due to non-controlling equity holders	**59,262**	59,262
Amounts due to related parties	**5,000**	93,336
Total	**2,144,264**	1,964,900

13 CORPORATE BONDS PAYABLE

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
As at 1 January	**1,187,264**	622,190
Net proceeds from bonds issued during the period/year *(Note (ii)/(iii))*	**199,000**	590,620
Interests and issue cost amortised during the period/year	**51,229**	93,594
Interests paid during the period/year	**(50,100)**	(49,140)
Principal paid during the period/year	**(300,000)**	(70,000)
At the end of the period/year	**1,087,393**	1,187,264
Representing:		
Current portion	**280,696**	384,627
Non-current portion	**806,697**	802,637

Note:

(i) In October 2013, the Company issued long-term corporate bond with maturity of 6 years with face value of RMB600,000,000 bearing annual interest rate of 7.35%. The actual proceeds received by the Company was approximately RMB543,527,000. This bond is denominated in RMB and issued at par. Interest is payable yearly while principal will be paid when the bond falls due. The annual effective interest rate of this bond is 9.5%. As at 30 June 2015, interest payable for this bond amounted to approximately RMB29,400,000 (31 December 2014: RMB7,350,000).

(ii) In March 2014 and June 2014, the Company issued non-public debt financing instruments with maturity of 365 days and 2 years with face value of RMB300,000,000 and RMB300,000,000 bearing annual interest rates of 8.5% and 8.2%, respectively. The actual proceeds received by the Company were approximately RMB298,170,000 and RMB292,450,000. These bonds are denominated in RMB and issued at par. Interest is payable yearly while principal will be paid when the bonds fall due. The annual effective interest rates of those bonds are 9.2% and 9.6%, respectively. As at 30 June 2015, interest payable for these bonds above amounted to approximately RMB nil and RMB1,230,000, respectively (31 December 2014: RMB19,975,000 and RMB13,598,000).

(iii) In March 2015, the Company issued non-public debt financing instrument with maturity of 365 days with face value of RMB200,000,000 bearing annual interest rate of 7.6%. The actual proceed received by the Company was approximately RMB199,000,000. This bond is denominated in RMB and issued at par. Interest and principal will be paid together when the bond falls due. The annual effective interest rate of this bond is 8.14%. As at 30 June 2015, interest payable for this bond amounted to approximately RMB4,856,000.

14 CAPITAL AND CAPITALIZATION ISSUE

(a) Share capital

The Company was incorporated on 15 July 2013 with authorized capital of 100,000 shares at HK$0.10 per share. As part of the reorganization, the authorized capital of the Company was increased to HK$100,000,000 divided into 1,000,000,000 shares of HK$0.10 each.

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

	At 30 June 2015		At 31 December 2014	
	No. of Shares ***('000)***	***RMB'000***	No. of Shares *('000)*	*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**4,000,000**	**316,800**	100	8
Capitalisation issue *(Note 14(b))*	**—**	**—**	2,999,900	237,592
Issue of new shares	**—**	**—**	1,000,000	79,200
At the end of the period/year	**4,000,000**	**316,800**	4,000,000	316,800

(b) Capitalisation issue

Pursuant to written resolutions of the Company's shareholders passed on 12 March 2014, 2,999,900,000 ordinary shares of HK$0.1 each were issued at par value on 28 March 2014 by way of capitalisation of HK$299,990,000 (equivalent to approximately RMB237 million) from the Company's share capital account.

On 28 March 2014, the Company was successfully listed on the Stock Exchange following the completion of its initial public offering of 1,000,000,000 shares of HK$0.10 each issued at a price of HKD 0.83 per share. The proceeds of HK$100,000,000 representing the par value, were credited to the Company's share capital. The remaining proceeds of HK$661,435,000 (equivalent to approximately RMB522 million), after the issuing expenses of HK$68,565,000 (equivalent to approximately RMB54 million), were credited to the share premium account.

15 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the previous financial year and approved during the Reporting Period are as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period, of HK$0.032 per share (six months ended 30 June 2014: HK$0.032) *(Note)*	**100,941**	101,376

Note: During the Reporting Period, the Company approved a final dividend of RMB100,941,000 (six months ended 30 June 2014: RMB101,376,000) which was paid in June 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights of the First Half of 2015

- The Group recorded turnover of RMB428.0 million, representing a decrease of 22.7% as compared with the same period in 2014. Turnover from property development and relevant operations accounted for 70.4% of the total turnover, while turnover from other businesses, including the operation services of business parks, contributed to 29.6% of its total turnover.

- Profits attributable to shareholders of the Group amounted to RMB117.9 million, representing a decrease of 9.7% as compared with the same period in 2014.

- The Group secured contracted sales of properties of RMB721.9 million, representing an increase of 42.5% as compared with the same period in 2014; and the area of contracted sales was approximately 96,000 sq.m., representing an increase of 45.1% as compared with the same period in 2014.

- The Group's overall gross profit margin increased to 42.1% from 38.2% in the same period in 2014.

Business Review

Property Development

Revenue

In the first half of 2015, the Group's revenue of properties amounted to approximately RMB270.9 million, representing a decrease of 31.5% over the first half of 2014 of RMB395.3 million. Area sold and recognized decreased by 43.5% from 67,000 sq.m. in the first half of 2014 to approximately 38,000 sq.m. in the first half of 2015. The recognized average selling price increased by 21.3% from RMB5,928 per sq.m. in the first half of 2014 to RMB7,190 per sq.m.

During the Reporting Period, five major projects in Wuhan recorded revenue, accounting for 88.6% of the total revenue; three projects in other cities, including Qingdao, Huangshi and Ezhou, recorded revenue, accounting for 11.4% of the total revenue.

For the six months ended 30 June 2015, property projects sold and delivered included:

Properties sold and delivered	City	**2015** Revenue (RMB'000)	**2015** GFA sold and delivered (sq.m.)	**2015** Recognized average selling price (RMB per sq.m.)	2014 Revenue (RMB'000)	2014 GFA sold and delivered (sq.m.)	2014 Recognized average selling price (RMB per sq.m.)
Wuhan Optics Valley Software Park (Phase V)	Wuhan	**23,744**	**3,013**	**7,881**	38,285	4,520	8,470
Wuhan Optics Valley Software Park (Phase III)	Wuhan	**6,975**	**816**	**8,546**	—	—	—
Wuhan Optics Valley Financial Harbour (Phase II)	Wuhan	**72,662**	**9,746**	**7,455**	136,510	17,358	7,864
Wuhan Creative Capital (Phase I)	Wuhan	**114,864**	**13,269**	**8,657**	—	—	—
Wuhan Romantic Town	Wuhan	**—**	**—**	**—**	3,156	604	5,225
Wuhan Innocenter	Wuhan	**20,799**	**2,630**	**7,908**	49,827	6,855	7,269
Qingdao OVU International Marine Information Harbour	Qingdao	**15,086**	**2,570**	**5,870**	119,865	20,158	5,946
Ezhou OVU Science and Technology City	Ezhou	**14,275**	**5,099**	**2,800**	46,938	16,997	2,762
Huangshi OVU Science and Technology City	Huangshi	**1,686**	**359**	**4,693**	—	—	—
Other properties	Wuhan	**851**	**182**	**4,666**	692	184	3,761
Total		**270,942**	**37,684**	**7,190**	395,273	66,676	5,928

Sales of Properties

During the Reporting Period, the Group secured contracted sales of properties of RMB721.9 million, representing an increase of 42.5% as compared with the corresponding period in 2014. The area of contracted sales was approximately 96,000 sq.m., representing an increase of 45.1% as compared with the corresponding period in 2014.

During the Reporting Period, the majority of the contracts were from the Group's projects in Wuhan, realizing contracted sales of RMB530.3 million and representing 73.5% of the Group's total contracted sales amount in the current period.

For the six months ended 30 June 2015, the details of the Group's contracted sales amount and contracted area sold are as follows:

City and project	Contracted sales amount (RMB'000) 2015	2014	Contracted area (sq.m.) 2015	2014
Wuhan Optics Valley Software Park (Phase V)	**13,450**	41,480	**1,500**	4,500
Wuhan Optics Valley Software Park (Phase VI)	**—**	156,230	**—**	19,000
Wuhan Creative Capital	**104,740**	164,080	**12,100**	18,800
Wuhan Optics Valley Financial Harbour (Phase II)	**26,600**	43,090	**3,800**	4,500
Wuhan Innocenter	**4,500**	—	**600**	—
Wuhan Lido 2046	**372,970**	41,790	**34,100**	3,500
Qingdao OVU International Marine Information Harbour	**62,170**	8,140	**9,400**	1,200
Ezhou OVU Science and Technology City	**53,170**	29,180	**17,400**	9,600
Huangshi OVU Science and Technology City	**2,510**	20,410	**500**	4,800
Shenyang OVU Science and Technology City	**30,220**	—	**10,200**	—
Hefei Financial Harbour	**43,550**	—	**5,700**	—
Other projects	**7,990**	2,340	**900**	400
Total	**721,870**	506,740	**96,200**	66,300

Construction and Development

In the first half of 2015, the total GFA of newly completed properties of the Group was approximately 107,000 sq.m., while the total GFA of properties sold and delivered was approximately 38,000 sq.m. and the area of new development of the Group was approximately 26,000 sq.m.. As at 30 June 2015, the total area of properties under construction was 955,000 sq.m..

Land Bank

As at 30 June 2015, the planned GFA of the Group's land bank was 6,248,000 sq.m. and the average floor price was RMB395 per sq.m., which can fulfill the development demand for at least the coming five years.

The land bank of the Group was distributed in major second-tier and third-tier cities, among which 65.6% were located in Wuhan, while the remaining 34.4% were located in other cities such as Qingdao, Hefei, Shenyang, Ezhou and Huangshi.

An overview of land bank as at 30 June 2015 is as follows:

Project	City	Location	Usage	Proportion of interest of the Group in the project	Land Bank *(sq.m.)*
Wuhan Optics Valley Software Park	Wuhan	1 Guanshan Avenue, Wuhan, Hubei Province	Industrial	100%	54,218
Wuhan Optics Valley Financial Harbour (Phase I)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	27,728
Wuhan Optics Valley Financial Harbour (Phase II)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	58,368
Wuhan Optics Valley Financial Harbour (Phase III)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	70%	350,463
Wuhan Optics Valley Financial Harbour (Phase IV)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Commercial	70%	658,333
Wuhan Innocenter	Wuhan	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	Industrial	100%	204,880
Wuhan Lido Mason	Wuhan	No. 318 Minzu Avenue, Wuhan, Hubei Province	Residential	50%	4,840
Wuhan Creative Capital	Wuhan	16 Ye Zhi Hu West Road, Hongshan District, Wuhan, Hubei Province	Commercial	100%	358,266
Wuhan Lido 2046	Wuhan	175 Xiongchu Avenue, Wuhan, Hubei Province	Residential	100%	126,629
Wuhan Energy Conservation Technology Park	Wuhan	666 Gaoxin Avenue, Wuhan, Hubei Province	Industrial	70%	2,235,156
Wuhan Romantic Town	Wuhan	46 Guanggu Avenue, Wuhan, Hubei Province	Residential	51%	2,850
Others	Wuhan	N/A	Residential	100%	13,822
Qingdao OVU International Marine Information Harbour	Qingdao	396 Emeishan Road, Qingdao, Shandong Province	Industrial	100%	402,685
Qingdao Innocenter	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Industrial	100%	136,380
Qingdao Marine & Science Park	Qingdao	South of Zhang Jiang West Road, West of Jiangshan South Road, North of Binhai Avenue, Qingdao Economic & Technical Development Zone, Qingdao, Shandong Province	Industrial	100%	197,050
Ezhou OVU Science and Technology City	Ezhou	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	Industrial	80%	431,302
Huangshi OVU Science and Technology City	Huangshi	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	Industrial	100%	190,241

Project	City	Location	Usage	Proportion of interest of the Group in the project	Land Bank
					(sq.m.)
Shenyang OVU Science and Technology City	Shenyang	Intersection of Sheng Jing Da Jie and Fourth Ring Road, Shenbei New District, Shenyang, Liaoning Province	Industrial	100%	185,801
Hefei Financial Harbour	Hefei	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	Commercial	80%	608,660
Total					**6,247,672**

Business Operation Services

The Group provides enterprises in its business parks with diversified and one-stop business operation services to facilitate and serve their business operations, as well as to reduce their operational costs. As the Group develops and completes an increasing number of business parks, the scope and types of services of its business parks are continuously expanding with the number of customers constantly on the rise. The Group provides various business operation services including property management, services of district cooling and heating energy system, innovation incubation, human resources and training services, accommodation, hotels, group catering services, etc. to its customers. For the period ended 30 June 2015, turnover from business operation services was RMB110.8 million, representing an increase of 32.5% as compared to RMB83.6 million in the corresponding period in 2014.

Construction Contracts

The Group provides construction services ranging from decorating and improving external parts and internal public areas of buildings to customers in its business parks as well as customers operating in properties owned by third parties. As the Group enhances its vertically integrated business model along the value-chain of the business park development industry, the amount of decoration and improvement services provided by Wuhan Lido Technology Co., Ltd., a wholly owned subsidiary of the Group, to its project companies has been increasing. Turnover of the Group from construction contracts amounted to RMB26.5 million for the six months ended 30 June 2015.

Property Leasing

The Group engages in property leasing in its business parks through holding and leasing out certain properties with supporting services and office properties suitable for general business purpose in order to generate recurring rental income. The Group plans to gradually increase the holding of leasehold properties. As at 30 June 2015, the Group held investment properties with a total GFA of 131,000 sq.m.. During the Reporting Period, turnover from property leasing amounted to RMB15.9 million.

Development Management Services

The Group provides project planning, development management and operation services primarily to local governments and leading enterprises for business parks owned by them. The Group intends to actively develop such light-asset business and enhance the proportion of the revenue and profit of such business. As of 30 June 2015, the Group was providing development management services for four business park projects with a total GFA of 2,091,000 sq.m. and two residential projects with a total GFA of 286,000 sq.m.. During the Reporting Period, turnover from developing management services was RMB3.9 million.

Future Prospect

Future Prospect for the Second Half of 2015

The Group is of the view that in the second half of 2015, the external operating environment will continue to face various uncertainties. In terms of the external environment, the strong recovery of the U.S. economy will continue with higher anticipation of interest-rate hike. It is expected that more quantitative easing ("QE") stimulating policies will be introduced in Europe due to economic stagnation. The Greek debt crisis has caused shocks to the European economies and financial systems, but the impacts are yet to be seen. Emerging economies are still under pressure to maintain a steady growth and are expected to roll out more QE measures.

In the first half of 2015, China's economic growth remained weak with low domestic and foreign demand. The GDP growth was 7.0% as compared to the corresponding period in 2014, barely reaching the standard. Given the uncertain internal and external environment for economic growth, in the second half of 2015, it is expected that the central government will increase its support to the macro-economy, consolidate the foundation for a steady growth and speed up economic recovery, with an aim to recover the economic growth quickly.

In the first half of 2015, the property market rebounded distinctly under the support of various measures adopted by the central government. Area of commodity properties sold in China grew by 3.9% as compared to the corresponding period in 2014, whereas sales grew by 10.0% as compared to the corresponding period in 2014. Demand will be gradually released and market is expected to rebound in the second half of 2015 due to the policy effects of the three interest and reserve requirement ratio cuts of the central bank. With the increasing number of housing transactions, pressure on de-stocking in first-tier cities and certain second-tier major cities will further be relieved. Given the rising inventories, "increasing sales by reducing prices" will remain as the keynote of the property market and prices are expected to maintain stable in the second half of 2015.

In light of a stable growth in property market, property development and investment nationwide, the new construction area grew at a lower pace, and the newly completed construction area and land acquisition area declined significantly. Therefore, the foundation of a stable property market remains vulnerable. It is expected that the government may adopt more stimulating measures to stabilize the property market in the second half of 2015.

Commercial business park development targeting industrial clusters has already entered into the fast track of development. Under the support of the central government's macro policies such as proactively promoting the structural adjustment of the national economy, supporting the development of strategic emerging industries and innovative business, and new-type of urbanization, the Group expects that there will be new opportunities for the development of commercial business parks in China. Such favourable macro policy environment and strong market demand will be beneficial to the Group's development of spatial clustering. Leveraging on policy and market advantages, the Group will accelerate the transformation of its business model and strategies to bring new services and businesses and become a leading integrated service provider for new industries in the Chinese market by contributing value-added, integrated and professional services to the development of the new economy and new industries of China.

Sales Strategies

The Group will speed up sales of property inventories and cash collection while enhancing cash flow management. In response to market changes and actual project progress, the Group will adopt flexible sales strategies and specific measures to strengthen market research and clients' needs analysis as well as to increase the percentage of area sold for each project.

Operational Strategies

By implementing differentiated strategies and constantly improving product quality and engaging in product innovations, the Group will enhance the competitiveness of its products and improve its business model, so as to maintain its competitive advantages. By accelerating business transformation and upgrading and strengthening strategic project collaboration with the companies with strong land resources and capital in the market, the Group will enlarge the scale of light assets with relevant development strategies to enhance the proportion of the revenue and profit of such light-asset business.

Investment Strategies

The Group currently has sufficient land bank. Emphasis of further product investment will be put on the product lines targeting new-type of urbanization and those delivering higher profit margin with a higher level of differentiation, so as to concentrate resources to accelerate development. In respect of its investment, the Group will continue to deepen its penetration in existing cities while exploring investment opportunities in the "One Belt, One Road" surrounding coastal cities and second-tier cities. Meanwhile, the Group will enter the segment markets of the first-tier cities through asset-light strategies such as strategic cooperation, full value-chain services and management consulting.

Financial Strategies

The Group will insist on adopting conservative financial policies with the focus on cash flow management. The total size of borrowings will be reasonably controlled while reasonable debt structures will be maintained. Besides, the net debt ratio will be maintained at a normal and reasonable level. These will ensure the healthy development and safe operation of the Group.

Notwithstanding various uncertainties in the global economy and a gradual stablization of China's economy, the Group believes that under the goal of stabilizing growth, the Chinese central government will continue to increase its efforts in stabilizing the economy and adopt more stimulus measures during the second half of this year to further support new businesses and innovative and venture enterprises. The introduction and implementation of the "One Belt, One Road" strategy of the central government and the Development Plan for the City Cluster in the Middle Reaches of the Yangtze River will bring significant development opportunities for the Group in future. The Group will fully utilize this favourable situation and adopt effective development strategies to accelerate the implementation of transformation and upgrading strategies, continuously enhance its own competitiveness and the competitive edges of its business model, make constant innovations in service models, so as to continuously create value for shareholders.

Financial Review

Turnover

The Group generated turnover from sales of properties in business parks, business operation services, construction contracts, property leasing and development management services. During the Reporting Period, turnover of the Group amounted to approximately RMB428.0 million, which was mainly attributable to the sales of properties in the Group's projects.

The Group's turnover by operating segment is as follows:

	30 June 2015		30 June 2014	
	Turnover *RMB'000*	**% of total Turnover**	Turnover *RMB'000*	% of total Turnover
Property development	**270,942**	**63.3%**	395,273	71.4%
Construction contracts	**26,523**	**6.2%**	31,753	5.7%
Development management services	**3,868**	**0.9%**	26,156	4.7%
Property leasing	**15,883**	**3.7%**	16,883	3.1%
Business operation services	**110,758**	**25.9%**	83,557	15.1%
Total	**427,974**	**100.0%**	553,622	100.0%

Cost of Sales

Cost of sales comprised primarily (i) cost of properties sold in respect of the Group's property development business (mainly including land acquisition costs, construction costs, capitalized interest and other costs for fair value adjustment in relation to acquisition of project companies), (ii) cost of construction services (mainly including construction costs for decoration and improvement services provided by Wuhan Lido Technology Co., Ltd.), and (iii) other costs relating to other service businesses (including business operation services, construction contract and development management services). During the Reporting Period, cost of sales of the Group accounted for approximately 57.9% of its turnover.

During the Reporting Period, cost of sales of the Group amounted to RMB248.0 million, representing a decrease of RMB93.9 million or approximately 27.5% over the same period in 2014, primarily due to a decrease in area of delivered properties during the current period.

Gross Profit and Gross Profit Margin

During the Reporting Period, overall gross profit of the Group decreased by RMB31.7 million, or 15.0%, to RMB180.0 million from RMB211.7 million in the same period in 2014. Overall gross profit margin increased to 42.1% in the first half of 2015 from 38.2% in the same period in 2014.

Other Income

During the Reporting Period, other income of the Group increased by RMB0.7 million, to approximately RMB1.8 million from approximately RMB1.1 million in the same period in 2014.

Selling and Distribution Expenses

During the Reporting Period, selling and distribution expenses of the Group increased by RMB1.8 million to RMB30.7 million from RMB28.9 million in the same period in 2014, primarily due to an increase in advertising and promotional expenses as the Group engaged in more sales, marketing and advertising activities for the increasing number of projects.

Administrative Expenses

During the Reporting Period, administrative expenses of the Group increased by RMB19.0 million to RMB83.4 million from RMB64.3 million in the same period in 2014, which was primarily because staff costs, office administration expenses, as well as travel, meeting and communication expenses increased as a result of the Group's expanded scale of operation and the increased number of its administrative staff.

Increase in Fair Value of Investment Properties

During the Reporting Period, fair value gains on the Group's investment properties increased by RMB51.4 million to RMB128.0 million from RMB76.6 million in the same period in 2014, which was primarily because of the increase in area of properties held by the Group for leasing. The Group had adjusted its business strategies and decided to increase the ratio in properties held for leasing in order to generate steady investment returns. During the Reporting Period, there was an increase of 8,000 sq.m. of the investment properties, primarily including certain properties at Wuhan Optics Valley Software Park Exhibition Center, the podium building of Optics Valley Software Park (Phase V) and shops in Creative Capital (Phase I).

Income Tax

During the Reporting Period, income tax expenses of the Group increased by RMB18.2 million to RMB78.4 million from RMB60.2 million in the same period in 2014, which was primarily due to (i) a decrease of RMB19.8 million in the PRC enterprise income tax as pre-tax profit decreased in line with the drop in profit from property development, (ii) for the period ended 30 June 2015, land appreciation tax increased by RMB14.6 million on settlement basis as compared with the corresponding period in 2014; and (iii) deferred income tax increased by RMB23.3 million as compared with the corresponding period in 2014 due to the recognized income from investment properties.

Profit for the Reporting Period

During the Reporting Period, the profit attributable to shareholders of the Group decreased from RMB130.7 million in the same period in 2014 by RMB12.7 million to RMB117.9 million, and the basic earnings per share decreased by 20.5% from RMB3.7 cents in the first half of 2014 to RMB3.0 cents in the same period in 2015.

Liquidity and Capital Resources

The Group uses cash primarily to pay for construction costs, land costs, infrastructure costs and finance costs incurred in connection with its property developments, service its indebtedness, and fund its working capital and normal recurring expenses. The Group primarily finances its expenditures through internally generated cash flows, being primarily cash generated through pre-sale and sale of its properties (including progress payments from customers of the customized developments and sales deposits from customers of pre-sold properties), and proceeds from bank loans and other borrowings.

During the Reporting Period, the Group's net cash outflow from operating activities was RMB72.6 million, which significantly improved as compared with the corresponding period in 2014. The cash was mainly used for the development and sale of Wuhan Creative Capital, Wuhan Lido 2046, Heifei Financial Harbour, Qingdao OVU International Marine Information Harbour, Ezhou OVU Science and Technology City, Huangshi OVU Science and Technology City and Shenyang OVU Science and Technology City.

The Group's net cash outflow of financing activities was RMB261.4 million. Cash inflow from financing activities was mainly derived from proceeds from loans and borrowings and proceeds from the issue of non-public direct debt financing instruments. During the Reporting Period, cash outflow in financing activities was mainly related to repayment of bank and other loans, interest and other borrowing costs paid and payment of dividends.

Indebtedness

The Group's total outstanding bank loans and other borrowings increased by RMB256.2 million from RMB3,326.1 million as of 31 December 2014 to RMB3,582.3 million as of 30 June 2015, which was primarily due to the increase in the development projects of the Group.

During the Reporting Period, Wuhan Optics Valley Union Group Company Limited, a wholly owned subsidiary of the Group in China, had issued the first tranche of non-public targeted debt financing instruments amounting to RMB200.0 million. The proceeds of the issued bonds was used for bank loans' repayment. As of 30 June 2015, unutilized banking facilities amounted to RMB620.5 million and other credit facilities unutilized amounted to RMB1,608.0 million.

Capital Expenditure and Capital Commitment

During the Reporting Period, capital expenditure of the Group incurred amounted to RMB286.9 million, which was primarily related to expenditure for its construction in progress, purchases of property, plant and equipment in relation to property development and purchases of intangible assets.

As of 30 June 2015, the Group's outstanding balances of its commitments related to property development expenditure were RMB629.4 million.

Employees

As of 30 June 2015, the Group had 4,018 full-time employees. The staff cost of the Group was approximately RMB117.8 million during the Reporting Period. The Group enters into employment contracts with its employees to cover matters such as position, terms of employment, wages, employee benefits and liabilities for breach and grounds for termination. Remuneration of its employees includes basic wages, allowance, bonuses and other employee benefits. The Group has implemented the measures of employee performance and promotion and the system of employee compensation and benefits. The remuneration package of its employees includes salary and bonuses. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority.

CORPORATE INFORMATION AND GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 15 July 2013 as an exempted company with limited liability, and the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 March 2014.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

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

The Company has adopted the principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has been in compliance with the principles and code provisions of the CG Code, except for code provision A.2.1.

Pursuant to code provision A.2.1 of the CG Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and president and Mr. Huang Liping currently performs these two roles. The Board believes that vesting the roles of both chairman and president in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable the Company to make and implement decisions promptly and effectively. After taking into account the overall circumstances of the Group, the Board will continue to review and consider the separation of the duties of the chairman and president if and when appropriate.

Mr. Huang Liping, as the chairman, is responsible for ensuring that the Directors will receive adequate information in a timely manner, that good corporate governance practices are established and followed, that all Directors make full and active contribution to the Board's affairs. Mr. Huang Liping also takes the lead to ensure that the Board acts in the best interests of the Company and that there is effective communication with the shareholders of the Company and that their views are communicated to the Board.

Save as disclosed above, throughout the Reporting Period, the Company has been in compliance with all the code provisions set forth in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company.

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

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee was established with terms of reference in compliance with the CG Code, and comprises three members, namely Mr. Leung Man Kit (independent non-executive Director), Ms. Shu Chunping (non-executive Director) and Mr. Qi Min (independent non-executive Director). The Audit Committee has reviewed together with the management and the external auditor the accounting principles and policies adopted by the Group and the unaudited interim results for the six months ended 30 June 2015.

INTERIM DIVIDEND

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

PUBLICATION OF INTERIM RESULTS AND 2015 INTERIM REPORT

This announcement is published on the websites of the Company (http://www.ovuni.com) and the Stock Exchange (http://www.hkexnews.hk). The 2015 interim report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange as and when appropriate.

By order of the Board
Optics Valley Union Holding Company Limited
Huang Liping
Chairman

Wuhan, the People's Republic of China
26 August 2015

As at the date of this announcement, the Directors of the Company are Mr. HUANG Liping, Mr. HU Bin and Ms. CHEN Huifen as executive Directors; Mr. LU Jun, Ms. SHU Chunping and Mr. ZHANG Jie as non-executive Directors; Mr. QI Min, Mr. LEUNG Man Kit and Ms. ZHANG Shuqin as independent non-executive Directors.