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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)

CONNECTED TRANSACTION

FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 22 May 2015, Wuhan Optics Valley Union, an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with Hubei Science & Technology Investment, Huanggang Asset Management and Wuhan High Technology in relation to the formation of the Project Company. The Project Company will be formed for the sole purpose of the Project.

Hubei Science & Technology Investment is indirectly interested in 12.0% of the issued share capital of the Company. Therefore Hubei Science & Technology Investment is a substantial shareholder and a connected person of the Company under the Listing Rules, and the transaction under the Investment Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the total commitment to be provided by Wuhan Optics Valley Union for the Project Company under the Investment Agreement exceed 0.1% but are less than 5%, the Investment Agreement constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 22 May 2015, Wuhan Optics Valley Union, an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with Hubei Science & Technology Investment, Huanggang Asset Management and Wuhan High Technology in relation to the formation of the Project Company.

PRINCIPAL TERMS OF THE INVESTMENT AGREEMENT

Summarized below are the principal terms of the Investment Agreement.

Date

22 May 2015

Parties

- (i) Wuhan Optics Valley Union;
- (ii) Hubei Science Technology & Investment;
- (iii) Huanggang Asset Management; and
- (iv) Wuhan High Technology.

Hubei Science & Technology Investment is indirectly interested in 12.0% of the issued share capital of the Company. Therefore Hubei Science & Technology Investment is a substantial shareholder and a connected person of the Company under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Huanggang Asset Management and Wuhan High Technology and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Formation of the Project Company

The Project Company will be formed for the sole purpose of the Project. The name of the Project Company shall be Huanggang Optics Valley Union Development Company Limited* (黃岡光谷聯合發展有限公司).

Funding

The Project Company will be established with an initial registered capital of RMB200 million, which will be contributed in cash by Wuhan Optics Valley Union as to RMB140 million, by Hubei Science & Technology Investment as to RMB20 million, by Huanggang Asset Management as to RMB20 million, and by Wuhan High Technology as to RMB20 million. Upon completion of the aforesaid capital contribution, the Project Company will be owned as to 70% by Wuhan Optics Valley Union, and as to 10% by each of Hubei Science & Technology Investment, Huanggang Asset Management and Wuhan High Technology, respectively.

It is contemplated that the capital commitment of Wuhan Optics Valley Union under the Investment Agreement will be funded by internal resources of the Group.

Board composition and management of the Project Company

The board of directors of the Project Company will consist of seven directors, four of whom will be appointed by Wuhan Optics Valley Union, and the remaining three directors will be appointed by Hubei Science & Technology Investment, Huanggang Asset Management and Wuhan High Technology, respectively. The chairman of the Project Company will be appointed by Wuhan Optics Valley Union.

The parties to the Investment Agreement have agreed to entrust Wuhan Optics Valley Union with full responsibility for the operation and management of the Project Company.

Distribution of profit

Profits after taxation available for distribution will be distributed to Wuhan Optics Valley Union, Hubei Science & Technology Investment, Huanggang Asset Management and Wuhan High Technology pro rata to their respective capital contribution in the Project Company.

REASONS FOR, AND BENEFITS OF, THE INVESTMENT AGREEMENT

The Directors (including the independent non-executive Directors) are of the view that the strategic cooperation of Wuhan Optics Valley Union and the JV Partners will complement each other in the development of the Project to promote mutual benefit, and will create good synergy based on the experience of Wuhan Optics Valley Union in the development and operation of commercial business parks and the experience of the JV Partners.

The Directors (including the independent non-executive Directors) are satisfied that the terms of the Investment Agreement had been arrived upon arm's length negotiations between the parties, are on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The capital contribution to be made by Wuhan Optics Valley Union was determined after arm's length negotiation between Wuhan Optics Valley Union and the JV Partners having taken into account the expected working capital required for the Project to be conducted by the Project Company.

LISTING RULES IMPLICATIONS

Hubei Science & Technology Investment is indirectly interested in 12.0% of the issued share capital of the Company. Therefore Hubei Science & Technology Investment is a substantial shareholder and a connected person of the Company under the Listing Rules, and the transaction under the Investment Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the total commitment to be provided by Wuhan Optics Valley Union for the Project Company under the Investment Agreement exceed 0.1% but are less than 5%, the Investment Agreement constitutes a

connected transaction of the Company which is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Mr. Lu Jun and Ms. Shu Chunping are considered to have a conflict of interest in the transactions under the Investment Agreement due to their senior management positions in Hubei Science & Technology Investment. They abstained from voting on the resolutions in relation to the Investment Agreement proposed to the Board.

GENERAL

About the Company

The Company is engaged primarily in the development and operation of large-scale business parks with distinctive industry themes located in Hubei and Shandong provinces, the PRC.

About Wuhan Optics Valley Union

Wuhan Optics Valley Union was established in 2007 and is engaged primarily in the development and operation of commercial business parks. It wholly owned and developed various projects of the Group namely the Optics Valley Software Park, the Optics Valley Software Park Exhibition Center, the Optics Valley Financial Harbour, the Creative Capital and Lido 2046.

About Hubei Science & Technology Investment

Hubei Science & Technology Investment is a state-owned enterprise established in July 2005. It is primarily engaged in infrastructure construction, property projects investment, provision of services for the development of small and medium enterprises, and the operation and management and state-owned assets.

About Huanggang Asset Management

Huanggang Asset Management is a state-owned enterprise established in 1994. It is an integrated platform for investment and financing activities approved by the municipal government. Its primary function and business scope is to carry out assets operation and capital management activities in accordance with applicable laws and optimize capital structure and fund allocation.

About Wuhan High Technology

Wuhan High Technology is a state-owned enterprise established in 2001. It is primarily engaged in investment in the areas of high-tech industries, urban infrastructure, environmental protection, ecological agriculture, commerce and tourism, the wholesale of electronic products, the development of animation products, the information management of animation enterprises, property management, property development and the sale of real estate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors;
“Company”	Optics Valley Union Holding Company Limited (光谷聯合控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Huanggang Asset Management”	Huanggang State-owned Asset Management Company* (黃岡市國有資產經營公司), a limited liability company incorporated in the PRC;
“Hubei Science & Technology Investment”	Hubei Science & Technology Investment Group Co., Ltd.* (湖北省科技投資集團有限公司), a limited liability company incorporated in the PRC and a substantial shareholder of the Company;
“Investment Agreement”	the investment agreement dated 22 May 2015 entered into between Wuhan Optics Valley Union, Hubei Science & Technology Investment, Huanggang Asset Management and Wuhan High Technology in relation to the establishment of the Project Company;
“JV Partners”	Hubei Science & Technology Investment, Huanggang Asset Management and Wuhan High Technology;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region, and Taiwan;
“Project”	the Optics Valley Union Technology City (Huanggang) project, which is a business park development project in Huanggang, the PRC;

“Project Company”	a joint venture to be established in the PRC pursuant to the Investment Agreement for the purpose of the Project;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules;
“Wuhan High Technology”	Wuhan High Technology State-Owned Holding Group Company Limited* (武漢高科國有控股集團有限公司), a limited liability company incorporated in the PRC;
“Wuhan Optics Valley Union”	Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司, formerly known as 武漢光谷聯合股份有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

* *The English translation appears for identification purposes only.*

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

Wuhan, Hubei, the People’s Republic of China

22 May 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.