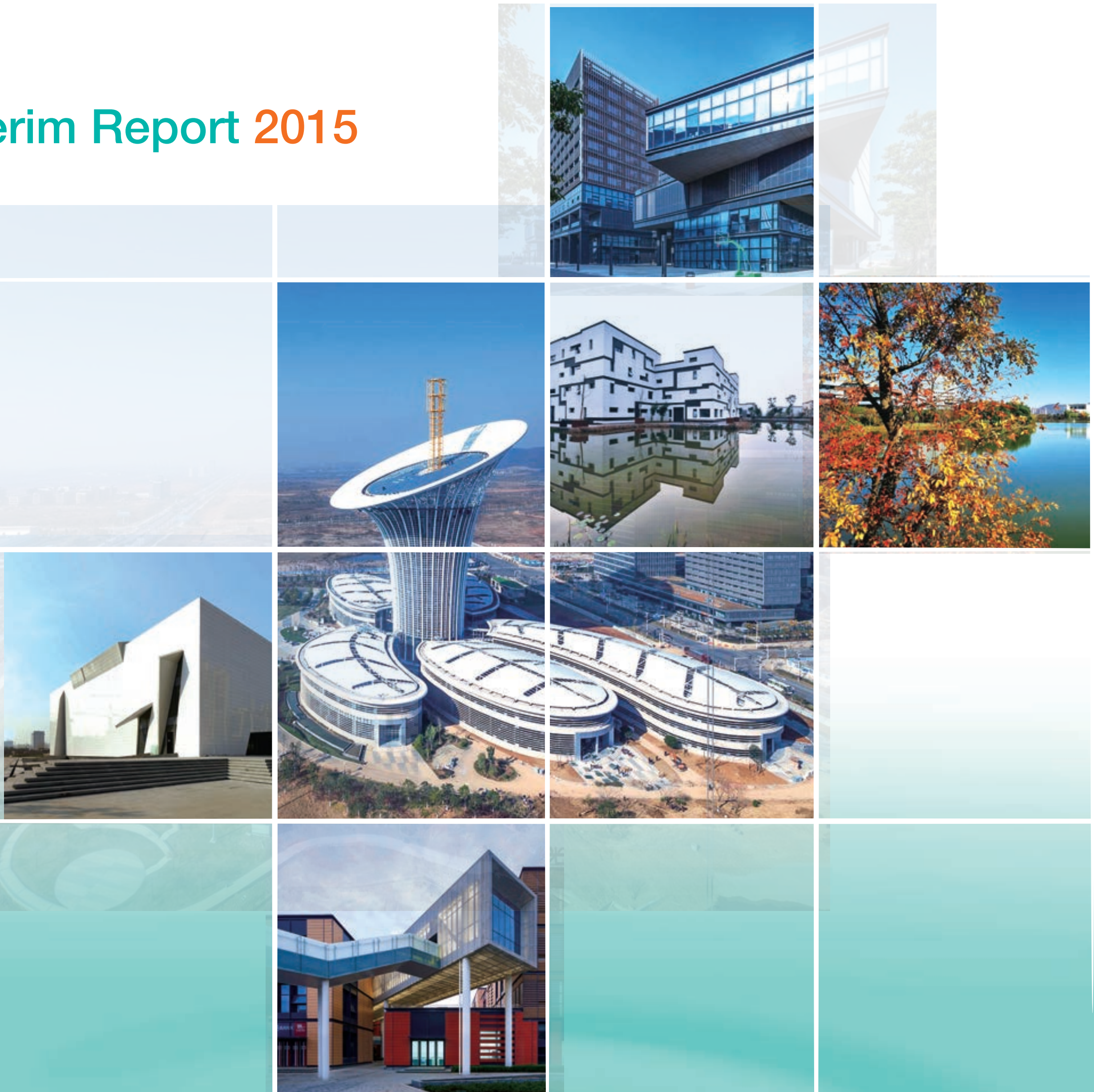
光谷聯合控股有限公司
OPTICS VALLEY UNION HOLDING COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 798

Interim Report 2015



Contents

Corporate Information

COMPANY NAME

Optics Valley Union Holding Company Limited

PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

STOCK CODE

798

STOCK NAME

OVU

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Liping *(Chairman and President)*
Mr. Hu Bin *(Executive President)*
Ms. Chen Huifen *(Vice President)*

Non-executive Directors

Mr. Lu Jun
Ms. Shu Chunping
Mr. Zhang Jie

Independent Non-executive Directors

Mr. Qi Min
Mr. Leung Man Kit
Ms. Zhang Shuqin

JOINT COMPANY SECRETARIES

Ms. Zhang Xuelian
Ms. Leung Ching Ching

AUTHORIZED REPRESENTATIVES

Mr. Huang Liping
Ms. Leung Ching Ching

AUDIT COMMITTEE

Mr. Leung Man Kit *(Chairman)*
Ms. Shu Chunping
Mr. Qi Min

REMUNERATION COMMITTEE

Mr. Qi Min *(Chairman)*
Mr. Hu Bin
Ms. Zhang Shuqin
Mr. Leung Man Kit
Ms. Shu Chunping

NOMINATION COMMITTEE

Mr. Huang Liping *(Chairman)*
Mr. Qi Min
Ms. Zhang Shuqin

FINANCIAL CONTROL COMMITTEE

Mr. Huang Liping
Mr. Wang Yuancheng
Ms. Huang Min

REGISTERED OFFICE

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Block D, Exhibition Centre
1 Guanshan Avenue
Optical Valley Software Park
Donghu New Technology
Development Zone
Wuhan, Hubei
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2902, 29th Floor
China Insurance Group Building
No. 141 Des Voeux Road Central
Hong Kong

LEGAL ADVISORS

as to Hong Kong law
Morrison & Foerster
33/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

as to Cayman Islands law
Appleby
2206–19 Jardine House
1 Connaught Place
Central, Hong Kong

as to PRC law
Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District
Beijing, China

AUDITOR

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

COMPLIANCE ADVISOR

GF Capital (Hong Kong) Limited
29/F and 30/F, Li Po Chun Chambers
189 Des Voeux Road Central
Sheung Wan, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKS

Hankou Bank
Bank of Communications
Industrial and Commercial Bank of China

COMPANY WEBSITE

www.ovuni.com

Financial Summary

The summary of the unaudited results and assets and liabilities of the Group for the six months ended 30 June 2015 is as follows:

	For the six months ended 30 June		
	2015	2014	Change
	RMB'000	RMB'000	%
Results			
Turnover of continuing operations	**427,974**	553,622	–22.7%
Gross profit			
Property development	**142,232**	153,943	–7.6%
Other business segments	**37,775**	57,771	–34.6%
	180,007	211,714	–15.0%
Profit before taxation	**200,702**	193,723	3.6%
Profit attributable to equity shareholders of the Company	**117,942**	130,676	–9.7%
Profit attributable to non-controlling interests	**4,346**	2,824	53.9%
Profit for the Period	**122,288**	133,500	–8.4%

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000	Change %
Assets and liabilities			
Non-current assets	**1,091,773**	1,054,621	3.5%
Current assets	**7,460,642**	7,078,420	5.4%
Current liabilities	**3,924,812**	3,659,076	7.3%
Net current assets	**3,535,830**	3,419,344	3.4%
Total assets less current liabilities	**4,627,603**	4,473,965	3.4%
Total equity	**2,606,039**	2,585,039	0.8%
Non-current liabilities	**2,021,564**	1,888,926	7.0%
Total equity and non-current liabilities	**4,627,603**	4,473,965	3.4%

BUSINESS REVIEW

In the first half of 2015, global economies have seen growing divergence trends, the U.S. economy continued its robust recovery, and the employment market further improved. In the Eurozone, economic recovery was weak amid a continuous volatile financial market as a result of the Greek financial crisis. Pressures weighed on emerging economies. Given various measures to sustain steady growth adopted by the Chinese government in time, Chinese macro economy showed signs of a steady growth in the second quarter after a weak downturn in the first quarter. In the first half of 2015, GDP recorded a growth of 7.0% as compared with the corresponding period in 2014, major economic indicators gradually improved, showing a stable yet slow trend. However, no fundamental changes occurred in the conditions of a weak domestic and foreign macro economic demand, the foundation for a stable economy remained fragile. New growth drivers, though accelerated its incubating process, are not sufficient to drive the overall economic recovery in the near term. Macro economy still faces downward pressures given its weak recovery.

During the Reporting Period, the central government introduced a series of industry policies to support the development of emerging industries, innovations and entrepreneurship and Internet Plus. Industries are to be transformed through implementing the "One Belt, One Road" and innovative driving strategies. The State Council also rolled out the Development Plan for the City Cluster in the Middle Reaches of the Yangtze River, aiming to build a quality industry cluster led by Wuhan. Those policies favourably support the businesses of theme-focused business parks of the Group.

During the Reporting Period, in response to the property market downturn in the first quarter, the central government implemented various accommodative policies concerning the property market, including lowering the percentage of housing down payment, relaxing individual housing provident fund loans and other policies to support demands from self-occupied housing and improved housing of residents. Property regulatory policies have taken effect since the second quarter, reflected in the gradual digestion of inventories, and gradual improvement of property sales with first positive growth appearing in May. Since June, property sales continued to improve and the trend expanded from first-tier cities to second-tier and third-tier cities. The real estate prices are more stable.

During the Reporting Period, the Group seized opportunities to accelerate the sales and development of properties in its business parks, strengthen cash flow management, positively implement transformation strategies set by the Board early this year while increasingly improving and optimizing traditional business, endeavoured to develop the Group into a leading integrated new industry services provider, which laid a solid foundation for the sustainable development of the Group's medium and long-term businesses.

RESULTS OF THE FIRST HALF OF 2015

During the Reporting Period, the profit attributable to shareholders of the Group amounted to RMB117.9 million, which decreased by 9.7% as compared with the corresponding period in 2014. After deducting the fair value gains of investment properties and relevant tax effects, the profit attributable to shareholders of the Group was approximately RMB21.9 million. The basic earnings per share were approximately RMB3.0 cents, down 20.5% as compared with the corresponding period in 2014. The achieved turnover was RMB428.0 million, representing a decrease of 22.7% as compared with the corresponding period in 2014. The equity attributable to the shareholders of the Group increased by 0.7% to RMB2,365.1 million.

During the Reporting Period, the Group achieved gross profit of RMB180.0 million, representing a decrease of 15.0% as compared with the corresponding period in 2014. The overall gross profit margin was 42.1%, higher than 38.2% achieved in the corresponding period in 2014. The total GFA of delivered properties was approximately 38,000 sq.m.

PROPERTY SALES OF THE FIRST HALF OF 2015

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. The average selling price was RMB7,190 per sq.m.

During the Reporting Period, the Group recorded sales in six cities of Mainland China. Contracted sales amount in Wuhan City was RMB530.3 million, while contracted sales amount in other cities was RMB191.6 million, representing 73.5% and 26.5% of the contracted sales amount of the Reporting Period, respectively.

LAND BANK

During the Reporting Period, the Group continued to insist on sound investment strategies. In order to ensure a solid financial position and a safe cash flow, the Group did not engage in new land investment projects. However, the Group still proactively negotiated new projects and prepared itself for adding new land bank at appropriate times.

As at 30 June 2015, the Group owned 6.2 million sq.m. of low-cost prime land bank in six cities of Mainland China. The average floor price was RMB395 per sq.m. The Group currently has sufficient land bank to meet its development needs for at least the next five years.

VENTURE CAPITAL INVESTMENT BUSINESS

The Group stepped up the implementation of business transformation strategies put forward by the Board early this year, and actively developed venture investment incubating business in a model of "space plus venture capital". Through putting into operation of the online venture incubating platform named the "People Makers' Alliance" (萬眾創客聯盟), and setting up various offline "OVU Maker Star" (OVU創客星) venture centers, the Group provided a series of integrated services including financing, venture guidelines, continuous professional development and on-line marketing. The "OVU Maker Star" at the Qingdao OVU International Marine Information Harbour and Wuhan Creative Capital have commenced operation with a number of venture companies domiciled.

During the Reporting Period, the Group made a capital injection (67% shareholding) into Wuhan Echoliv Idea Technology Company Limited* (武漢擎木創意科技有限公司) in relation to the establishment of O2O online service platform to focus on online and offline decoration and finishing businesses. The Group also made a capital injection (35% shareholding) into Wuhan Shiyipingmi Technology Company Limited* (武漢十一平米科技有限責任公司) to focus on online and offline automobile post-sales home maintenance business. Capital contribution was made to Wuhan Huilian Infinite Technology Co., Ltd.* (武漢慧聯無限科技有限公司) for participation in construction of infrastructures of the Internet of Things.

During the Reporting Period, the Group has established Optics Valley Union Industry Investment Fund (光谷聯合產業投資基金) as an investment platform. The planned initial investment of RMB100 million will focus on investing in high-tech industry and high-return innovative and venture projects.

DHC ENERGY-SAVING BUSINESS

The Group's DHC energy-saving business developed in a good momentum. At present, four DHC energy centers have been established and put into operation with total services area of 1,200,000 sq.m.. During the Reporting Period, the Group entered into a join venture agreement with Beijing Zhongqing Tongyue Services Consultation Company Limited* (北京中清同躍服務諮詢有限公司), aiming to jointly explore DHC energy-saving markets in Beijing and Anhui. The Group will, through strategic alliance with resourceful corporate customers, rapidly increase its DHC energy-saving market share in China.

FINANCIAL CAPITAL MANAGEMENT

By the end of June, the Group's cash on hand (including restricted cash) was RMB940 million, unutilized bank credit amounted to RMB620 million and other unutilized borrowings amounted to RMB1,608 million. Total borrowings were RMB3,582 million. The financial risks were controlled in an effective way.

During the Reporting Period, the Group has sufficient capital with diversified and smooth financing channels. The Group maintained smooth and good cooperative relations with many commercial banks in China. In the first half of 2015, the Group successfully issued RMB200 million non-public debt financing instruments in China. At present, the Group has increasingly diversified financing channels at a reasonable cost, providing strong capital support for the development of the Group.

BUSINESS OUTLOOK

In the second half of 2015, it is expected that the global economy will continue to be unstable and unbalanced. The U.S. economy will remain to be the strong performer, whereas the economy in the Eurozone, though showing signs of recovery, will continue to be confronted by turmoil arising from the Greek financial crisis. Growth in emerging economies is still under pressure. The overall development of the global economy is less optimistic.

In the first half of 2015, China's economy showed signs of recovery with stabilizing growth under the great support of steady growth policies. However, based on major economic data published for the first half of 2015, the foundation for economic recovery was fragile and in a "weak recovery" phase. The Group believes downward economic pressure will be high and the central government and local governments will continue to reinforce the stimulus of fiscal policy and accommodative monetary policy to the economy in the second half of 2015. It is expected that steady growth policies will take effect in the second half of the year and the economy is expected to bottom-out before becoming stable.

The central government will continue to spare no efforts to foster new growth momentum. Various effective measures were taken to strengthen the upgrading of traditional industries. New growth drivers including new industries, technologies and models were developed in order to optimize and enhance industrial and economic structures and ensure a sound medium and long-term development of China's economy. It is believed that these measures will bring huge market and growth opportunities to the Group, which provides comprehensive services to new industries in China. The Group will therefore focus on the following four businesses:

Space and Cluster Service

As a leading developer and operator of thematic business parks in the Chinese market, the Group is committed to providing space and cluster services to upgrading, emerging, innovative and venture enterprises in China. At present, the Group is engaged in developing and operating over ten types of thematic business parks. The Group will strive to enhance and optimize primary space and cluster services by implementing the strategy of differentiating products and developing product lines for parks with higher competitive strengths and differentiation, and is also accelerating the shift to light assets and increasing its proportion in light assets operations in the overall business of the Group by developing light assets operations such as full industry chain design, construction, business operation and management consultancy through taking advantages of its strengths in professional development, services and clients and strategic cooperation with companies with ample resources and capital.

Business Operation Services

The Group provides over ten professional services to enterprises and their staff in the parks so as to better fulfill their needs of various kinds. The Group is striving to build a park service O2O platform and a community service O2O platform through internet technologies to integrate online data and offline resources so as to create value. The Group believes that the two platforms will enhance service value of existing operations and help to develop new service models.

Venture Capital Investment Services

The Group will continue to strengthen the venture capital model of "space plus venture capital" to build the venture service system "OVU Maker Star" (OVU 創客星). It will set up multiple OVU innovation and venture incubators in parks and invest into target new economy enterprises inside and outside the parks by means of park property, rental income and capital. Currently, emphasis is put on new industries including biomedical technology, high-end smart equipment manufacturing, optical communications, Internet plus, new energy and energy-saving to increase relevance and cohesion of the Group's business to new economies.

Energy-saving Services

The Group's DHC energy-saving business targets on energy-saving, which is in line with China's energy development strategy of giving priority to energy-saving. This business is experiencing rapid growth and will be a key direction of the business development of the Group in the future. The Group's DHC business will be market-oriented and will continue to develop third-party market. The Group will speed up its strategic cooperation with strong enterprises in target regions in order to swiftly gain market position in China's DHC energy-saving and environmental protection construction market, with an aim to becoming a leader in such market and to make contributions to improving construction energy-saving efficiency and carbon emission reduction.

ACKNOWLEDGEMENTS

Last but not least, on behalf of the Board, I would like to express my heartfelt gratitude to our Shareholders for their strong support and trust, and express my sincere gratitude to every director of the Group, management and staff for their hard work.

Huang Liping
Chairman

Wuhan, the PRC, 26 August 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 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:

	Contracted sales amount (RMB'000)		Contracted area sold (sq.m.)	
City and project	**2015**	2014	**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 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 the 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
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. As of 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, 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 of 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 development 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 the 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 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 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 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 stabilization 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

Results of Operations

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 segments 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%

Property Development

During the Reporting Period, turnover of the Group from sales of properties in business parks amounted to RMB270.9 million, representing a considerable decrease over the same period in 2014, which was mainly due to the decrease in recognized area of properties as a result of the difference of the progress of delivery and settlement in the first and second half of the year. The properties of the Group will mainly be delivered in the second half of this year.

Construction Contracts

Turnover of the Group from construction contracts amounted to RMB26.5 million, primarily due to the increasing amount of decoration and improvement services provided by Wuhan Lido Technology to the project companies under the Group rather than external customers, as the Group strengthened its vertically integrated business model and therefore provided less services to external customers correspondingly.

Business Operation Services

Turnover of the Group from business operation services amounted to RMB110.8 million, primarily because the Group developed and completed an increasing number of business parks, expanded the scope of services of its business parks and attracted more customers. The Group will enhance the contribution of business operation services to the revenues progressively.

Development Management Services

Turnover of the Group from development management services amounted to RMB3.9 million. The Group provides full services along the value chain including project planning and development management primarily to large-scale business parks owned by local governments and leading enterprises.

Property Leasing

Turnover of the Group from property leasing amounted to RMB15.9 million. During the Reporting Period, area of leasable property held by the Group slightly increased. The Group will increase properties held for lease steadily to contribute more to revenue and profit.

Cost of Sales

Overview

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); and (iii) other costs relating to other service businesses (including business operation services, construction contracts 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.

Cost of Properties Sold

Cost of properties sold consisted primarily of costs incurred directly for the property development activities, including land acquisition costs, construction costs, capitalized interest and other costs for fair value adjustment in relation to acquisition of project companies. During the Reporting Period, cost of properties sold by the Group accounted for 51.9% of its total cost of sales.

During the Reporting Period, cost of properties sold of the Group decreased by RMB112.6 million over the same period in 2014, primarily due to a decrease in the recognized area of properties sold 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

Selling and distribution expenses primarily comprised advertising and promotional expenses, sales and marketing staff costs, travel and communication expenses, office administration expenses, depreciation expenses and others. During the Reporting Period, selling and distribution expenses of the Group accounted for approximately 7.2% of its total turnover for the same period.

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

Administrative expenses primarily comprised administrative staff costs, office administration expenses, travel, meeting and communication expenses, other indirect taxes, depreciation and amortization expenses, listing expenses, professional fees and others. During the Reporting Period, administrative expenses of the Group accounted for approximately 19.5% of the total turnover for the same period.

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 of 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 Wuhan Creative Capital (Phase I).

Finance Income

During the Reporting Period, finance income of the Group increased by RMB11.9 million to RMB18.3 million from RMB6.4 million in the same period in 2014, primarily because of the interest income on entrusted loans.

Finance Costs

During the Reporting Period, finance costs of the Group decreased by RMB10.0 million, or 89.2%, to RMB1.2 million from RMB11.2 million in the same period in 2014, primarily because the interest expenses in relation to Wuhan Optics Valley Software Park (Phase VI) project could not be capitalized in the first half of 2014.

Share of Profit/(Losses) of Associates

Share of loss of associates of the Group was RMB1,000, primarily due to the Group's proportional share of losses in Wuhan Integrated Circuit Design Technology Co., Ltd.

Share of Profit/(Losses) of Joint Ventures

During the Reporting Period, the Group had share of losses of RMB6.8 million in joint ventures, mainly attributable to the Group's proportional share of losses in Wuhan Mason according to the Group's 50% equity interest in the company.

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.

Financial Position

Properties under Development

The carrying amount of properties under development of the Group increased by RMB556.0 million, or 21.8%, from RMB2,545.7 million as at 31 December 2014, to RMB3,101.7 million as at 30 June 2015, primarily due to the development of various projects including Wuhan Creative Capital, Qingdao OVU International Marine Information Harbour (Phase 1.6), Hefei Financial Harbour, Ezhou OVU Science and Technology City (Phase I), Shenyang OVU Science and Technology City and Huangshi OVU Science and Technology City (Phase I).

Completed Properties Held for Sale

The carrying amount of completed properties held for sale of the Group decreased by RMB4.4 million from RMB1,993.1 million as at 31 December 2014 to RMB1,988.7 million as at 30 June 2015, primarily because the Company accelerated property sales to reduce the inventories in the first half of 2015.

Trade and Other Receivables

The Group's trade and other receivables decreased by RMB82.7 million from RMB1,215.2 million as at 31 December 2014 to RMB1,132.5 million as at 30 June 2015, primarily due to the decrease in receivables for properties sold by the Group.

Trade and Other Payables

The Group's trade and other payables increased by RMB179.4 million from RMB1,964.9 million as at 31 December 2014 to RMB2,144.3 million as at 30 June 2015, primarily due to the increase in prepayment from customers for properties sold by the Group.

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.

Key Financial Ratios

Current Ratio

As at 30 June 2015, current ratio of the Group, representing total current assets divided by total current liabilities was 1.9, basically unchanged from the end of last year. As at 30 June 2015, the Group still had RMB2.23 billion unused credit facilities, and we intend to raise long-term loans to repay the short-term loans in the second half of the year, which would continue to improve our current ratio.

Net Gearing Ratio

Net gearing ratio of the Group, representing the ratio of interest bearing debts deducting cash in hand over total equity and multiplied by 100%, increased from 87.0% as of 31 December 2014 to 101.3%, primarily because (i) the increase in the Group's total borrowings during the Reporting Period; and (ii) the smaller increase in owners' equity for the Reporting Period as most revenue is to be recognized in the second half of the year.

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, 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 unutilized facilities amounted to RMB1,608.0 million.

Contingent Liabilities

The Group provides guarantees for its customers' mortgage loans with PRC banks to facilitate their purchases of its pre-sold properties. As of 30 June 2015, the outstanding guarantees for mortgage loans by the customers of its pre-sold properties were approximately RMB448.2 million.

Net Current Assets

Current assets of the Group consist primarily of properties under development, completed properties held for sale, trade and other receivables, inventories and contracting work-in progress, and cash and cash equivalents. Total current assets of the Group were approximately RMB7,460.6 million as of 30 June 2015. As of 30 June 2015, aggregate cash denominated in Renminbi of the Group amounted to approximately RMB943.3 million. The Group primarily financed 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 its customized developments and sales deposits from customers of its pre-sold properties), and proceeds from bank loans and other borrowings.

Current liabilities of the Group consist primarily of trade and other payables, loans and borrowings and current tax liabilities. Trade and other payables represent costs related to its development activities. Total current liabilities of the Group were approximately RMB3,924.8 million as of 30 June 2015.

As of 30 June 2015, the Group had net current assets of approximately RMB3,535.8 million. Net current assets of the Group increased during the Reporting Period primarily due to increases in number of properties under development and completed properties held for sale as a result of an increasing number of projects developed by the Group.

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.

The Group estimates that its capital expenditures and capital commitments will further increase as its business and operations continue to expand. The Group anticipates that these capital expenditures and capital commitments will be financed primarily through proceeds from bank borrowings and cash flow generated from operating activities. If necessary, the Group may raise additional funds on terms that are acceptable to it.

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.

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution pension schemes which are administered and operated by the relevant local government authorities. The Group is required to make contributions to such schemes from 18% to 20% of the average salary announced annually by the local municipal government. The local government authorities are responsible for the entire pension obligations payable to retired employees. The Group's contributions to the defined contribution pension schemes are not reduced by contributions forfeited by those employees who leave the scheme prior to full vesting in such contributions.

Pledged Assets

As of 30 June 2015, the Group had pledged certain of its assets with a total net book value of RMB2,815.8 million for the purpose of securing outstanding bank borrowings and corporate bonds, including investment properties, properties under development for sale, completed properties held for sale, property, plant and equipment, lease prepayment and restricted cash.

As at the date of this report, a loan of RMB295.2 million granted by Shanghai Jingzhao Aoxi Investment Center is secured by 80% equity interest in Hefei OVU Development.

Market Risks

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

Liquidity Risk

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

Interest Rate Risk

The Group is exposed to interest rate risks, primarily relating to its bank loans and other borrowings, which had outstanding amount of RMB3,582.3 million as of 30 June 2015. The Group undertakes debt obligations to support its property development and general working capital needs. Soaring interest rates may increase the cost of its financing. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of its debt obligations. The Group currently does not carry out any hedging activities to manage its interest rate risk.

Foreign Exchange Risk

The Group's functional currency is Renminbi and substantially all of its turnover, expenses, cash and deposits are denominated in Renminbi. The Group's exposures to currency exchange rates arise from certain of its cash and bank balances which are denominated in Hong Kong dollar. In the event of a depreciation of the Hong Kong dollar against Renminbi, the value of its cash and bank balances in Hong Kong dollar will decline. In addition, if the Group maintains any foreign currency denominated assets or liabilities, including raising any foreign currency-denominated debts, fluctuations in Renminbi exchange rates will have an impact on the value of such assets and liabilities, thus affecting its financial condition and results of operations. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and considers no significant exposure on its foreign exchange risk.

Credit Risk

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

The Directors are pleased to present their report together with the unaudited interim results of the Group for the six months ended 30 June 2015.

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 Company's Shares were listed on the Main Board of the Stock Exchange on 28 March 2014.

INTERIM DIVIDEND

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

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.

DIRECTORS

The Directors as at the date of this report were:

Executive Directors

Mr. Huang Liping *(Chairman and President)*
Mr. Hu Bin *(Executive President)*
Ms. Chen Huifen *(Vice President)*

Non-executive Directors

Mr. Lu Jun
Ms. Shu Chunping
Mr. Zhang Jie

Independent non-executive Directors

Mr. Qi Min
Mr. Leung Man Kit
Ms. Zhang Shuqin

CHANGES IN MEMBERSHIP OF THE BOARD

The composition of the Board remains the same as set out in the Company's annual report for the year ended 31 December 2014.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Ms. Zhang Shuqin, an independent non-executive Director, has resigned from her positions as legal counsel of Wuhan Municipal Government and law enforcement supervisor of Wuhan Municipal Politics and Law Committee, respectively.

Save as disclosed above, there is no change of information of the Directors that is required to be disclosed under Rule 13.51B(1) of the Listing Rules since the publication of the Company's annual report for the year ended 31 December 2014.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules were as follows:

Interests in the Company

Name of Director	Nature of Interest	Number of Shares Held(1)	Approximate Percentage of Shareholding
Mr. Huang Liping(2)	Interest in controlled corporation	2,228,070,000	55.70%
Mr. Hu Bin(3)	Beneficiary of a trust	70,320,000	1.76%
Ms. Chen Huifen(3)	Beneficiary of a trust	10,950,000	0.27%

Notes:

(1) All the above Shares are held in long position (as defined under Part XV of the SFO).

(2) Mr. Huang Liping holds 100% equity interests in each of AAA Finance and Lidao BVI. Under the SFO, Mr. Huang Liping is deemed to be interested in the 1,787,700,000 Shares held by AAA Finance and 120,000,000 Shares held by Lidao BVI. Mr. Huang Liping is also the sole shareholder of Hengxin PTC. Under the SFO, Mr. Huang Liping is also deemed to be interested in the 320,370,000 Shares held by Hengxin PTC as at 30 June 2015.

(3) Mr. Hu Bin and Ms. Chen Huifen are beneficiaries of 70,320,000 and 10,950,000 Shares, respectively, of a trust established pursuant to a trust deed dated 13 September 2013 with Hengxin PTC as trustee, representing 1.76% and 0.27% equity interests in the Company, respectively.

Save as disclosed above, as at 30 June 2015, so far as is known to any Director or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the following persons (not being a Director or chief executive of the Company) had interests or short positions of 5% or more in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	**Nature of Interest**	**Number of Shares Held[1]**	**Approximate Percentage of Shareholding**
AAA Finance[2]	Beneficial owner	1,787,700,000	44.69%
Technology Investment HK[3]	Beneficial owner	479,910,000	12.00%
Hubei Science & Technology Investment[3]	Interest in controlled corporation	479,910,000	12.00%
Hengxin PTC[4]	Trustee	320,370,000	8.01%
Qianbao BVI[5]	Beneficial owner	292,020,000	7.30%
Mr. Tse Shing Ming[5]	Interest in controlled corporation	292,020,000	7.30%
Sunshine Life Insurance Co., Ltd.[6]	Beneficial owner	260,480,000	6.51%
Sunshine Insurance Group Corporation Limited[6]	Interest in controlled corporation	260,480,000	6.51%

Notes:

(1) All the above Shares are held in long position (as defined under Part XV of the SFO).

(2) AAA Finance is wholly owned by Mr. Huang Liping, the Chairman and President of the Company. Mr. Huang Liping's interests therein are set out in the section headed "Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures" in this report.

(3) Hubei Science & Technology Investment holds 100% equity interest in Technology Investment HK. Under the SFO, Hubei Science & Technology Investment is deemed to be interested in all the Shares held by Technology Investment HK.

(4) Mr. Hu Bin and Ms. Chen Huifen, the executive Directors of the Company, are beneficiaries of 70,320,000 Shares and 10,950,000 Shares, respectively, of a trust established pursuant to a trust deed dated 13 September 2013 with Hengxin PTC as trustee, representing 1.76% and 0.27% equity interests in the Company, respectively.

(5) Mr. Tse Shing Ming holds 100% equity interest in Qianbao BVI. Under the SFO, Mr. Tse is deemed to be interested in all the Shares held by Qianbao BVI. He is an uncle of the wife of Mr. Huang Liping and is not an associate of Mr. Huang Liping nor is a substantial shareholder of the Company for the purpose of the Listing Rules.

(6) Sunshine Life Insurance Co., Ltd. ("Sunshine Life") holds 260,480,000 Shares. Sunshine Life is a subsidiary of Sunshine Insurance Group Corporation Limited ("Sunshine Group") and therefore Sunshine Group is deemed to be interested in the 260,480,000 Shares held by Sunshine Life under the SFO.

Save as disclosed above, as at 30 June 2015, the Directors have not been notified by any person (not being the Directors or chief executive of the Company) who had interests or short positions of 5% or more in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

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 the Shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the CG Code set out in Appendix 14 to 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 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 applicable code provisions set forth in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted 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.

USE OF PROCEEDS

The net proceeds from the Listing, after deducting underwriting fees and related expenses, amounted to approximately HK$761.4 million. The Company has utilized such net proceeds in a manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus. As at the date of this report, approximately RMB131.6 million was used as the land premiums and preliminary construction costs in respect of projects planned for future development, approximately RMB287.05 million was used as the development funds of the Group's projects under development and approximately RMB76.14 million was used as the working capital and for other general corporate purposes.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2015, the Group had 4,018 employees in Hong Kong and the PRC. For the six months ended 30 June 2015, the staff cost of the Group was approximately RMB117.8 million.

The employees' remuneration policy is determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and each employee's qualifications, position, seniority and performance.

The remuneration package of the employees includes basic wages, allowance, bonuses and other employee benefits. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary increments, bonuses and promotion.

The Remuneration Committee was set up to develop the Group's emolument policy and structure for remuneration of the Directors and senior management of the Group, having regard to the individual contribution and performance of the Directors and senior management of the Group and comparable market practices.

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.

On behalf of the Board
Optics Valley Union Holding Company Limited
HUANG Liping
Chairman

Wuhan, the PRC
26 August 2015

Review report to the board of directors of Optics Valley Union Holding Company Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 33 to 59 which comprises the consolidated statement of financial position of Optics Valley Union Holding Company Limited (the "Company") as of 30 June 2015 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 August 2015

Consolidated Statement of Profit or Loss

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

		Six months ended 30 June	
	Note	**2015** **RMB'000**	2014 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	8	**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 (losses)/profits 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
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

The notes on pages 39 to 59 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 19.

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

The notes on pages 39 to 59 form part of this interim financial report.

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	7	**282,648**	278,784
Investment properties	8	**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	9	**3,101,657**	2,545,744
Completed properties held for sale	10	**1,988,653**	1,993,088
Inventories and contracting work-in-progress	11	**280,242**	243,855
Trade and other receivables	12	**1,132,544**	1,215,158
Current tax assets		**14,282**	3,800
Restricted cash	13	**284,873**	139,798
Cash and cash equivalents	14	**658,391**	936,977
		7,460,642	7,078,420
Current liabilities			
Trade and other payables	15	**2,144,264**	1,964,900
Loans and borrowings	16	**1,427,246**	1,170,800
Corporate bonds payable	17	**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

Consolidated Statement of Financial Position (continued)

At 30 June 2015 — unaudited
(Expressed in Renminbi)

	Note	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Non-current liabilities			
Loans and borrowings	16	**1,067,650**	968,046
Corporate bonds payable	17	**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	19	**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

Approved and authorised for issue by the board of directors on 26 August 2015.

HUANG Liping
Director

HU Bin
Director

The notes on pages 39 to 59 form part of this interim financial report.

Consolidated Statement of Changes in Equity

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

	Note	Attributable to equity shareholders of the Company								
	Note	Paid-in/ share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Exchange reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2014		8	–	584,780	782	198,396	650,459	1,434,425	230,691	1,665,116
Changes in equity for the six months ended 30 June 2014:										
Profit for the period		–	–	–	–	–	130,676	130,676	2,824	133,500
Other comprehensive income		–	–	–	(15)	–	–	(15)	–	(15)
Total comprehensive income		–	–	–	(15)	–	130,676	130,661	2,824	133,485
Capital injection from non-controlling interests		–	–	–	–	–	–	–	196	196
Dividends approved in respect of previous year	19(a)	–	–	–	–	–	(101,376)	(101,376)	–	(101,376)
Issue of new shares under initial public offering ("IPO"), net of listing expenses	19(b)	79,200	523,855	–	–	–	–	603,055	–	603,055
Capitalisation issue	19(c)	237,592	(237,592)	–	–	–	–	–	–	–
Balance at 30 June 2014		316,800	286,263	584,780	767	198,396	679,759	2,066,765	233,711	2,300,476
At 1 January 2015		**316,800**	**284,062**	**584,780**	**957**	**233,594**	**929,027**	**2,349,220**	**235,819**	**2,585,039**
Changes in equity for the six months ended 30 June 2015:										
Profit for the period		**–**	**–**	**–**	**–**	**–**	**117,942**	**117,942**	**4,346**	**122,288**
Other comprehensive income		**–**	**–**	**–**	**(347)**	**–**	**–**	**(347)**	**–**	**(347)**
Total comprehensive income		**–**	**–**	**–**	**(347)**	**–**	**117,942**	**117,595**	**4,346**	**121,941**
Acquisition of equity interests from a non-controlling shareholder		**–**	**(759)**	**–**	**–**	**–**	**–**	**(759)**	**759**	**–**
Dividends approved in respect of previous year	19(a)	**–**	**–**	**–**	**–**	**–**	**(100,941)**	**(100,941)**	**–**	**(100,941)**
Balance at 30 June 2015		**316,800**	**283,303**	**584,780**	**610**	**233,594**	**946,028**	**2,365,115**	**240,924**	**2,606,039**

The notes on pages 39 to 59 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

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

	Note	Six months ended 30 June	
		2015	2014
		RMB'000	RMB'000
Operating activities			
Cash generated from/(used in) operations		**50,084**	(576,795)
Income tax paid		**(122,646)**	(87,081)
Net cash used in operating activities		**(72,562)**	(663,876)
Investing activities			
Payment for the purchase of property, plant and equipment		**(2,659)**	(14,156)
Other cash flows arising from investing activities		**58,044**	128,714
Net cash generated from investing activities		**55,385**	114,558
Financing activities			
Dividends paid to equity shareholders of the company		**(100,941)**	(93,945)
Other cash flows arising from financing activities		**(160,472)**	991,931
Net cash (used in)/generated from financing activities		**(261,413)**	897,986
Net (decrease)/increase in cash and cash equivalents		**(278,590)**	348,668
Cash and cash equivalents at 1 January		**936,977**	1,163,239
Effect of foreign exchange rate changes		**4**	(635)
Cash and cash equivalents at 30 June	14	**658,391**	1,511,272

The notes on pages 39 to 59 form part of this 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 ("HKICPA"). KPMG's independent review report to the Board of Directors is included on page 31 to 32.

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.

3 TURNOVER AND SEGMENT REPORTING (continued)

(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

(Expressed in Renminbi unless otherwise indicated)

3 TURNOVER AND SEGMENT REPORTING (continued)

(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
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)
Direct outgoings	**86**	50
Operating lease charges	**1,723**	2,152

(Expressed in Renminbi unless otherwise indicated)

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 Co., Ltd. and Wuhan Jitian Construction Co., Ltd.'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.

5 INCOME TAX (continued)

(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 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment with a cost of RMB2,659,000 (six months ended 30 June 2014: RMB14,156,000).

The buildings are all situated on land in the PRC held under medium-term leases.

As at 30 June 2015, certain buildings of the Group with carrying value of RMB128,027,000 were without building ownership certificate (31 December 2014: RMB62,177,000). The Group was in progress of applying for the relevant building ownership certificates.

As at 30 June 2015, property, plant and equipment that were fully depreciated but still in use were amounted to RMB9,548,000 (31 December 2014: RMB8,092,000).

Certain bank loans granted to the Group were jointly secured by certain property, plant and equipment with an aggregate carrying amount of RMB28,030,000 (31 December 2014: RMB61,386,000) as at 30 June 2015 (Note 16).

8 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 carrying value of RMB444,500,000 (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 (Note 16), certain properties under development and certain property, plant and equipment held by the Group (Note 7 and 9).

9 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 after netting off benefits from government grants of RMB7,836,000 (for the year ended 31 December 2014: RMB 6,535,000) 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.

(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 (Note 16).

10 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 certain bank loans granted to the Group (Note 16) (31 December 2014: RMB23,354,000).

11 INVENTORIES AND CONTRACTING WORK-IN-PROGRESS

	At 30 June 2015 RMB'000	At 31 December 2014 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 RMB'000	At 31 December 2014 RMB'000
Cost plus attributable profit less foreseeable losses	**266,841**	298,917
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 RMB'000	Six months ended 30 June 2014 RMB'000
Carrying amount of inventories recognised as		
— Cost of sales	**40,197**	29,649

(Expressed in Renminbi unless otherwise indicated)

12 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 RMB'000	At 31 December 2014 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.

(Expressed in Renminbi unless otherwise indicated)

13 RESTRICTED CASH

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Pledged for		
— Mortgage deposits	**3,183**	1,411
— Wages guarantee	**1,007**	1,006
— Bond-issuance bank account	**—**	131
— Bank acceptance notes guarantee	**100,000**	102,700
— Interest-bearing loans deposits	**25,730**	34,550
— Supervision accounts for pre-completion sales fund	**154,953**	—
Total	**284,873**	139,798

14 CASH AND CASH EQUIVALENTS

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Cash in hand	**123**	281
Cash at bank	**658,268**	936,696
Cash and cash equivalents	**658,391**	936,977

15 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

16 LOANS AND BORROWINGS

At 30 June 2015, the Group's bank loans and loans from other financial institutions were repayable as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Current		
Secured		
— Bank loans	**766,000**	520,000
Other borrowings	**—**	150,000
Current portion of non-current bank loans	**351,030**	237,800
	1,117,030	907,800
Pledged		
— Current portion of non-current pledged borrowings	**295,216**	138,000
	295,216	138,000
Unsecured		
— Bank loans	**15,000**	125,000
	1,427,246	1,170,800
Non-current		
Secured		
— Bank loans	**1,418,680**	1,048,630
Less: Current portion of non-current bank loans	**(351,030)**	(237,800)
	1,067,650	810,830
Pledged		
— Other borrowings	**295,216**	295,216
Less: Current portion of non-current pledged borrowings	**(295,216)**	(138,000)
	—	157,216
	1,067,650	968,046

16 LOANS AND BORROWINGS (continued)

At 30 June 2015, the bank loans and loans from other financial institutions are all denominated in functional currency of respective subsidiaries now comprising the Group.

Pledged loans with value of RMB295,216,000 as at 30 June 2015 and 31 December 2014 was pledged by 80% equity interests of Hefei Optics Valley Union Development Company.

The loan is an entrusted loan provided by a non-controlling shareholder.

The bank loans bear interest ranging from 5.9% to 12.0% (year ended 31 December 2014: from 6.0% to 12.0%) per annum for the six months ended 30 June 2015. The bank loans are secured by the following assets:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Investment properties	**30,337**	33,357
Properties under development	**2,757,447**	2,178,199
Completed properties held for sale	**–**	23,354
Property, plant and equipment	**28,030**	61,386
Total	**2,815,814**	2,296,296

All of the Group's banking facilities are subject to the fulfillment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2015, none of the covenants relating to drawn down facilities had been breached (2014: nil).

17 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

Notes:

(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 proceed 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 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.

(Expressed in Renminbi unless otherwise indicated)

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments are carried at amounts not materially different from their fair value as at 30 June 2015 and 31 December 2014.

19 CAPITAL, RESERVE AND DIVIDENDS

(a) Dividends

Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	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 period, the Company approved a final dividend of RMB100,941,000 (six months ended 30 June 2014: RMB 101,376,000) which was paid in June 2015.

(b) 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 19(c))	**–**	**–**	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

19 CAPITAL, RESERVE AND DIVIDENDS (continued)

(c) Capitalisation issue

Pursuant to written resolutions of the Company's shareholders passed on 12 March 2014, 2,999,900,000 ordinary shares of HK$0.10 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 IPO of 1,000,000,000 shares of HK$0.10 each issued at a price of HK$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.

20 CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

Commitments related to development expenditure

As at 30 June 2015, commitments outstanding not provided for in consolidated financial statements are as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Contracted but not provided for	**629,443**	265,948

21 CONTINGENT LIABILITIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owned by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the buyer obtained the individual property ownership certificate and the full settlement of mortgage loans by the buyer.

The maximum amount of guarantees given to banks for mortgage facilities granted to the purchasers of the Group's properties at the end of the reporting period is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**448,227**	306,088

The directors consider that it is not probable that the Group will sustain a loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

(Expressed in Renminbi unless otherwise indicated)

22 MATERIAL RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Transactions with the following parties are considered as related party transactions:

Name of party	Relationship with the Group
Wuhan Qianbao Property Company Limited ("Wuhan Qianbao Property")	Entity controlled by the Controlling shareholder
Wuhan Mason Property Company Limited ("Wuhan Mason")	Joint venture

(b) Key management personnel remuneration:

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel is as follows:

	At 30 June 2015 RMB'000	At 30 June 2014 RMB'000
Wages, salaries and other benefits	**9,072**	8,702
Retirement scheme contributions	**118**	176
	9,190	8,878

The above remuneration to key management personnel is included in "staff costs" (Note 4(b)).

22 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Transactions with related parties

(i) Other related party transactions

	At 30 June 2015 RMB'000	At 30 June 2014 RMB'000
Sales of materials (Note (i))	**697**	245
Business operation service (Note (ii))	**786**	198
Construction contract revenue (Note (iii))	**156**	—
Development management service (Note (iv))	**144**	1,221

Notes:

(i) Wuhan Optics Valley Union Group Company Limited sold certain construction materials to Wuhan Mason.

(ii) Wuhan Lido Property Management Company Limited provided property management services to Wuhan Mason.

(iii) Wuhan Lido Technology Company Limited provided construction service to Wuhan Mason.

(iv) Wuhan Optics Valley Union Group Company Limited provided construction management service to Wuhan Mason.

(d) Balances with related parties

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Amount due from related parties		
Trade related:		
Wuhan Mason	**—**	287
Amount due to related parties		
Not trade related:		
Other Payables to Wuhan Mason	**5,000**	93,336

The amounts due from/to related parties as at 30 June 2015 and 31 December 2014 were expected to be recovered/repaid within one year.

"AAA Finance"	AAA Finance and Investment Holdings Limited, a limited liability company incorporated in the BVI on 10 July 2013 which is wholly owned by Mr. Huang Liping, one of the controlling shareholders of the Company
"associate"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board" or "Board of Directors"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CG Code"	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
"China", "Mainland China" or "PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company", 'we", "us" or "our"	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 on 15 July 2013 under the Cayman Islands Companies Law and which Shares are listed on the Main Board of the Stock Exchange
"Controlling Shareholders"	Mr. Huang Liping, AAA Finance and Lidao BVI, both of which are wholly owned by Mr. Huang Liping
"Directors"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hefei OVU Development"	Hefei Optics Valley Union Development Co., Ltd.* (合肥光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 13 September 2013 and a 80.0% owned subsidiary of Wuhan Optics Valley Union, and thus a subsidiary of the Company
"Hengxin PTC"	Hengxin Global (PTC) Limited, a limited liability company incorporated in the BVI on 12 August 2013 and a shareholder of the Company.
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"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 on 28 July 2005 and a substantial shareholder of the Company
"Lidao BVI"	Lidao Investment Limited, a limited liability company incorporated in the BVI on 10 July 2013 and one of the controlling shareholders of the Company
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.
"Optics Valley Software Park"	Wuhan Optics Valley Software Park Co., Ltd.* (武漢光谷軟件園有限公司), a limited liability company incorporated in the PRC on 8 September 2005 and a wholly owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
"Prospectus"	the prospectus of the Company dated 18 March 2014
"Qianbao BVI"	Qianbao Investment Limited, a limited liability company incorporated in the BVI on 10 July 2013 and a shareholder of the Company
"Remuneration Committee"	the remuneration committee of the Company
"Renminbi" or "RMB"	the lawful currency of China
"Reporting Period"	the 6-month period from 1 January 2015 to 30 June 2015
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholders"	holder(s) of our Share(s) from time to time
"Shares"	ordinary shares of HK$0.10 each in the capital of the Company
"O2O"	Online To Offline, a linkage between online and offline business opportunities

"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Technology Investment HK"	Hubei Science & Technology Investment Group (Hong Kong) Company Limited (湖北省科技投資集團(香港)有限公司), a limited liability company incorporated in Hong Kong on 11 July 2013 and a substantial shareholder of the Company
"U.S."	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"Wuhan Jitian Construction"	Wuhan Jitian Construction Co., Ltd.* (武漢吉天建設工程有限公司), a limited liability company incorporated in the PRC on 11 June 2001 and a wholly owned subsidiary and an indirect subsidiary of the Company
"Wuhan Lido Technology"	Wuhan Lido Technology Co., Ltd.* (武漢麗島科技有限公司), a limited liability company incorporated in the PRC on 13 December 2000, a wholly owned subsidiary and an indirect subsidiary of the Company
"Wuhan Mason"	Wuhan Mason Property Co., Ltd.* (武漢美生置業有限公司), formerly known as Mason Property (Wuhan) Co., Ltd.* (美生置業(武漢)有限公司), a limited liability company incorporated in the PRC on 11 January 2007 and is owned as to 50% by Wuhan Optics Valley Union
"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 on 24 July 2000 and a wholly-owned subsidiary of United Real Estate (Wuhan) Co., Ltd.* (聯合置業(武漢)有限公司), and an indirect subsidiary of the Company
"Wuhan Qianbao Property"	Wuhan Qianbao Property Co., Ltd.* (武漢千寶置業有限公司), a limited liability company incorporated in the PRC on 25 July 1997 and is wholly owned by Mr. Huang Liping

In this interim report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language which are marked with "*" is for identification purpose only.