



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 2016





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# 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

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Creative Capital  
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## LEGAL ADVISORS

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20/F Alexandra House  
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Central, Hong Kong

*as to Cayman Islands law*  
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*as to PRC law*  
Jingtian & Gongcheng  
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77 Jianguo Road  
Chaoyang District  
Beijing, China

## AUDITOR

PricewaterhouseCoopers  
22nd Floor, Prince's Building  
Central, Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited  
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](http://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 2016 is as follows:

	For the six months ended 30 June		
	2016 RMB'000	2015 RMB'000	Change %
<b>Results</b>			
Revenue from continuing operations	<b>780,743</b>	427,974	82.4%
Gross profit			
Property development	<b>17,607</b>	142,232	-87.6%
Other business segments	<b>123,868</b>	37,775	227.9%
	<b>141,475</b>	180,007	-21.4%
Profit before income tax	<b>164,418</b>	200,702	-18.1%
Profit attributable to owners of the Company	<b>121,607</b>	117,942	3.1%
Profit attributable to non-controlling interests	<b>3,897</b>	4,346	-10.3%
Profit for the Period	<b>125,504</b>	122,288	2.6%

	As at		
	30 June 2016 RMB'000	31 December 2015 RMB'000	Change %
<b>Assets and liabilities</b>			
Non-current assets	<b>3,088,861</b>	1,635,447	88.9%
Current assets	<b>9,635,401</b>	7,257,981	32.8%
Current liabilities	<b>4,804,879</b>	4,081,165	17.7%
Net current assets	<b>4,830,522</b>	3,176,816	52.1%
<b>Total assets less current liabilities</b>	<b>7,919,383</b>	4,812,263	64.6%
<b>Total equity</b>	<b>5,899,833</b>	3,052,260	93.3%
Non-current liabilities	<b>2,019,550</b>	1,760,003	14.8%
<b>Total equity and non-current liabilities</b>	<b>7,919,383</b>	4,812,263	64.6%



On behalf of the Board, I am pleased to present the half-yearly report of the Group as of 30 June 2016.

In 2016, the world economy is still struggling to recover. In the first half of the year, European and U.S. economies were in turmoil amid speculations over Brexit and the U.S. interest rate hike, emerging economies of Russia and Brazil were in continuous downturn, while India sustained high growth. As the second largest economy, it is impossible for China to be immune from such economic impact. Data published by the National Bureau of Statistics in July shows that in the first half of the year, macro indicators such as China's Gross Domestic Product, fixed asset investment amount, total retail sales of consumer goods and the added value of above-scale industrial enterprises all maintained a 6%–10% inflation rate. However, the sharp decline in private investments and the difficulty in promoting structural adjustment of overcapacity all indicated the huge pressure faced by the Chinese society in this round of economic transformation and upgrade. At the end of July, the meeting convened by the Political Bureau of China reaffirmed the five main focuses of "cutting overcapacity, destocking, deleveraging, reducing cost and shoring up weak growth areas". Accordingly, we also saw the determination of the central government in taking resolute action to reform traditional sectors such as electricity, coal and petroleum. We also saw strong support of China from the top to bottom on innovative entrepreneurship and the comprehensive reform brought about by "Internet+" to industrial and social organization.

These reforms that China is undergoing is not only a pressure but also an opportunity for us. As an integrated service provider of industrial parks, our customers come from the industrial sector, the industrial service sector and the commercial service sector. The industry upgrade and industrial structural adjustment, the emergence of emerging industrial service sector and the transformation of traditional enterprises will inevitably draw demand for new park properties and services. Meanwhile, we also believe that high quality services that can satisfy the key demand of customers are scarce products that meet the market demands in any industry environment. As early as the end of the year 2014, the Company has endorsed the strategic position as an industrial park operation integrated service provider. In 2015, after a round of business rationalization and reconstruction, we have constructed a business system of "heavy asset development + light asset operation", and achieved considerable progress and development in areas such as consultation management, venture capital and energy services. In the first half of 2016, with the utilization of big data, cloud computing, Internet-of-things network and internet technologies, we have constructed the "1+4" platform ("1" being the smart industrial park platform, and its "4" core content platforms include: shared office cloud platform, facilities and equipment management cloud platform, wide area networks for Internet-of-Things cloud platform, and energy services cloud platform) and have taken another solid step forward in dedicating to become the world's top whole life cycle operation service provider of industrial park.

In the first half of 2016, under the concerted effort of the operation team, we achieved better sales performance in self-developed and self-owned businesses in several cities such as Wuhan, Qingdao, Shenyang, Hefei, Ezhou and Huangshi. Consultation management services of light asset segment were widely recognized by clients and have been stably developed in 8 cities such as Shenyang and Luoyang, providing professional consultation management services to properties covering 2.378 million sq.m.. We have built 10 service sites of "OVU Maker Star" in Wuhan, Qingdao, Huangshi and Ezhou. The operation area has reached 43,900 sq.m. and accumulated more than 200 service teams.



## Chairman's Statement (Continued)

In the first half of 2016, we have formally established strategic cooperation with CEC. CEC has become the largest ultimate shareholder of the Company, representing 31.88% of the shares. After profound integration, OVU will own the largest industrial park network in China, with 19 cities and 28 parks covering the most vital cities and regions in China, providing services under a wide range of key regional development strategies. We believe that with the optimal connection of brand advantages and industry resources of CEC with professional capabilities and service experience of the Company, we will be able to provide services to wider regions and more emerging industries.

Looking forward to the second half of 2016, the environment that we are facing might not get better, but will not get worse. We will utilise existing experience and advantages of the Company and CEC to integrate industry and customer resources, in order to build a solid whole life cycle operation services system of industrial park and to serve a broader customer base and enterprises. We will overcome challenges by upholding an open and optimistic mindset with a prudent cautious attitude.

### ACKNOWLEDGEMENTS

Last but not least, I would like to express our sincere gratitude to the staff of the Company for their support and all shareholders for their trust. Let us look forward to a better future of the Company.

**Huang Liping**

*Chairman*

Wuhan, the PRC, 18 August 2016



## HIGHLIGHTS OF THE FIRST HALF OF 2016

- The Group recorded revenue of RMB780.7 million, representing an increase of 82.4% as compared with the same period in 2015. Revenue from property development and relevant operations accounted for 65.1% of the total revenue, while revenue from other businesses, including the operation services of business parks, contributed to 34.9% of its total revenue.
- Profits attributable to owners of the Company amounted to RMB121.6 million, representing an increase of 3.1% as compared with the same period in 2015.
- The Group secured contracted sales of properties of RMB996.7 million, representing an increase of 32.8% as compared with the same period in 2015; and the area of contracted sales was approximately 130,000 sq.m., representing an increase of 26.6% as compared with the same period in 2015.
- The Group's net assets attributable to owners of the Company as of 30 June 2016 amounted to RMB5,654.7 million, representing an increase of 104.5% as compared with the beginning of the year.

## BUSINESS REVIEW

### *Property Development*

#### *Revenue*

In the first half of 2016, the Group's sales revenue of properties amounted to approximately RMB508.1 million, representing an increase of 87.6% over the first half of 2015 of RMB270.9 million. Area sold and recognized increased by 97.4% from 38,000 sq.m. in the first half of 2015 to approximately 75,000 sq.m. in the first half of 2016. The recognized average selling price slightly decreased by 5% from RMB7,190 per sq.m. in the first half of 2015 to RMB6,807 per sq.m..

During the Reporting Period, four major projects in Wuhan recorded revenue, accounting for 84.5% of the total revenue; three projects in other cities, including Huangshi, Ezhou and Shenyang recorded revenue, accounting for 15.5% of the total revenue.





## Management Discussion and Analysis (Continued)

For the six months ended 30 June 2016, property projects sold and delivered included:

Properties sold and delivered	City	2016			2015		
		Revenue (RMB'000)	GFA sold and delivered (sq.m.)	Recognized average selling price (RMB per sq.m.)	Revenue (RMB'000)	GFA sold and delivered (sq.m.)	Recognized average selling price (RMB per sq.m.)
Wuhan Optics Valley Software Park (Phase V)	Wuhan	—	—	—	23,744	3,013	7,881
Wuhan Optics Valley Software Park (Phase III)	Wuhan	—	—	—	6,975	816	8,548
Wuhan Optics Valley Financial Harbour (Phase II)	Wuhan	<b>38,687</b>	<b>7,332</b>	<b>5,276</b>	72,662	9,746	7,455
Wuhan Creative Capital (Phase I)	Wuhan	<b>112,906</b>	<b>13,678</b>	<b>8,255</b>	114,864	13,269	8,657
Wuhan Lido 2046	Wuhan	<b>276,114</b>	<b>24,552</b>	<b>11,246</b>	—	—	—
Wuhan Innocenter	Wuhan	<b>3,816</b>	<b>587</b>	<b>6,504</b>	20,799	2,630	7,908
Qingdao OVU International Marine Information Harbour	Qingdao	—	—	—	15,086	2,570	5,870
Ezhou OVU Science and Technology City	Ezhou	<b>14,343</b>	<b>5,087</b>	<b>2,820</b>	14,275	5,099	2,800
Huangshi OVU Science and Technology City	Huangshi	<b>3,788</b>	<b>895</b>	<b>4,232</b>	1,686	359	4,696
Shenyang OVU Science and Technology City	Shenyang	<b>60,683</b>	<b>22,516</b>	<b>2,695</b>	—	—	—
Other properties	Wuhan	<b>(2,238)</b>	—	—	851	182	4,676
<b>Total</b>		<b>508,099</b>	<b>74,647</b>	<b>6,807</b>	270,942	37,684	7,190

### Sales of Properties

During the Reporting Period, the Group secured contracted sales of properties of RMB996.7 million, representing an increase of 32.8% as compared with the corresponding period in 2015. The area of contracted sales was approximately 130,000 sq.m., representing an increase of 26.6% as compared with the corresponding period in 2015.

During the Reporting Period, the majority of the contracts were derived from the Group's projects in Wuhan, realizing contracted sales of RMB569.4 million and representing 57.1% of the Group's total contracted sales amount in the current period.



For the six months ended 30 June 2016, the details of the Group's contracted sales amount and contracted area of properties are as follows:

City and project	Contracted amount (RMB'000)		Contracted area (sq.m.)	
	2016	2015	2016	2015
Wuhan Optics Valley Software Park (Phase V)	—	13,450	—	1,500
Wuhan Creative Capital	<b>188,994</b>	104,740	<b>20,184</b>	12,100
Wuhan Optics Valley Financial Harbour (Phase II)	<b>44,776</b>	26,600	<b>5,655</b>	3,800
Wuhan Innocenter	<b>41,584</b>	4,500	<b>5,810</b>	600
Wuhan Lido 2046	<b>294,073</b>	372,970	<b>23,272</b>	34,100
Qingdao OVU International Marine Information Harbour	<b>53,901</b>	62,170	<b>8,053</b>	9,400
Ezhou OVU Science and Technology City	<b>35,324</b>	53,170	<b>9,869</b>	17,400
Huangshi OVU Science and Technology City	<b>4,969</b>	2,510	<b>1,068</b>	500
Shenyang OVU Science and Technology City	<b>31,298</b>	30,220	<b>10,556</b>	10,200
Hefei Financial Harbour	<b>255,596</b>	43,550	<b>35,071</b>	5,700
CEC Xi'an Industrial Park (Note)	<b>46,197</b>	28,910	<b>10,744</b>	6,723
Other projects	—	7,990	—	900
<b>Total</b>	<b>996,712</b>	750,780	<b>130,282</b>	102,923

Note: CEC Xi'an Industrial Park is a development project of CEC Technology. CEC Technology became a wholly-owned subsidiary of the Group on 30 June 2016.

### Construction and Development

In the first half of 2016, the total GFA of newly completed properties of the Group was approximately 225,000 sq.m., while the total GFA of properties sold and delivered was approximately 75,000 sq.m. and the area of new development was approximately 181,000 sq.m.. As of 30 June 2016, the Group's total area of properties under construction was 652,000 sq.m..

### Land Bank

As of 30 June 2016, the planned GFA of the Group's land bank was approximately 6,261,000 sq.m., which can fulfill the development demand for at least the coming five years.

The land bank of the Group was distributed in major second-tier and third-tier cities, among which 10.9% were located in Wuhan, while the remaining 89.1% were located in other cities such as Qingdao, Hefei, Shenyang, Ezhou, Huangshi, Huanggang, Chengmai, Beihai, Xi'an and Wenzhou.



## Management Discussion and Analysis (Continued)

An overview of land bank as of 30 June 2016 is as follows:

Project	City	Location	Usage	Proportion of interest of the Group in the project	Land Bank (sq.m.)
Optics Valley Software Park	Wuhan	1 Guanshan Avenue, Wuhan, Hubei Province	Industrial	100%	54,425
Financial Harbour (Phase I)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	27,728
Financial Harbour (Phase II)	Wuhan	77 Guanggu Avenue, Wuhan, Hubei Province	Industrial	100%	12,824
Creative Capital	Wuhan	16 Ye Zhi Hu West Road, Hongshan District, Wuhan, Hubei Province	Commercial	100%	330,804
Wuhan Innocenter	Wuhan	Intersection of Guanggu Avenue and Yangqiaohu Avenue, Wuhan, Hubei Province	Industrial	100%	203,707
Romantic Town	Wuhan	46 Guanggu Avenue, Wuhan, Hubei Province	Residential	51%	2,849
Lido Mason	Wuhan	No. 318 Minzu Avenue, Wuhan, Hubei Province	Residential	50%	1,282
Lido 2046	Wuhan	175 Xiongchu Avenue, Wuhan, Hubei Province	Residential	100%	36,226
Others	Wuhan	N/A	Residential	100%	14,004
Qingdao OVU International Marine Information Harbour	Qingdao	396 Emeishan Road, Qingdao, Shandong Province	Industrial	100%	368,895
Qingdao Innocenter — Public Housing	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Residential	100%	25,656
Qingdao Innocenter	Qingdao	East of Emeishan Road, West of Jiangshan Road, South of Yi Zhong Development Zone, Qingdao, Shandong Province	Industrial	100%	110,724
Qingdao Marine & Science Park (Phase I)	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
Huanggang OVU Science and Technology City	Huanggang	Intersection of Central Ring Road and North of Xingang Road, Huangzhou District, Huanggang, Hubei Province	Industrial	70%	155,334
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%	159,737



Project	City	Location	Usage	Proportion of interest of the Group in the project	Land Bank (sq.m.)
Ezhou OVU Science and Technology City (Phase I)	Ezhou	Gaoxin Third Road, Gedian Development Zone, Ezhou, Hubei Province	Industrial	80%	390,913
Huangshi OVU Science and Technology City (Phase I)	Huangshi	Intersection of Baoshan Road and Jinshan Boulevard, Golden Hill New Industrial Zone, Huangshi, Hubei Province	Industrial	100%	182,571
Lido Top View	Huangshi	No. 76 Hangzhou West Road, Huangshi Development Zone, Hubei Province	Residential	100%	18,106
Hefei Financial Harbour	Hefei	Intersection of Huizhou Avenue and Yangzijiang Road, Hefei, Anhui Province	Commercial	80%	608,660
Haikou Software Park — Residential	Chengmai	Laocheng Hi-tech Industry Demonstration Zone, Hainan Province	Residential	40%	709,040
Haikou Software Park — Industrial	Chengmai	Laocheng Hi-tech Industry Demonstration Zone, Hainan Province	Industrial	40%	436,348
Haikou Software Park — Commercial	Chengmai	Laocheng Hi-tech Industry Demonstration Zone, Hainan Province	Commercial	40%	503,196
Haikou Software Park — Research	Chengmai	Laocheng Hi-tech Industry Demonstration Zone, Hainan Province	Research	40%	39,530
Beihai Industrial Park	Beihai	368, East Extension of Bei Hai Road, Beihai City, Guangxi	Industrial	100%	268,797
Xi'an Industrial Park	Xi'an	West of Ten Road, Marsh, North of Sheng Ji Road, Xi'an City, Shaanxi Province	Industrial	74%	291,330
Zhongdian Information Building	Beijing	17/F, No. 6, Zhongguancun South Street, Haidian District, Beijing City	Industrial	100%	1,365
Wenzhou Industrial Park	Wenzhou	Jinhai Park, Wenzhou Economic Development Zone, Zhejiang Province	Industrial	60%	252,920
Wenzhou Industrial Park	Wenzhou	Jinhai Park, Wenzhou Economic Development Zone, Zhejiang Province	Commercial	60%	105,817
Land on Beihai Taiwan Road	Beihai	Zhongdian International Community, Kou Jilin Road, Taiwan Road, Beihai City, Guangxi	Residential	29%	750,835
Total					6,260,673



### *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, equipment and facilities management, services of district cooling and heating energy system (“DHC”), innovation incubation, human resources and training services, accommodation, hotels, group catering services, etc. to its customers. For the period ended 30 June 2016, turnover from business operation services was RMB161.3 million, representing an increase of 49.2% as compared to RMB108.1 million in the corresponding period in 2015.

### *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 RMB70.4 million for the six months ended 30 June 2016.

### *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 2016, the Group held investment properties with a total GFA of approximately 167,000 sq.m.. During the Reporting Period, turnover from property leasing amounted to RMB37.1 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 2016, 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 2016***

#### ***Market Environment***

2016 is the first year of China's "13th Five-Year Plan", and also the most difficult year for China's industrial upgrade and profound adjustment of economic structure. From the perspectives of various macroeconomic data published by the National Bureau of Statistics in July, the economic concern voiced out by local entities in China and feedbacks and opinions from international institutions, the economy of China will still be in a profound adjustment period in the second half of 2016. The determination of the central government to arouse vitality in the private sector is evidenced by the opening up of industries once monopolized by state-owned enterprises, such as electricity and medical industries, and repetitive highlights of the ideas of "innovative" and "sharing". We expect that the central government of China as well as governments at various levels will be more open-minded and practical in systematic and political innovations in the future.

In 2016, in response to the demand of the expanding digital industry in China, we will extend our operation of business parks to new cities and districts. An open market environment is beneficial to the expansion of our business scope.

In 2016, we will achieve breakthroughs and development in the whole life cycle operation service sectors of business parks in depth and breadth.

### ***Strategies of the Group***

#### ***De-stocking and maintaining steady cash flow***

Our self-developed and self-owned heavy asset projects mainly located in 7 cities, namely Wuhan, Qingdao, Hefei, Shenyang, Ezhou, Huangshi and Huanggang. In addition, we have projects in 4 cities, including Xi'an, Beihai, Hainan and Wenzhou, through the acquisition of CEC Technology. Based on the current divided trend of China's office market, we will continue to adopt active marketing measures to de-stock and increase the sales of completed properties, thereby maintaining steady cash flow.

#### ***Quickly Occupying the Top Position in Innovation led by "OVU Maker Star"***

"OVU Maker Star" is a super incubator forged by the Group by integrating superior resources based on the idea of "Sharing Economy" and the model of "Space+Venture". We successfully operated an area of over 43,900 sq.m. in Wuhan, Ezhou, Qingdao, Huangshi and Hefei. Nearly one hundred applications received by the Group from entrepreneurial teams waiting to settle in have indicated great vitality of the product series and huge demand for market promotion. In the second half of 2016, "OVU Maker Star" will accelerate its deployment and cover dense cities with innovation resources, such as Beijing, Shanghai, Shenzhen, Chengdu and Dongguan, as soon as possible. The operation area has reached 100,000 sq.m. with 5,000 premises, and thus a nationwide innovative incubation network has been formed. By then, as a new brand operated by the Group's industrial park and integrated with innovation resources, "OVU Maker Star" will soon reflect the market value of industrial park ecology established by the Internet epoch.



### *Expanding Market Size of DHC Business in an orderly manner*

The Group's DHC power service system has its unique core technology and mature business model. Based on the Chinese government's encouragement and supportive attitude towards new energy industry as well as the gap in the new energy service market in China, the Group believes that there will be promising market prospects and competitive advantages for our DHC business for a long period of time in the future. In this respect, the Group will accelerate promotion of DHC business across the country through strategic cooperation model with regional leading enterprises and become the bellwether of district heating cooling energy service market in China.

### *Rapidly establishing and improving a "1+4" smart business park whole life cycle management cloud platform*

"1" represents development and establishment of cloud platform for smart business park. The platform is composed of an investment decision system based on industry practices and a project management visualized system based on Building Information Modeling ("BIM"). After the establishment of the platform, not only can it provide the bases for decision making and management for our newly developed projects in the future, but also provide estate development and investor services for vast industries which intend to invest in the development. "4" emphasizes on the 4 main operation service systems of smart business park, namely wide area networks for Internet-of-things cloud platform, facilities and equipment management cloud platform, office sharing cloud platform and energy management cloud platform. These 4 service systems consolidate our existing offline resources such as properties management, equipment management, OVU Maker Star, investment incubator service platform and DHC energy services. At the same time, it also consolidates other external resources, connecting online software operation platforms such as Parks Access and Maker Star, and achieving coordinated management both online and offline.

### *Expand Smart City Business to a wider coverage of cities and districts*

Focused on the international leading low energy consumption Internet-of-things technology, Wuhan Easylinkin Technology Co., Ltd. of the Group has established the capacity to construct a Smart City system and to provide operation services. Currently, the Group has established showcases in Wuhan and Huangshi and expanded its business in Shanghai, Xi'an and Shenyang etc.. The Group will further cooperate with CEC Group in respect of e-commerce, information safety and mega-data business in the future, with the view to engaging in urban operation and management in a wider scale and space.

## FINANCIAL REVIEW

### **Revenue**

The Group generated revenue from sales of properties in business parks, business operation services, construction contracts, property leasing and development management services. During the Reporting Period, revenue of the Group amounted to approximately RMB780.7 million, which was mainly attributable to the sales of properties in the Group's projects.



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

	Six months ended 30 June			
	2016		2015	
	Revenue RMB'000	% of total revenue	Revenue RMB'000	% of total revenue
Property development	508,099	65.1%	270,942	63.3%
Construction contracts	70,420	9.0%	29,167	6.8%
Development management services	3,918	0.5%	3,868	0.9%
Property leasing	37,050	4.7%	15,883	3.7%
Business operation services	161,256	20.7%	108,114	25.3%
Total	780,743	100.0%	427,974	100.0%

## Cost of Sales

### Introduction

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 contract and development management services). During the Reporting Period, cost of sales of the Group accounted for approximately 81.9% of its turnover.

During the Reporting Period, cost of sales of the Group amounted to RMB639.3 million, representing an increase of RMB391.3 million or approximately 157.8% over the same period in 2015, primarily due to (i) an increase in area of delivered properties during the current period, and (ii) an increase in construction cost of properties sold.

## Gross Profit and Gross Profit Margin

During the Reporting Period, overall gross profit of the Group decreased by RMB38.5 million to RMB141.5 million from RMB180.0 million in the same period in 2015. Overall gross profit margin decreased to 18.1% in the first half of 2016 from 42.1% in the same period in 2015, mainly due to (i) the lower gross profit margin of products of OVU Science and Technology City and Lido 2046 project; (ii) final settlement of the cost of Lido 2046 project has completed, of which unit cost increased as compared to 2015, and the sales cost of properties carried forward in the previous year has credited to the current period.





### ***Other Income and Gains***

During the Reporting Period, other income of the Group increased by RMB128.3 million, to approximately RMB130.1 million from approximately RMB1.8 million in the same period in 2015.

Other gains of the Reporting Period comprise primarily the gains on disposal of subsidiaries.

### ***Selling and Distribution Expenses***

During the Reporting Period, selling and distribution expenses of the Group increased by RMB14.3 million to RMB45.0 million from RMB30.7 million in the same period in 2015, primarily due to (i) most projects of Wuhan Optics Valley Union, a subsidiary of the Group, were completed in the Reporting Period, resulting in an increase of selling expense; and (ii) an increase of selling expenses incurred by newly established subsidiaries of the Group, such as Wuhan Echoliv Idea Technology Company Limited and Wuhan Triples Information Technology Company Limited.

### ***Administrative Expenses***

During the Reporting Period, administrative expenses of the Group increased by RMB31.2 million to RMB114.6 million from RMB83.4 million in the same period in 2015, which was primarily due to (i) an increase in the staff headcounts of Wuhan Lido Property Management, resulting in a higher cost; (ii) the increase in administrative expenses relating to the projects of Wuhan Optics Valley Union, a subsidiary of the Group, as most of them were completed during the Reporting Period, and (iii) an increase of administrative expenses incurred by newly established subsidiaries of the Group, such as Wuhan Echoliv Idea Technology Company Limited and Wuhan Triples Information Technology Company Limited.

### ***Decrease in Fair Value Gains on Investment Properties***

During the Reporting Period, fair value gains on the Group's investment properties decreased by RMB42.3 million to RMB85.7 million from RMB128.0 million in the same period in 2015, which was primarily due to (i) a larger increase in area of investment properties held in the same period of 2015 as compared to the beginning of the year; and (ii) higher cost incurred by the investment properties newly acquired during the period.

### ***Finance Income***

During the Reporting Period, finance income of the Group decreased by RMB11.2 million to RMB7.1 million from RMB18.3 million in the same period in 2015, primarily because of the decrease of interest income on entrusted loans.

### ***Finance Costs***

During the Reporting Period, finance costs of the Group increased by RMB37.0 million to RMB38.2 million from RMB1.2 million in the same period in 2015, primarily because more interest expenses incurred during the period were not capitalised and were credited to the interim consolidated statement of profit or loss as projects of Wuhan Optics Valley Union, a subsidiary of the Group, were completed.



### ***Share of Profits of Associates***

During the Reporting Period, share of profits of associates of the Group was RMB0.3 million, primarily due to the Group's proportional share of profits in associates such as Wuhan Integrated Circuit Design Technology Co., Ltd.

### ***Share of Losses of Joint Ventures***

During the Reporting Period, the Group had share of losses of RMB1.7 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 decreased by RMB39.5 million to RMB38.9 million from RMB78.4 million in the same period in 2015, which was primarily due to the combining effects of (i) an increase of RMB8.6 million in the PRC enterprise income tax, mainly due to an increase in the revenue from disposal of two subsidiaries, resulting in an increase in PRC enterprise income tax; (ii) for the period ended 30 June 2016, land appreciation tax decreased by RMB22.8 million on settlement basis as compared with the corresponding period in 2015, mainly due to a significant decrease in gross profit margin of property development projects in the Reporting Period; and (iii) deferred income tax expense decreased by RMB25.3 million as compared with the corresponding period in 2015, mainly due to a decrease in fair value gains on investment property in the current period, resulting in a decrease in calculation of corresponding deferred tax.

### ***Profit for the Reporting Period***

During the Reporting Period, the profit attributable to owners of the Group increased from RMB117.9 million in the same period in 2015 by RMB3.7 million to RMB121.6 million, and the basic earnings per share increased by 2.4% from RMB2.95 cents in the first half of 2015 to RMB3.02 cents in the same period in 2016.

### ***Properties under Development***

The carrying amount of properties under development of the Group decreased by RMB241.0 million, or 9.9%, from RMB2,443.6 million as at 31 December 2015, to RMB2,202.6 million as at 30 June 2016, primarily due to the transfer of completed projects which have obtained the record of acceptance examination to properties held for sale, including Wuhan Creative Capital and Hefei Financial Harbour.

### ***Completed Properties Held for Sale***

The carrying amount of completed properties held for sale of the Group increased by RMB658.0 million from RMB2,317.3 million as at 31 December 2015 to RMB2,975.3 million as at 30 June 2016, primarily due to the transfer of completed projects from properties under development to completed properties held for sale.

### ***Trade and Other Receivables***

The Group's trade and other receivables increased by RMB1,960.2 million from RMB610.4 million as at 31 December 2015 to RMB2,570.6 million as at 30 June 2016, primarily due to the acquisition of CEC Technology, which became a wholly-owned subsidiary of the Group in the current period.



### **Trade and Other Payables**

The Group's trade and other payables decreased by RMB18.1 million from RMB2,075.7 million as at 31 December 2015 to RMB2,057.6 million as at 30 June 2016, primarily due to the recognition of decrease in amounts due to non-controlling shareholders as a result of disposal of two subsidiaries of the Group as investment gain during the Reporting Period.

### **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 of its indebtedness, fund of its working capital and normal recurring expenses. The Group primarily finances its expenditures through internally generated cash flows, 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 inflow from operating activities was RMB182.6 million. The cash was mainly generated from the development and sale of projects, such as 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 inflow of financing activities was RMB528.8 million. Cash inflow from financing activities was mainly derived from the proceeds from the issue of new shares during the Reporting Period. During the Reporting Period, cash outflow in financing activities was mainly related to repayment of borrowings, interest and payment of dividends.

### **Key Financial Ratios**

#### **Current Ratio**

As at 30 June 2016, current ratio of the Group, representing total current assets divided by total current liabilities was 2.0, increased from 1.8 at the end of last year. As at 30 June 2016, the Group still had RMB1,738.3 million unused credit facilities, and we intend to raise long-term loans to repay the maturing short-term loans in the second half of the year, which would continue to improve the Group's 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%, decreased from 81.1% as of 31 December 2015 to 45.4%, primarily due to the acquisition of CEC Technology and the issue of new shares completed on 30 June 2016.

#### **Indebtedness**

The Group's total outstanding borrowings increased by RMB975.8 million from RMB3,375.3 million as at 31 December 2015 to RMB4,351.1 million as of 30 June 2016, which was primarily due to the fact that CEC Technology became the Group's wholly-owned subsidiary upon completion of the equity transfer on 30 June 2016, and therefore the Group's combined statement of financial position included the financial data of CEC Technology as at 30 June 2016.

As at 30 June 2016, unutilized banking facilities amounted to RMB938.3 million and other borrowings unutilized amounted to RMB800.0 million.



### ***Contingent Liabilities***

The Group provides guarantees for its customers' mortgage loans with PRC banks to facilitate their purchases of the Group's presold properties. As at 30 June 2016, the outstanding guarantees for mortgage loans by the customers of its pre-sold properties were approximately RMB1,041.7 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 RMB9,635.4 million as at 30 June 2016. As at 30 June 2016, aggregate cash denominated in Renminbi of the Group amounted to approximately RMB1,815.7 million. The Group primarily financed its expenditures through internally generated cash flows, being primarily cash generated through sale of 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 mainly represent trade creditors and bills payable related to its development activities. Total current liabilities of the Group were approximately RMB4,804.9 million as at 30 June 2016.

As at 30 June 2016, the Group had net current assets of approximately RMB4,830.5 million. Net current assets of the Group increased during the Reporting Period primarily due to the increase in current asset after the completion of transfer of equity.

### ***Capital Expenditure and Capital Commitment***

During the Reporting Period, capital expenditure of the Group incurred amounted to RMB63.7 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 at 30 June 2016, the Group's outstanding balances of its commitments related to property development expenditure were RMB271.6 million.

### ***Employees***

As of 30 June 2016, the Group had 4,672 full-time employees. The staff cost of the Group was approximately RMB149.2 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.



### ***Pledged Assets***

As of 30 June 2016, the Group had pledged certain of its assets with a total net book value of RMB2,924.6 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.

### ***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 and other borrowings and corporate bonds, which had outstanding amount of RMB4,351.1 million as of 30 June 2016. The Group undertakes debt obligations to support its property development and general working capital needs. Soaring interest rates may increase the cost of the Group's financing. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of the Group's 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 exposure to currency exchange rates arises 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 that there is 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.

## **Material Acquisitions**

On 14 December 2015, CECH (as vendor) entered into an equity interest transfer agreement (the “**Equity Interest Transfer Agreement**”) with the Company and AAA Finance & Investment Limited (“**HK 3A**”) (an indirect wholly-owned subsidiary of the Company) (as purchasers). Pursuant to the Equity Interest Transfer Agreement, CECH has conditionally agreed to sell, and the Company and HK 3A have conditionally agreed to acquire, 100% of the equity interest in CEC Technology (a wholly-owned subsidiary of CECH). The consideration for the equity transfer pursuant to the Equity Interest Transfer Agreement (the “**Equity Transfer**”) was RMB699,854,600, which was satisfied by the allotment and issue of 1,058,530,083 new Shares (“**Consideration Shares**”), credited as fully paid, at the consideration price of HK\$0.8 per Consideration Share. The Consideration Shares rank equally in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares. The Consideration Shares were issued under a specific mandate approved by the independent Shareholders at an extraordinary general meeting held on 16 March 2016. The Equity Transfer completed on 30 June 2016.

On 14 December 2015, the Company and CECH entered into a subscription agreement (the “**CECH Subscription Agreement**”) pursuant to which the Company has conditionally agreed to allot and issue, and CECH has conditionally agreed to subscribe in cash, 1,491,469,917 new Shares (the “**CECH Subscription Shares**”), credited as fully paid, at the subscription price of HK\$0.8 per CECH Subscription Share (the “**CECH Subscription**”). The CECH Subscription Shares rank equally in all respects with Shares in issue on the date of allotment and issue of the CECH Subscription Shares. The CECH Subscription Shares were issued under the specific mandate approved by the independent Shareholders at the EGM held on 16 March 2016. The CECH Subscription completed on 30 June 2016.

On 14 December 2015, the Company and China Everbright Securities (HK) Limited (“**China Everbright**”) (as placing agent), entered into a placing agreement (the “**Placing Agreement**”) whereby China Everbright has conditionally agreed to place, on a fully underwritten basis, a total of 1,450,000,000 placing shares (the “**Placing Shares**”) (failing which China Everbright would subscribe for the untaken Placing Shares) to not less than six placees at the placing price of HK\$0.8 per Placing Share (the “**Placing**”). The Placing Shares were issued under the specific mandate approved by the independent Shareholders at the EGM held on 16 March 2016. The Placing completed on 30 June 2016.

Following the completion of the abovementioned transactions, CECH became the largest shareholder of the Company and CEC Technology has become a wholly-owned subsidiary of the Company.



### ***Material Disposals***

On 17 November 2015, Wuhan Optics Valley Union (as vendor) entered into a sale and purchase agreement with Hubei Science & Technology Investment (as purchaser), for the conditional sale and purchase of 70% of the equity interest of Energy Conservation Technology Park, together with the loan owed by Energy Conservation Technology Park to Wuhan Optics Valley Union, for a consideration of RMB267,310,067.31.

On the same day, Wuhan Optics Valley Union (as vendor) entered into another sale and purchase agreement with Hubei Science & Technology Investment (as purchaser), for the conditional sale and purchase of 70% of the equity interest of Wuhan Financial Harbour Development, together with the loan owed by Wuhan Financial Harbour Development to Wuhan Optics Valley Union, for a consideration of RMB270,122,238.68.

On 16 January 2016, the underlying transactions pursuant to the abovementioned sale and purchase agreements (the “**Disposals**”) were approved by the independent Shareholders of the Company. The Disposals were completed on 18 January 2016. Following the completion of the Disposals, the Group no longer has any shareholding interest in Energy Conservation Technology Park and Wuhan Financial Harbour Development, and Energy Conservation Technology Park and Wuhan Financial Harbour Development ceased to be subsidiaries of the Company.



The Directors are pleased to present their report together with the unaudited interim results of the Group for the six months ended 30 June 2016.

## DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period. However, the Board has resolved on 18 August 2016 to recommend for declaration and payment of a special dividend (the "**Special Dividend**") of HKD0.03 per share (equivalent to RMB0.026 per share) out of the share premium account of the Company (the "**Share Premium Account**"), subject to the conditions set out below.

### ***Conditions of the Declaration and Payment of the Special Dividend out of the Share Premium Account***

The declaration and payment of the Special Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the shareholders of the Company at a general meeting approving the declaration and payment of the Special Dividend out of the Share Premium Account pursuant to the articles of association of the Company; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the payment of the Special Dividend, unable to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If such conditions are not satisfied, the Special Dividend will not be paid.

Subject to the fulfilment of the above conditions, the Special Dividend is expected to be distributed on or before Sunday, 30 October 2016 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 30 September 2016.

### ***Reasons for and Effect of the Declaration and Payment of the Special Dividend out of the Share Premium Account***

The Board considers it appropriate to pay the Special Dividend to reward for the support of the shareholders of the Company. The declaration and payment of the Special Dividend does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the shares.

After taking into consideration of the existing cash flow of the Group, the Board considers that the Company has sufficient cash flow to pay the Special Dividend. The declaration and payment of the Special Dividend will not have any material adverse effect on the financial position of the Group.

The Directors consider that the declaration and payment of the Special Dividend is in the interests of the Company and its shareholders as a whole.





### EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened on Thursday, 22 September 2016 (the “EGM”) to consider and, if thought fit, to approve the declaration and payment of the Special Dividend out of the Share Premium Account. No Shareholder is required under the Listing Rules to abstain from voting on the proposed ordinary resolution at the extraordinary general meeting.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 19 September 2016 to Thursday, 22 September 2016 (both dates inclusive) and from Thursday, 29 September 2016 to Friday, 30 September 2016 (both dates inclusive), during which periods no transfer of shares will be registered.

For determining the eligibility to attend and vote at the EGM of the Company, shareholders of the Company must lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 September 2016.

In order to qualify for the Special Dividend, shareholders of the Company must lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at the above mentioned address for registration not later than 4:30 p.m. on Wednesday, 28 September 2016.

### 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 Chungping

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 2015.

## CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Mr. Huang Liping, chairman of the Company, has been appointed as the chairman of Wuhan Art Gallery Association and chairman of Wuhan Cultural and Creative Industries Association. Save for the information disclosed above, there is no change of information of the Directors that is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the publication of the Company's annual report for the year ended 31 December 2015.

## 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 2016, 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 were as follows:

### Interests in the Company

Name of Director	Nature of Interest	Number of Shares Held <sup>(1)</sup>	Approximate Percentage of Shareholding <sup>(2)</sup>
Mr. Huang Liping <sup>(3)</sup>	Interest in controlled corporation	1,988,372,805	24.85%
Mr. Hu Bin <sup>(4)</sup>	Beneficiary of a trust	21,096,000	0.26%
	Beneficial owner	49,224,000	0.62%
Ms. Chen Huifen <sup>(4)</sup>	Beneficiary of a trust	3,285,000	0.04%
	Beneficial owner	8,465,000	0.11%

Notes:

- (1) All the above Shares are held in long position (as defined under Part XV of the SFO).
- (2) Based on 8,000,000,000 Shares in issue as at 30 June 2016.
- (3) 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 1,787,700,000 Shares held by AAA Finance and 120,000,000 Shares held by Lidao BVI. On 21 April 2016, Hengxin PTC (as trustee) transferred 91,087,284 Shares to the beneficiaries. Hence, the Shares held by Hengxin PTC decreased accordingly to 80,672,805 Shares. As the sole shareholder of Hengxin PTC, Mr. Huang Liping is deemed to be interested in 80,672,805 Shares held by Hengxin PTC.
- (4) Mr. Hu Bin and Ms. Chen Huifen are beneficiaries of 70,320,000 and 10,950,000 Shares of a trust set up pursuant to a trust deed executed on 13 September 2013 with Hengxin PTC as trustee. On 20 July 2015 and 21 April 2016, Hengxin PTC (as trustee) transferred 49,224,000 Shares and 7,665,000 Shares to Mr. Hu Bin and Ms. Chen Huifen, respectively. Thus, Mr. Hu Bin is a beneficiary of 21,096,000 Shares in the trust, and also a beneficial holder of 49,224,000 Shares; Ms. Chen Huifen is a beneficiary of 3,285,000 Shares in the trust, and also a beneficial holder of 8,465,000 Shares.

Save as disclosed above, as at 30 June 2016, 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 2016, 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 <sup>(1)</sup>	Approximate Percentage of Shareholding <sup>(2)</sup>
China Electronics Corporation Limited <sup>(3)</sup>	Interest in controlled corporation	2,550,000,000	31.88%
CECH <sup>(4)</sup>	Interest in controlled corporation	2,550,000,000	31.88%
AAA Finance	Beneficial owner	1,787,700,000	22.35%
Technology Investment HK <sup>(5)</sup>	Beneficial owner	479,910,000	6.00%
Hubei Science & Technology Investment <sup>(5)</sup>	Interest in controlled corporation	479,910,000	6.00%

Notes:

- (1) All the above Shares are held in long position (as defined under Part XV of the SFO).
- (2) Based on 8,000,000,000 Shares in issue as at 30 June 2016.
- (3) These Shares are held by CEC Media. CEC Media is a wholly-owned subsidiary of CECH. As CECH is a subsidiary of China Electronics Corporation Limited, China Electronics Corporation Limited is deemed to be interested in all the Shares held by CEC Media under the SFO.
- (4) These Shares are held by CEC Media. CEC Media is a wholly-owned subsidiary of CECH. Under the SFO, CECH is deemed to be interested in all the Shares held by CEC Media.
- (5) 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.

Save as disclosed above, as at 30 June 2016, 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 its shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) set out in Appendix 14 to the Listing Rules on the Stock Exchange 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 (equivalent to the chairman and chief executive as stated in the CG Code) and Mr. Huang Liping currently performs these two roles. The Board believes that vesting the roles of both chairman and president in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable the Company to make and implement decisions promptly and effectively. After taking into account the overall circumstances of the Group, the Board will continue to review and consider the separation of the duties of the chairman and president if and when appropriate.

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

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

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code 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.



## EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2016, the Group had a total of 4,672 employees in Hong Kong and the PRC. For the six months ended 30 June 2016, the staff cost of the Group was approximately RMB149.2 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.

## REVIEW OF INTERIM RESULT BY THE AUDIT COMMITTEE

The Audit Committee was established with terms of reference in compliance with the CG Code, and comprises three members, namely Mr. Leung Man Kit (independent non-executive Director), Ms. Shu Chunping (non-executive Director) and Mr. Qi Min (independent non-executive Director). The Audit Committee has reviewed together with the management and the external auditor the accounting principles and policies adopted by the Group and the unaudited interim results for the six months ended 30 June 2016.

On behalf of the Board

**Optics Valley Union Holding Company Limited**

**HUANG Liping**

*Chairman*

Wuhan, the PRC

18 August 2016



# Review Report on Interim Condensed Consolidated Financial Information



羅兵咸永道

**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 condensed consolidated financial information set out on pages 31 to 71, which comprises the interim consolidated statement of financial position of Optics Valley Union Holding Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2016 and the related interim consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and interim consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review 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 International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, 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 International 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 18 August 2016

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# Interim Consolidated Statement of Profit or Loss



		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	Note	2016 RMB'000	2015 RMB'000
<b>Revenue</b>	6	<b>780,743</b>	427,974
Cost of sales		<b>(639,268)</b>	(247,967)
<b>Gross profit</b>		<b>141,475</b>	180,007
Other income and gains — net		<b>130,090</b>	1,798
Selling and distribution expenses		<b>(44,964)</b>	(30,742)
Administrative expenses		<b>(114,555)</b>	(83,378)
Other expenses		<b>(758)</b>	(5,301)
<b>Operating profit before changes in fair value of investment properties</b>		<b>111,288</b>	62,384
Fair value gains on investment properties	13	<b>85,667</b>	127,996
<b>Operating profit after changes in fair value of investment properties</b>		<b>196,955</b>	190,380
Finance income	8	<b>7,095</b>	18,314
Finance costs	8	<b>(38,195)</b>	(1,202)
<b>Net finance (costs)/income</b>		<b>(31,100)</b>	17,112
Share of profits/(losses) of associates	14	<b>267</b>	(1)
Share of losses of joint ventures	15	<b>(1,704)</b>	(6,789)
<b>Profit before income tax</b>		<b>164,418</b>	200,702
Income tax expense	9	<b>(38,914)</b>	(78,414)
<b>Profit for the period</b>		<b>125,504</b>	122,288
<b>Profit attributable to:</b>			
— Owners of the Company		<b>121,607</b>	117,942
— Non-controlling interests		<b>3,897</b>	4,346
<b>Profit for the period</b>		<b>125,504</b>	122,288
<b>Basic and diluted earnings per share (RMB cents)</b>	11	<b>3.02</b>	2.95

The notes on pages 37 to 71 form part of this interim condensed consolidated financial information.





# Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Unaudited Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>Profit for the period</b>	<b>125,504</b>	122,288
<b>Other comprehensive income</b> Items that may be reclassified subsequently to profit or loss:		
— Currency translation differences	<b>6,514</b>	(347)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>6,514</b>	(347)
<b>Total comprehensive income for the period</b>	<b>132,018</b>	121,941
<b>Attributable to:</b>		
— Owners of the Company	<b>128,121</b>	117,595
— Non-controlling interests	<b>3,897</b>	4,346
<b>Total comprehensive income for the period</b>	<b>132,018</b>	121,941

The notes on pages 37 to 71 form part of this interim condensed consolidated financial information.

# Interim Consolidated Statement of Financial Position



	Note	At 30 June 2016 RMB'000 (Unaudited)	At 31 December 2015 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	361,059	274,915
Investment properties	13	1,770,440	1,225,700
Land use rights		2,264	—
Intangible assets		4,832	4,248
Investments in associates	14	480,025	13,215
Investments in joint ventures	15	165,657	36,051
Available-for-sale financial assets		10,000	13,000
Trade and other receivables	19	190,000	—
Deferred income tax assets		104,584	68,318
		<b>3,088,861</b>	1,635,447
<b>Current assets</b>			
Properties under development	16	2,202,584	2,443,551
Completed properties held for sale	17	2,975,254	2,317,286
Inventories and contracting work-in-progress	18	159,652	232,544
Trade and other receivables	19	2,380,648	610,373
Current income tax assets		21,609	6,661
Available-for-sale financial assets		51,500	—
Restricted cash	20	142,924	150,466
Cash and cash equivalents	21	1,672,830	901,364
		<b>9,607,001</b>	6,662,245
Non-current assets classified as held for sale	22	28,400	19,000
Assets of disposal group held for sale	23	—	576,736
		<b>9,635,401</b>	7,257,981



## Interim Consolidated Statement of Financial Position (Continued)

	Note	At 30 June 2016 RMB'000 (Unaudited)	At 31 December 2015 RMB'000 (Audited)
<b>Current liabilities</b>			
Trade and other payables	24	2,057,560	2,075,713
Corporate bonds	25	29,400	531,434
Bank and other borrowings	26	2,587,910	1,292,316
Current income tax liabilities		125,381	126,372
Current portion of deferred income		4,628	4,087
		<b>4,804,879</b>	4,029,922
Liabilities directly associated with non-current assets classified as held for sale		—	2,598
Liabilities of disposal group held for sale		—	48,645
		<b>4,804,879</b>	4,081,165
<b>Net current assets</b>		<b>4,830,522</b>	3,176,816
<b>Total assets less current liabilities</b>		<b>7,919,383</b>	4,812,263
<b>Non-current liabilities</b>			
Corporate bonds	25	564,988	560,544
Bank and other borrowings	26	1,168,760	991,000
Deferred income tax liabilities		244,154	171,676
Non-current portion of deferred income		41,648	36,783
		<b>2,019,550</b>	1,760,003
<b>Net assets</b>		<b>5,899,833</b>	3,052,260
<b>Equity</b>			
Share capital	27	658,680	316,800
Reserves		3,575,928	1,150,334
Retained profits		1,420,109	1,298,502
Total equity attributable to owners of the Company		<b>5,654,717</b>	2,765,636
Non-controlling interests		245,116	286,624
<b>Total equity</b>		<b>5,899,833</b>	3,052,260
<b>Total equity and non-current liabilities</b>		<b>7,919,383</b>	4,812,263

The notes on pages 37 to 71 form part of this interim condensed consolidated financial information.

# Interim Consolidated Statement of Changes in Equity



Note	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Property Revaluation reserve	Statutory reserve	Other reserves	Total reserves	Retained profits	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 1 January 2016</b>	<b>316,800</b>	<b>284,062</b>	<b>1,262</b>	<b>17,925</b>	<b>263,064</b>	<b>584,021</b>	<b>1,150,334</b>	<b>1,298,502</b>	<b>2,765,636</b>	<b>286,624</b>	<b>3,052,260</b>	
<b>Total comprehensive income for the period ended 30 June 2016</b>	<b>—</b>	<b>—</b>	<b>6,514</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,514</b>	<b>121,607</b>	<b>128,121</b>	<b>3,897</b>	<b>132,018</b>	
<b>Total transactions with owners, recognised directly in equity</b>												
Acquisition of a subsidiary	7	—	—	—	—	—	—	—	—	96,811	96,811	
Issuance of new shares	1	341,880	2,419,080	—	—	—	2,419,080	—	2,760,960	—	2,760,960	
Capital injection from non-controlling shareholders		—	—	—	—	—	—	—	—	23,295	23,295	
Partially capital reduction from a non-controlling shareholder		—	—	—	—	—	—	—	—	(35,280)	(35,280)	
Dividend paid to a non-controlling shareholder		—	—	—	—	—	—	—	—	(10,290)	(10,290)	
Disposal of subsidiaries	23	—	—	—	—	—	—	—	—	(119,941)	(119,941)	
<b>Total transactions with owners, recognised directly in equity</b>		<b>341,880</b>	<b>2,419,080</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,419,080</b>	<b>—</b>	<b>2,760,960</b>	<b>(45,405)</b>	<b>2,715,555</b>	
<b>Balance at 30 June 2016</b>	<b>658,680</b>	<b>2,703,142</b>	<b>7,776</b>	<b>17,925</b>	<b>263,064</b>	<b>584,021</b>	<b>3,575,928</b>	<b>1,420,109</b>	<b>5,654,717</b>	<b>245,116</b>	<b>5,899,833</b>	
<b>At 1 January 2015</b>	<b>316,800</b>	<b>284,062</b>	<b>957</b>	<b>—</b>	<b>233,594</b>	<b>584,780</b>	<b>1,103,393</b>	<b>929,027</b>	<b>2,349,220</b>	<b>235,819</b>	<b>2,585,039</b>	
<b>Total comprehensive income for the period ended 30 June 2015</b>	<b>—</b>	<b>—</b>	<b>(347)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(347)</b>	<b>117,942</b>	<b>117,595</b>	<b>4,346</b>	<b>121,941</b>	
<b>Total transactions with owners, recognised directly in equity</b>												
Acquisition of equity interests from a non-controlling shareholder		—	(759)	—	—	—	(759)	—	(759)	759	—	
Dividends approved in respect of previous year	10	—	—	—	—	—	—	(100,941)	(100,941)	—	(100,941)	
<b>Total transactions with owners, recognised directly in equity</b>		<b>—</b>	<b>(759)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(759)</b>	<b>(100,941)</b>	<b>(101,700)</b>	<b>759</b>	<b>(100,941)</b>	
<b>Balance at 30 June 2015</b>	<b>316,800</b>	<b>283,303</b>	<b>610</b>	<b>—</b>	<b>233,594</b>	<b>584,780</b>	<b>1,102,287</b>	<b>946,028</b>	<b>2,365,115</b>	<b>240,924</b>	<b>2,606,039</b>	

The notes on pages 37 to 71 form part of this interim condensed consolidated financial information.



# Interim Consolidated Cash Flow Statement

	Note	Unaudited Six months ended 30 June	
		2016 RMB'000	2015 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		285,519	50,084
Income tax paid		(102,918)	(122,646)
<b>Cash flows generated from/(used in) operating activities – net</b>		<b>182,601</b>	<b>(72,562)</b>
<b>Cash flows from investing activities</b>			
Acquisition of a subsidiary, net of cash received	7	81,292	—
Proceeds from disposal of subsidiaries	23	187,432	—
Interest received		6,320	17,894
Proceeds from disposal of assets held for sale		19,000	—
Proceeds from disposal of property, plant and equipment		79	1,519
Proceeds from disposal of available-for-sale financial assets		775	413
Investments in associates		(30,541)	(3,000)
Investments in joint ventures		—	(3,800)
Proceeds from capital reduction in a joint venture		—	60,000
Purchase of property, plant and equipment		(26,172)	(16,633)
Payments for investment properties		(36,571)	—
Prepayments for acquisition of certain equity interests in property development companies		(70,000)	—
Prepayments for acquisition of certain properties		(70,000)	—
Purchase of intangible assets		(640)	(8)
Purchase of available-for-sale financial assets		(1,000)	(1,000)
<b>Cash flows generated from investing activities – net</b>		<b>59,974</b>	<b>55,385</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of new shares	1	1,019,808	—
Proceeds from bank and other borrowings	26	1,195,000	1,259,000
Proceeds from issue of corporate bonds	25	—	199,000
Decrease/(increase) in restricted cash		7,542	(145,075)
Repayment of corporate bonds	25	(500,000)	(300,000)
Repayment of bank and other borrowings	26	(1,066,966)	(991,573)
Interest paid		(104,311)	(181,824)
Dividends paid to shareholders		—	(100,941)
Dividends paid to non-controlling interests		(10,290)	—
Capital injection by non-controlling interests		23,295	—
Partially capital reduction to a non-controlling shareholder		(35,280)	—
<b>Cash flows generated from/(used in) financing activities</b>		<b>528,798</b>	<b>(261,413)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>771,373</b>	<b>(278,590)</b>
Cash and cash equivalents at beginning of the period		901,364	936,977
Effect of foreign exchange rate changes		93	4
<b>Cash and cash equivalents at end of the period</b>		<b>1,672,830</b>	<b>658,391</b>

The notes on pages 37 to 71 form part of this interim condensed consolidated financial information.



## 1 GENERAL INFORMATION

Optics Valley Union Holding Company Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in development of themed industrial parks and related businesses, provision of business operation services to park customers and leasing business of investment properties. The Group has operations mainly in the mainland China.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company’s share has its primary listing on The Stock Exchange of Hong Kong Limited.

This interim condensed consolidated financial information is presented in Renminbi (“RMB”), unless otherwise stated.

The interim condensed consolidated financial information was approved for issue on 18 August 2016 and has been reviewed, not audited.

### **Key events**

#### ***Acquisition of China Electronics Technology Development Co., Ltd (“CEC Technology”) and issue of new shares***

On 14 December 2015, China Electronics Corporation Holdings Company Limited (“CECH”) (as vendor) entered into an equity interest transfer agreement with the Company and AAA Finance & Investment Limited (“HK 3A”), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company (as purchasers), pursuant to which CECH had conditionally agreed to sell, and the Company and HK 3A had conditionally agreed to acquire, 100% of the equity interest in CEC Technology for a consideration of the 1,058,530,083 new shares to be issued by the Company to CECH upon the equity transfer completion credited as fully paid, at the consideration price of HK\$0.8 per share.

On 14 December 2015, CECH (as subscriber) entered into a subscription agreement with the Company (as the issuer), pursuant to which the Company had conditionally agreed to allot and issue, and CECH had conditionally agreed to subscribe in cash, 1,491,469,917 new shares of the Company to be subscribed for by CECH, credited as fully paid, at the subscription price of HK\$0.8 per share.

On 14 December 2015, the Company (as the issuer) entered into a placing agreement with China Everbright Securities (HK) Limited (“China Everbright”), pursuant to which China Everbright had conditionally agreed to place, on a fully underwritten basis, 1,450,000,000 new shares of the Company (failing which China Everbright would subscribe for the untaken placing shares), credited as fully paid, to not less than six placees at the placing price of HK\$0.8 per share.

On 30 June 2016, the above three transactions were completed and as a result, the Company issued 4,000,000,000 shares and CEC Technology has become a wholly-owned subsidiary of the Company since then. After deducting the commission fee of RMB19,316,000 payable to China Everbright, the net proceeds from issue of the subscription and placing shares amounted to RMB1,991,944,000, of which RMB1,019,808,000 has been received as 30 June 2016 and RMB972,136,000 was received subsequently in July 2016. Share capital of RMB341,880,000 and share premium of RMB2,419,080,000 were recognised in equity as a result of the above three transactions. As at 30 June 2016, CECH held 2,550,000,000 shares of the Company, which accounts for 31.875% of the Company’s total number of shares. Accordingly, the Company has become an associate of CECH since 30 June 2016. Details of the business combination were set out in Note 7.



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 1 GENERAL INFORMATION (Continued)

#### **Key events (Continued)**

##### *Disposal of subsidiaries*

On 17 November 2015, Wuhan Optics Valley Union Group Co., Ltd. (“Wuhan Optics Valley Union”) (as vendor) entered into a sale and purchase agreement with Hubei Science & Technology Investment Group Co., Ltd. (“Hubei Science & Technology Investment”) (as purchaser), for the conditional sale and purchase of 70% of the equity interest of Wuhan Optics Valley Energy Conservation Technology Park Co., Ltd. (“Technology Park”), together with the loan owed by Technology Park to Wuhan Optics Valley Union, for a consideration of approximately RMB267,310,000.

On the same day, Wuhan Optics Valley Union (as vendor) entered into another sale and purchase agreement with Hubei Science & Technology Investment (as purchaser), for the conditional sale and purchase of 70% of the equity interest of Wuhan Financial Harbour Development Co., Ltd. (“Financial Harbour”), together with the loan owed by Financial Harbour to Wuhan Optics Valley Union, for a consideration of approximately RMB270,122,000.

On 16 January 2016, the underlying transactions pursuant to the abovementioned sale and purchase agreements (the “Disposals”) were approved by the independent shareholders of the Company. The Disposals were completed on 18 January 2016, which resulted in a gain of RMB128,559,000. Following the completion of the Disposals, the Group no longer has any shareholding interest in Technology Park and Financial Harbour, and Technology Park and Financial Harbour ceased to be subsidiaries of the Company.

### 2 BASIS OF PREPARATION

This interim condensed consolidated financial information 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 (“Listing Rules”), including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”). The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).



### 3 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

- (a) Amendments to IFRSs effective for the financial year beginning on 1 January 2016 do not have a material impact on the Group.
- (b) The following new and amended standards that have been issued and are not effective for the financial year beginning on 1 January 2016 and have not been early adopted:

		<b>Effective for annual periods beginning on or after</b>
Amendments to IAS 7	Statement of cash flows	1 January 2017
Amendments to IAS 12	Income taxes	1 January 2017
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019

The Group is yet to assess the impact of the above new standards and amendments to existing standards on the Group's consolidated financial statements.

- (c) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

### 4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.





## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

There have been no significant changes in the risk management policies since year end.

### 5.2 Liquidity risk

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### For the six months ended 30 June 2016

	Carrying amount RMB'000	Contractual cash flow RMB'000	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000
Bank and other borrowings	3,756,670	4,056,200	2,826,910	630,554	598,736
Corporate bonds	594,388	776,400	44,100	44,100	688,200
Trade and other payables (excluded receipts in advance)	1,564,367	1,564,367	1,500,438	63,929	—
	5,915,425	6,396,967	4,371,448	738,583	1,286,936

#### For the six months ended 30 June 2015

	Carrying amount RMB'000	Contractual cash flow RMB'000	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000
Bank and other borrowings	2,283,316	2,470,445	1,389,046	456,424	624,975
Corporate bonds	1,091,978	1,316,200	583,900	44,100	688,200
Trade and other payables (excluded receipts in advance)	1,813,928	1,813,928	1,695,791	118,137	—
	5,189,222	5,600,573	3,668,737	618,661	1,313,175



## 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

### 5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at 30 June 2016:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Available-for-sale financial assets				
— Equity securities	—	—	10,000	10,000
— Wealth management products	—	—	51,500	51,500
	—	—	61,500	61,500

The following table presents the Group's financial assets that are measured at fair value at 31 December 2015:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Available-for-sale financial assets				
— Equity securities	—	—	13,000	13,000

There were no changes in valuation techniques during the period.



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Fair value estimation (Continued)

##### Fair value measurements using significant unobservable inputs (Level 3)

	Available-for-sale financial assets Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Opening balance at 1 January	13,000	10,000
Acquisition of a subsidiary (Note 7)	50,500	3,000
Additions	1,000	—
Transfer to an associate (Note 14)	(3,000)	—
Closing balance at 30 June	61,500	13,000
Recognised gains for the period included in "Other income and gains — net"	—	—

#### 5.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of bank and other borrowings are as follows:

	As at	
	30 June 2016 RMB'000	31 December 2015 RMB'000
Non-current	1,018,498	903,468
Current	2,426,237	1,273,276
	3,444,735	2,176,744

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- The following assets and liabilities within the held-for-sale disposal group:
  - Cash and cash equivalents
  - Trade and other receivables
  - Trade and other payables



## 6 SEGMENT INFORMATION

The Group manages its businesses by divisions 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 segments. The operating segments with similar economic characteristics have been aggregated to form the following segments.

- Property development and investment holding: this segment develops and sells industrial parks and residential properties. It also includes the Group's other investment holding activities. Currently the Group's activities in this regard are carried out in the PRC.
- Construction contract: the revenue of this segment recognised results from the construction of a number of office and residential buildings for some of the Group's customers. These buildings are constructed based on specifically negotiated contracts with customers. Currently the Group's activities in this regard are carried out in the PRC.
- Property leasing: this segment leases office units to generate rental income and to gain from the appreciation in the properties' values in the long term. Currently the Group's investment property portfolio is located entirely in the PRC.
- Development management services: this segment provides consultation management for the projects under construction. Currently the Group's activities in this regard are carried out in the PRC.
- Business operation services: this segment provides property management and other services for the completed projects of industrial parks and residential properties. Currently the Group's activities in this regard are carried out in the PRC.



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 6 SEGMENT INFORMATION (Continued)

#### (a) Segment results

Information regarding the Group's 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 2016*

	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	508,099	70,420	37,050	3,918	161,256	780,743
Inter-segment revenue	—	59,987	1,661	—	22,353	84,001
Segment revenue	508,099	130,407	38,711	3,918	183,609	864,744
Segment profits/(losses)	54,320	(4,663)	33,040	3,784	40,860	127,341
Finance costs	(32,224)	(1,795)	—	—	(4,176)	(38,195)
Finance income	5,793	381	—	—	921	7,095
Depreciation and amortisation	(11,065)	(4,746)	—	—	(1,773)	(17,584)
Share of profits/(losses) of associates	482	(14)	—	—	(201)	267
Share of losses of joint ventures	(1,406)	—	—	—	(298)	(1,704)
Fair value gains on investment properties	—	—	85,667	—	—	85,667
Capital expenditures	43,266	17,809	—	—	2,618	63,693



## 6 SEGMENT INFORMATION (Continued)

### (a) Segment results (Continued)

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
Segment revenue	270,942	129,830	15,905	4,039	127,248	547,964
Segment profits/(losses)	51,871	(3,657)	10,601	3,327	11,046	73,188
Finance costs	(492)	(710)	—	—	—	(1,202)
Finance income	9,731	7,991	—	—	592	18,314
Depreciation and amortisation	(5,816)	(4,354)	—	—	(2,432)	(12,602)
Share of losses of associates	(1)	—	—	—	—	(1)
Share of losses of joint ventures	(6,789)	—	—	—	—	(6,789)
Fair value gains on investment properties	—	—	127,996	—	—	127,996
Capital expenditures	16,280	36	—	—	186	16,502



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 6 SEGMENT INFORMATION (Continued)

#### (b) Reconciliations of segment revenues and profit or loss

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>Revenue</b>		
Segment revenue	<b>864,744</b>	547,964
Elimination of inter-segment revenue	<b>(84,001)</b>	(119,990)
Revenue	<b>780,743</b>	427,974
<b>Profits</b>		
Segment profits derived from Group's external customers	<b>127,341</b>	73,188
Fair value gains on investment properties	<b>85,667</b>	127,996
Share of profits/(losses) of associates	<b>267</b>	(1)
Share of losses of joint ventures	<b>(1,704)</b>	(6,789)
Other income	<b>1,531</b>	1,798
Finance income	<b>7,095</b>	18,314
Finance costs	<b>(38,195)</b>	(1,202)
Depreciation and amortisation	<b>(17,584)</b>	(12,602)
Profit before income tax	<b>164,418</b>	200,702

### 7 BUSINESS COMBINATION

On 30 June 2016, the Group acquired 100% equity interest in CEC Technology, a company which is principally engaged in the development and management of electronic information technology industrial parks. Details of the acquisition are set out in Note 1. The acquisition is expected to increase the Group's market share and reduce cost through economies of scale.



## 7 BUSINESS COMBINATION (Continued)

The following table summarises the consideration for the acquisition of CEC Technology and the amounts of the identifiable assets acquired and liabilities assumed recognised at the acquisition date.

Recognised amounts of identifiable assets acquired and liabilities assumed:

	<b>30 June 2016</b> RMB'000
Purchase consideration	
— Issue of shares	769,017
Cash and cash equivalents	81,292
Property, plant and equipment	54,268
Investment properties	552,620
Land use rights	2,264
Intangible assets	6
Investments in associates	433,002
Investments in joint ventures	131,927
Available-for-sale financial assets	50,500
Deferred income tax assets	25,904
Inventories	331,887
Trade and other receivables	756,024
Trade and other payables	(99,977)
Current income tax liabilities	(55,308)
Bank and other borrowings	(1,345,320)
Deferred income tax liabilities	(53,261)
Total identifiable net assets	865,828
Non-controlling interests	(96,811)
Goodwill	—
Acquisition-related costs (included in administrative expenses in the interim consolidated statement of profit or loss for the period ended 30 June 2016)	7,682
	<b>30 June 2016</b> RMB'000
Inflow of cash to acquire the subsidiary, net of cash received	
— cash consideration	—
— cash and banks in the subsidiary acquired	81,292
Cash inflow on acquisition	81,292





## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 7 BUSINESS COMBINATION (Continued)

#### (a) Revenue and profit contribution

The acquired business contributed no revenues and net profit to the Group as the acquisition completion date was 30 June 2016. If the acquisition had occurred on 1 January 2016, consolidated revenue and consolidated profit for the six months ended 30 June 2016 would have been RMB15,996,000 and RMB34,938,000 respectively.

### 8 PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>(a) Finance income/(costs):</b>		
<b>Finance income:</b>		
Interest income	6,320	17,901
Gains on available-for-sale financial assets	775	413
Sub-total	7,095	18,314
<b>Finance costs:</b>		
Interest expenses	(111,085)	(131,724)
Capitalised interest expenses	73,373	130,544
	(37,712)	(1,180)
Net foreign exchange losses	(483)	(22)
Sub-total	(38,195)	(1,202)
<b>Net finance (costs)/income</b>	<b>(31,100)</b>	17,112



## 8 PROFIT BEFORE INCOME TAX (Continued)

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>(b) Staff costs:</b>		
Salaries, wages and other benefits	140,124	110,816
Contributions to defined contribution retirement schemes	9,104	6,922
	<b>149,228</b>	117,738
<b>(c) Other items:</b>		
Depreciation	17,200	12,273
Amortisation	384	329
Auditors' remuneration	800	500
Cost of properties sold	490,492	128,710
Cost of construction and goods sold	56,886	40,197
Rentals income from investment properties	(37,050)	(15,883)
Gains on disposal of subsidiaries (Note 1)	(128,559)	—
Operating lease charges	1,496	1,723

## 9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>Current income tax</b>		
PRC Corporate Income Tax ("CIT")	26,711	18,084
PRC Land Appreciation Tax ("LAT")	4,960	27,775
	<b>31,671</b>	45,859
<b>Deferred income tax</b>	<b>7,243</b>	32,555
	<b>38,914</b>	78,414



## 9 INCOME TAX EXPENSE (Continued)

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, 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 2015: 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 approvals from the local tax authority, the assessable profits of certain subsidiaries of the Group were calculated based on 8% to 11% of their respective gross revenues 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 rights, borrowing costs and all qualified property development expenditures.

### (iv) Withholding tax

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



## 10 DIVIDENDS

The board of directors does not recommend the distribution of any interim dividend for the six months ended 30 June 2016. However, the Board has resolved on 18 August 2016 to recommend for declaration and payment of a special dividend (the "Special Dividend") of HKD0.03 per share (equivalent to RMB0.026 per share) out of the share premium account of the Company (the "Share Premium Account"), subject to the conditions set out below:

- (a) the passing of an ordinary resolution by the shareholders of the Company at a general meeting approving the declaration and payment of the Special Dividend out of the Share Premium Account pursuant to the articles of association of the Company; and
- (b) the directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the payment of the Special Dividend, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, the Special Dividend is expected to be distributed on or before Sunday, 30 October 2016 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 30 September 2016.

## 11 EARNINGS PER SHARE

### **(a) Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB121,607,000 (six months ended 30 June 2015: RMB117,942,000). The weighted average number of ordinary shares for the six months ended 30 June 2016 is approximately 4,021,978,022 (six months ended 30 June 2015: 4,000,000,000).

### **(b) Diluted earnings per share**

There were no dilutive potential ordinary shares for the six months ended 30 June 2016 and the six months ended 30 June 2015 and therefore, diluted earnings per share equals to basic earnings per share.



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 12 PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>Beginning of the period</b>	<b>274,915</b>	278,784
Acquisition of a subsidiary (Note 7)	<b>54,268</b>	122
Transfer from completed properties held for sale	<b>22,967</b>	—
Other additions	<b>26,172</b>	16,495
Disposals	<b>(63)</b>	(480)
Depreciation	<b>(17,200)</b>	(12,273)
<b>End of the period</b>	<b>361,059</b>	282,648

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

As at 30 June 2016, certain buildings of the Group with carrying value of RMB144,000,000 were without building ownership certificate (31 December 2015: RMB127,130,000). The Group was in progress of applying for the relevant building ownership certificates.



### 13 INVESTMENT PROPERTIES

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
<b>Beginning of the period</b>	<b>1,225,700</b>	527,510
Acquisition of a subsidiary (Note 7)	<b>552,620</b>	—
Additions	<b>36,571</b>	—
Transfer from completed properties held for sale	<b>68,282</b>	34,444
Fair value gains	<b>85,667</b>	127,996
Transfer to completed properties held for sale	<b>(170,000)</b>	—
Transfer to non-current assets classified as held for sale (Note 22)	<b>(28,400)</b>	—
<b>End of the period</b>	<b>1,770,440</b>	689,950

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 2 years to 15 years.

The Group's investment properties carried at fair value were revalued as at 30 June 2016 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 2016, a total gain of RMB85,667,000 (six months ended 30 June 2015: RMB127,996,000), and deferred tax thereon of RMB21,417,000 (six months ended 30 June 2015: RMB31,999,000), were recognised in the consolidated statement of profit or loss for the period in respect of investment properties.



### 13 INVESTMENT PROPERTIES (Continued)

As at 30 June 2016, certain investment properties of the Group with carrying value of RMB643,500,000 (31 December 2015: RMB704,490,000), were without building ownership certificate. The Group was in progress of obtaining the relevant building ownership certificate.

There were no transfers of fair value measurements into or out of Level 3 during the six months ended 30 June 2016.

At the end of the reporting period, the management of the Group works with Savills to establish and determine the appropriate valuation techniques and inputs for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors.

All of the fair value measurements of the Group's investment properties were categorised into Level 3 of the fair value hierarchy. Details of fair value hierarchy classification are set out in Note 5.3. The significant level 3 inputs used by the Group mainly include term yield, reversionary yield, and market monthly rental rate.



## 14 INVESTMENTS IN ASSOCIATES

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Beginning of the period	13,215	761
Acquisition of a subsidiary (Note 7)	433,002	—
Additions	30,541	3,000
Transfer from available-for-sale financial assets (Note 5.3)	3,000	—
Share of post-tax profits/(losses) of associates	267	(1)
End of the period	480,025	3,760

List of major associates as at 30 June 2016 is as follows:

Name	Place of establishment and type of legal entity	Principal place of operation and activities	Registered and paid-in capital	Interest held
Hainan Resort Software Community Investment and Development Co., Ltd ("Hainan Investment")	PRC, limited liability company	PRC, development and management of electronic information technology industrial parks	RMB160,000,000	40.00%
Wuhan Easylinkin Technology Co., Ltd.	PRC, limited liability company	PRC, development of computer software	RMB2,645,500	31.47%





## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 14 INVESTMENTS IN ASSOCIATES (Continued)

In the opinion of the directors, Hainan Investment is a material associate to the Group. Hainan Investment is a private company and there is no quoted market price available for its shares. The financial information of Hainan Investment measured at fair value, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements, which is accounted for using the equity method, is shown as below:

	At 30 June 2016 RMB'000
Identifiable current assets and liabilities assumed	
Assets	2,549,745
Liabilities	(1,296,931)
Identifiable net current assets	1,252,814
Identifiable non-current assets and liabilities assumed	
Assets	441,570
Liabilities	(611,878)
Identifiable net non-current assets	(170,308)
Identifiable net assets	1,082,506
Identifiable net assets attributable to owners of the Company	1,082,506
Interest held by the Group	40%
Carrying amount at 30 June 2016	433,002



## 15 INVESTMENTS IN JOINT VENTURES

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Beginning of the period	<b>36,051</b>	165,249
Acquisition of a subsidiary (Note 7)	<b>131,927</b>	—
Addition	—	3,800
Partially capital reduction	—	(60,000)
Dividend received	—	(65,000)
Transfer to a subsidiary	<b>(617)</b>	—
Share of post-tax losses of joint ventures	<b>(1,704)</b>	(6,789)
End of the period	<b>165,657</b>	37,260

In the opinion of the directors, none of the joint ventures is material to the Group.



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 16 PROPERTIES UNDER DEVELOPMENT

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

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
<b>Expected to be recovered within one year</b>		
Properties under development for sale	<b>1,128,917</b>	1,110,806
<b>Expected to be recovered after more than one year</b>		
Properties held for future development for sale (Note)	<b>335,061</b>	464,524
Properties under development for sale	<b>738,606</b>	868,221
	<b>1,073,667</b>	1,332,745
	<b>2,202,584</b>	2,443,551

Note: Properties held for future development for sale is after netting off benefits from government grants of RMB17,104,000 (for the year ended 31 December 2015: RMB22,847,000) for the six months ended 30 June 2016. 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 2016 RMB'000	At 31 December 2015 RMB'000
In the PRC, with lease term of 40 years or more	<b>479,557</b>	873,403



## 17 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.

## 18 INVENTORIES AND CONTRACTING WORK-IN-PROGRESS

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Gross amounts due from customers for contract work (Note (i))	<b>137,556</b>	194,300
Work in progress	<b>11,167</b>	9,617
Finished goods	<b>8,897</b>	26,914
Raw materials	<b>2,032</b>	1,713
	<b>159,652</b>	232,544

### (i) Gross amounts due from customers for contract work

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Cost plus attributable profit less foreseeable losses	<b>316,896</b>	277,760
Progress payments received and receivable	<b>(179,340)</b>	(83,460)
Contracting work-in-progress	<b>137,556</b>	194,300
Representing: Gross amounts due from customers for contract work included in inventories and contracting work-in-progress	<b>137,556</b>	194,300



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 19 TRADE AND OTHER RECEIVABLES

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
<b>Current portion</b>		
Trade and bill receivables (Note (i))	<b>461,876</b>	345,980
Amounts due from related parties (Note 30(d))	<b>436,436</b>	1,002
Prepayments for properties held for development (Note (ii))	<b>142,770</b>	—
Prepayments for potential acquisition of certain equity interest in a property development company	—	50,000
Prepayments for construction cost and raw materials	<b>60,963</b>	57,611
Consideration receivable from share placing (Note 1)	<b>972,136</b>	—
Prepaid business tax and other taxes	<b>25,690</b>	6,026
Others	<b>280,777</b>	149,754
	<b>2,380,648</b>	610,373
<b>Non-current portion</b>		
Prepayments for acquisition of certain equity interests	<b>120,000</b>	—
Prepayments for acquisition of certain properties	<b>70,000</b>	—
	<b>190,000</b>	—
Total	<b>2,570,648</b>	610,373



## 19 TRADE AND OTHER RECEIVABLES (Continued)

Trade debtors and bills receivable are due within 3 months to 6 months from the date of billing. 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), is as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 1 month	<b>50,750</b>	189,180
1 to 3 months	<b>75,521</b>	3,685
3 to 6 months	<b>104,980</b>	5,203
Over 6 months	<b>230,625</b>	147,912
	<b>461,876</b>	345,980

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 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 to acquire property development projects and has made prepayments in accordance with the terms of contracts.



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 20 RESTRICTED CASH

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Pledged for		
— Supervision accounts for construction of pre-sale properties	74,418	—
— Commercial acceptance notes	40,146	—
— Interest-bearing loans deposits	13,295	38,257
— Mortgage deposits	11,139	4,720
— Bank acceptance notes	2,379	106,063
— Wages guarantee	1,010	1,010
— Others	537	416
Total	142,924	150,466

### 21 CASH AND CASH EQUIVALENTS

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Cash in hand	193	262
Cash at bank	1,672,637	901,102
Cash and cash equivalents	1,672,830	901,364



## 22 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the period ended 30 June 2016, the Group entered into sale agreements with certain independent third parties to dispose of certain units of its investment properties. The sales are expected to conclude and complete within one year. As at 30 June 2016, the non-current assets classified as held for sale are as follows:

**(a) Non-current assets classified as held for sale:**

	RMB'000
Investment properties	
— Cost	14,259
— Fair value change	14,141
	28,400

As at 30 June 2016, there was no pledge of non-current assets classified as held for sale.

## 23 ASSETS OF DISPOSAL GROUP HELD FOR SALE

Pursuant to the Disposals, management of the Group committed to a plan to disposal of its 70% equity interest in Technology Park and Financial Harbour. Accordingly, assets and liabilities of these companies were presented as disposal group held for sale as at 31 December 2015. On 18 January 2016, the Disposals were completed and the Group received the remaining cash consideration of RMB187,432,000. The Disposals resulted in a disposal gain of RMB128,559,000 and a decrease in non-controlling interests of RMB119,941,000.





Notes to the Interim Condensed Consolidated  
Financial Information (Continued)

**24 TRADE AND OTHER PAYABLES**

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Trade creditors and bills payable	<b>1,276,320</b>	1,224,214
Receipts in advance	<b>493,193</b>	261,785
Accrued payroll	<b>10,919</b>	20,303
Other payables and accruals	<b>259,926</b>	214,411
Amounts due to a non-controlling shareholder	—	350,000
Amounts due to related parties (Note 30(d))	<b>17,202</b>	5,000
<b>Total</b>	<b>2,057,560</b>	2,075,713

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables, based on the invoice date, is as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 1 month	<b>786,534</b>	728,182
1 to 12 months	<b>390,077</b>	314,744
Over 12 months	<b>99,709</b>	181,288
	<b>1,276,320</b>	1,224,214



## 25 CORPORATE BONDS

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
As at 1 January	<b>1,091,978</b>	1,187,264
Net proceeds from bonds issued	—	199,000
Interests and issue cost amortised	<b>42,210</b>	51,229
Interests paid	<b>(39,800)</b>	(50,100)
Principal paid	<b>(500,000)</b>	(300,000)
As at 30 June	<b>594,388</b>	1,087,393
<b>Representing:</b>		
Current portion	<b>29,400</b>	531,434
Non-current portion	<b>564,988</b>	560,544



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 26 BANK AND OTHER BORROWINGS

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
<b>Current</b>		
Secured		
— Bank borrowings	350,000	377,920
— Current portion of non-current bank borrowings	351,590	357,180
	<b>701,590</b>	735,100
Pledged		
— Current portion of non-current pledged borrowings	1,000	157,216
	<b>1,000</b>	157,216
Unsecured		
— Bank borrowings	690,000	400,000
— Loan from a shareholder (Note 30(d))	1,195,320	—
	<b>1,885,320</b>	400,000
	<b>2,587,910</b>	1,292,316

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
<b>Non-current</b>		
Secured		
— Bank borrowings	1,371,350	1,348,180
Less: Current portion of non-current bank borrowings	(351,590)	(357,180)
	<b>1,019,760</b>	991,000
Pledged		
— Other borrowings	150,000	157,216
Less: Current portion of non-current pledged borrowings	(1,000)	(157,216)
	<b>149,000</b>	—
	<b>1,168,760</b>	991,000



## 26 BANK AND OTHER BORROWINGS (Continued)

Movements in borrowings is analysed as follows:

	RMB'000
<b>Six months ended 30 June 2016</b>	
Opening amount as at 1 January 2016	2,283,316
Acquisition of a subsidiary (Note 7)	1,345,320
Proceeds from borrowings	1,195,000
Repayments of borrowings	(1,066,966)
<b>Closing amount as at 30 June 2016</b>	<b>3,756,670</b>

The bank and other borrowings bear interest ranging from 4.75% to 12.00% per annum for the six months ended 30 June 2016 (year ended 31 December 2015: from 5.22% to 12.0%).

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 2016, none of the covenants relating to drawn down facilities had been breached (2015: nil).



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 27 SHARE CAPITAL

The Company was incorporated on 15 July 2013 with authorised capital of 100,000 shares at HK\$0.10 per share. As part of the reorganisation, the authorised capital of the Company was increased to HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each.

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

	At 30 June 2016		At 31 December 2015	
	No. of Shares (‘000)	RMB’000	No. of Shares (‘000)	RMB’000
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January	<b>4,000,000</b>	<b>316,800</b>	4,000,000	316,800
Issue of new shares (Note 1)	<b>4,000,000</b>	<b>341,880</b>	—	—
At the end of the period/year	<b>8,000,000</b>	<b>658,680</b>	4,000,000	316,800

### 28 CAPITAL COMMITMENTS

	At 30 June 2016 RMB’000	At 31 December 2015 RMB’000
Contracted but not provided for	<b>271,550</b>	358,105



## 29 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 2016 RMB'000	At 31 December 2015 RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	<b>1,041,734</b>	471,823

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.

## 30 RELATED PARTY TRANSACTIONS

### (a) Name and relationship with related parties

Name of party	Relationship with the Group
CECH	Shareholder
Wuhan Mason Property Company Limited ("Wuhan Mason")	Joint venture
Guangxi Future Land	Joint venture
Hainan Investment	Associate



### 30 RELATED PARTY TRANSACTIONS (Continued)

#### (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:

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Wages, salaries and other benefits	5,634	9,072
Retirement scheme contributions	126	118
	5,760	9,190

The above remuneration to key management personnel is included in "staff costs" (Note 8(b)).

#### (c) Transactions with related parties

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Sales of materials	—	697
Business operation service	—	786
Construction contract revenue (Note)	627	156
Development management service	—	144
	627	1,783

Note:

Wuhan Lido Technology Company Limited provided construction service to Wuhan Mason.

The prices for the above sales of construction materials and service fees were determined in accordance with the terms of the underlying agreements.



### 30 RELATED PARTY TRANSACTIONS (Continued)

#### (d) Balances with related parties

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Amounts due from related parties (Note (i))		
Not trading related:		
Hainan Investment (Note (ii))	430,000	—
Guangxi Future Land	5,338	—
Wuhan Mason	1,098	1,002
	<b>436,436</b>	1,002
Amounts due to related parties (Note (i))		
Not trading related:		
Wuhan Mason	16,500	5,000
Hainan Investment	702	—
	<b>17,202</b>	5,000
Loans from CECH (Note (iii))	<b>1,195,320</b>	—

Notes:

- (i) The amounts due from/to related parties as at 30 June 2016 and 31 December 2015 were interest-free, unsecured and expected to be recovered/repaid within one year except the amount due from Hainan Investment and loan from CECH.
- (ii) The amount due from Hainan Investment is in relation to the provision of entrusted loans in the principal amount of RMB400 million for a term of two years commencing from 24 July 2014 and ending on 23 July 2016 and RMB30 million for a term of three months commencing from 1 April 2016 and ending on 1 July 2016, at an interest rate of 9% per annum by CEC Technology to Hainan Investment, with China Electronics Financial Co., Ltd. acting as the lending agent. 60% of the RMB400 million entrusted loan was secured by a share pledge granted by the shareholders holding the remaining 60% equity interest in Hainan Investment over 43.64% equity interest in Hainan Investment. The entrusted loan of RMB30 million was secured by certain buildings of Hainan Investment.
- (iii) The loan from CECH bears interest at 7% per annum, and is secured by charge over 375,118 shares of AAA Finance & Investment Limited, a wholly-owned subsidiary of the Group. The loan will mature on 31 December 2016.





## Definitions

"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 Company's substantial Shareholders
"Articles of Association"	the amended and restated articles of association of the Company
"associates" or "close associates"	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
"CEC"	China Electronics Information Industrial Parks Company Corporation* (中國電子信息產業集團有限公司), a state-owned company established under the laws of the PRC and the ultimate controlling shareholder of CECH
"CEC Technology"	China Electronics Technology Development Co., Ltd* (中國電子科技開發有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
"CECH"	China Electronics Corporation Holdings Company Limited* (中國電子集團控股有限公司), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability
"CEC Media"	CEC Media Holdings Limited, an immediate wholly-owned subsidiary of CECH
"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
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Energy Conservation Technology Park"	Wuhan Optics Valley Energy Conservation Technology Park Co., Ltd.* (武漢光谷節能科技園有限公司), a limited liability company incorporated in the PRC on 8 December 2011 and a wholly-owned subsidiary of Hubei Science & Technology Investment
"Financial Control Committee"	the financial control committee 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 the Shareholder of the Company
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangshi OVU Development”	Huangshi Optics Valley Union Development Co., Ltd.* (黃石光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 24 January 2005 and a wholly-owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
“Hubei Huisheng”	Hubei Huisheng Technology Development Co., Ltd.* (湖北匯盛科技發展有限公司), a limited liability company incorporated in the PRC on 8 December 2005 and a wholly-owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
“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
“Hubei Technology Enterprise Accelerator”	Hubei Technology Enterprise Accelerator Co., Ltd.* (湖北科技企業加速器有限公司), a limited liability company incorporated in the PRC on 18 May 2012 and an 80.0% owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
“Lidao BVI”	Lidao Investment Limited, a limited liability company incorporated in the BVI on 10 July 2013, which is wholly-owned by Mr. Huang Liping, one of the Company’s substantial Shareholders
“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



## Definitions (Continued)

“Nomination Committee”	the nomination committee of the Company
“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
“OV Financial Harbour Development”	Wuhan Optics Valley Financial Harbour Development Co., Ltd.* (武漢光谷金融港發展有限公司), a limited liability company incorporated in the PRC on 24 July 2008 and a wholly-owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
“Qianbao BVI”	Qianbao Investment Limited, a limited liability company incorporated in the BVI on 10 July 2013 and a Shareholder of the Company
“Qingdao OVU Development”	Qingdao Optics Valley Union Development Co., Ltd.* (青島光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 1 September 2011 and a wholly-owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary 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 2016 to 30 June 2016
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of our Share(s) from time to time
“Shares”	ordinary shares of HKD0.10 each in the capital of the Company
“Shenyang OVU Development”	Shenyang Optics Valley Union Development Co., Ltd.* (瀋陽光谷聯合發展有限公司), a limited liability company incorporated in the PRC on 29 May 2012 and a 95.0% owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
“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



“Wuhan East Lake High Technology”	Wuhan East Lake High Technology Group Co., Ltd.* (武漢東湖高新集團股份有限公司), a limited liability company incorporated in the PRC on 12 January 1993 and listed on the Shanghai Stock Exchange (stock code: 600133) and a connected person of the Company
“Wuhan Financial Harbour Development”	Wuhan Financial Harbour Development Co., Ltd.* (武漢金融港開發有限公司), a limited liability company incorporated in the PRC on 5 December 2011 and a wholly-owned subsidiary of Hubei Science & Technology Investment
“O2O”	Online To Offline, a linkage between online and offline business opportunities
“Wuhan Lido Property Management”	Wuhan Lido Property Management Co., Ltd.* (武漢麗島物業管理有限公司), a limited liability company incorporated in the PRC on 19 July 2000 and a wholly-owned subsidiary of Wuhan Optics Valley Union, 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 and a wholly-owned subsidiary of Wuhan Optics Valley Union, 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 Minghong”	Wuhan Minghong Technology Development Co., Ltd.* (武漢鳴鴻科技發展有限公司), a limited liability company incorporated in the PRC on 8 February 2001 and a wholly-owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company
“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 Wuhan United Real Estate, and an indirect subsidiary of the Company
“Wuhan United Real Estate”	United Real Estate (Wuhan) Co., Ltd.* (聯合置業(武漢)有限公司), a limited liability company incorporated in the PRC on 23 July 1993 and a wholly-owned subsidiary of AAA Finance & Investment Limited, and an indirect subsidiary of the Company
“Wuhan Xuefu”	Wuhan Xuefu Property Co., Ltd.* (武漢學府房地產有限公司), a limited liability company incorporated in the PRC on 29 April 1999 and a 51.0% owned subsidiary of Wuhan Optics Valley Union, and an indirect subsidiary of the Company



## Definitions (Continued)

“Hainan Investment”	Hainan Resort Software Community Investment and Development Co., Ltd.* (海南生態軟件園投資發展有限公司), a limited liability company incorporated in the PRC on 6 November 2008 and a 40% owned company of CEC Technology
“Guangxi Future Land”	Guangxi CEC Future Investment Land Co., Ltd.*(廣西中電未來投資置業有限公司), a limited liability company incorporated in the PRC on 28 December 2011 and a 49.7% owned company of CEC Technology

In this 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.