MODERN LAND (CHINA) CO., LIMITED

當代置業（中國）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1107)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2013

HIGHLIGHTS

- The Company's shares were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on July 12, 2013.
- Revenue increased by approximately 76.5% from 2012 to approximately RMB3,469.0 million.
- Gross profit increased by approximately 57.0% from the corresponding period in 2012 to approximately RMB1,370.0 million and gross profit margin is at approximately 39.5% (2012: approximately 44.4%).
- Profit for the period attributable to owners of the Company increased by approximately 12.2% to approximately RMB528.9 million. The income from the land resettlement project (Water Metre Plant Area Project) amounted to approximately RMB146.9 million in the profit for 2012. Profit for the period attributable to owners of the Company would record an increase of approximately 45.6% from 2012 if the income and respective tax expense, calculated based on 25% effective tax rate was excluded and not accounted for as other income in 2012 given its non-recurrent nature.
- Basic earnings per share was RMB38.1 cents (2012: RMB39.3 cents)
- Achieved contracted sales of approximately RMB4,365.2 million representing a period-on-period increase of approximately 54.2%.
- As at December 31, 2013, the Group recorded net cash of approximately RMB710.6 million.
- The Board resolved to declare a final dividend of HK10.8 cents per share (2012: Nil).

Annual Results

The board of directors (the "Board") of Modern Land (China) Co., Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended December 31, 2013 with the comparative figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	2013 RMB'000	2012 RMB'000
Revenue	3	**3,469,029**	1,965,226
Cost of sales		**(2,099,066)**	(1,092,415)
Gross profit		**1,369,963**	872,811
Other income, gain and loss		**8,680**	173,622
Change in fair value of held for trading investments		**–**	1,573
Fair value gain of completed properties for sale upon transfer to investment properties		**30,186**	99,154
Changes in fair value of investment properties		**46,273**	37,000
Selling and distribution expenses		**(170,797)**	(121,675)
Administrative expenses		**(204,136)**	(150,106)
Finance costs	4	**(35,570)**	(98,098)
Listing expenses		**(22,024)**	(16,518)
Profit before taxation		**1,022,575**	797,763
Income tax expense	5	**(494,230)**	(319,399)
Profit for the year		**528,345**	478,364
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of owner-occupied properties upon transfer to investment properties		**–**	1,027
Deferred tax relating to gain on revaluation of owner-occupied properties		**–**	(257)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(3,740)**	252
Other comprehensive income for the year, net of income tax		**(3,740)**	1,022
Total comprehensive income for the year		**524,605**	479,386
Profit for the year attributable to:			
Owners of the Company		**528,934**	471,488
Non-controlling interests		**(589)**	6,876
		528,345	478,364
Total comprehensive income attributable to:			
Owners of the Company		**525,194**	472,496
Non-controlling interests		**(589)**	6,890
		524,605	479,386
Earnings per share, in Renminbi cents:			
Basic	7	**38.1**	39.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2013

	Notes	2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Investment properties		**825,660**	717,000
Property, plant and equipment		**518,803**	933,078
Intangible assets		**1,229**	1,337
Prepaid lease payments		**916,137**	279,192
Freehold land held for future development		**27,742**	28,600
Available-for-sale investments		**34,336**	12,056
Deposits paid for acquisition of land use rights		**465,000**	–
Deferred tax assets		**338,488**	250,207
		3,127,395	2,221,470
CURRENT ASSETS			
Inventories		**3,350**	879
Properties under development for sale		**2,936,051**	3,570,940
Properties held for sale		**1,649,366**	1,276,697
Trade and other receivables, deposits and prepayments	8	**467,690**	446,241
Amounts due from related parties		**–**	2,305
Restricted cash		**125,930**	85,225
Bank balances and cash		**2,743,579**	787,712
		7,925,966	6,169,999
CURRENT LIABILITIES			
Trade and other payables, deposits received and accrued charges	9	**4,926,654**	4,547,405
Amounts due to related parties		**13,990**	17,144
Taxation payable		**1,453,506**	1,198,397
Bank and other borrowings – due within one year		**256,910**	109,000
		6,651,060	5,871,946
NET CURRENT ASSETS		**1,274,906**	298,053
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,402,301**	2,519,523
CAPITAL AND RESERVES			
Share capital		**98,610**	342
Reserves		**2,373,702**	1,501,137
Equity attributable to owners of the Company		**2,472,312**	1,501,479
Non-controlling interests		**(1,319)**	(730)
TOTAL EQUITY		**2,470,993**	1,500,749
NON-CURRENT LIABILITIES			
Bank and other borrowings – due after one year		**997,200**	1,000,900
Senior notes		**904,753**	–
Deferred tax liabilities		**29,355**	17,874
		1,931,308	1,018,774
		4,402,301	2,519,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands on June 28, 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its parent and ultimate holding company is Super Land Holdings Limited ("Super Land"), a company incorporated in the BVI. The registered office of the Company is located at Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands, and its principal place of business is located at No. 1, Xiangheyuan Road, Dongcheng District, Beijing, People's Republic of China ("PRC").

In preparation for the listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing"), the Company underwent a group reorganisation (the "Reorganisation"), further details of which are set out in the Company's prospectus dated June 28, 2013. The Company's shares have been listed on the Stock Exchange since July 12, 2013.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in property development, project management consulting, and construction project management, provision of club services, technology development and consulting.

The consolidated financial statements are presented in Renminbi ("RMB"), the currency of the primary economic environment in which the group entities operate (the functional currency of group entities).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has applied for the first time in the current year the following new and revised International Financial Reporting Standards ("IFRSs") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board.

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 13	Fair Value Measurement
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IFRSs	Annual Improvements to IFRSs 2009 – 2011 Cycle
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the above new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

Amendments to "IAS 1 Presentation of items of other comprehensive income"

The amendments to IAS 1 "Presentation of items of other comprehensive income" introduce new terminology for the statement of comprehensive income. Under the amendments to IAS 1, the Group's "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit of loss, other comprehensive income and total comprehensive income.

IFRS 10 "Consolidated financial statements"

IFRS 10 replaces the parts of IAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and SIC – Int 12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

The directors of the Company (the "Directors") made an assessment as at the date of initial application of IFRS10 as to whether or not the Group has control over the investees in accordance with the new definition of control and the related guidance set out in IFRS10, and concluded that the application of IFRS10 does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at January 1, 2013.

IFRS 13 "Fair value measurement"

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 "Share based Payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g.net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application. In accordance with the transitional provisions of IFRS 13, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

New and revised IFRSs in issue but not yet effective

The following new and revised standards and amendments have been issued which are not yet effective:

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[5]
Amendments to IAS 36	Recoverable Amounts Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[2]
IFRS 9	Financial Instruments[3]
IFRS 14	Regulatory Deferral Accounts[5]
IFRIC 21	Levies[1]

1 Effective for annual periods beginning on or after January 1, 2014
2 Effective for annual periods beginning on or after July 1, 2014
3 Available for application – the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised
4 Effective for annual periods beginning on or after July 1, 2014, with limited exceptions
5 Effective for first annual IFRS financial statements beginning on or after January 1, 2016

The Directors anticipate that the application of the above new or revised IFRSs have been issued but are not yet effective will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing on (a) property development, (b) property investment and (c) hotel operation which commenced operation in second half of 2013. These operating segments have been identified on the basis of internal management reports reviewed by chief decision maker of the Group. The chief operating decision maker mainly reviews revenue from sales of properties from property development, leasing properties from property investment and hotel operation from hotel operation report which are measured in accordance with accounting policies similar to those of IFRS. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective type of revenue. The chief operating decision maker, Mr. Zhong Tianxiang, who is the Chief Executive Officer of the Group, reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no analysis of this single reportable and operating segment is presented.

Turnover represents the fair value of the consideration received or receivable for goods sold and services provided to customers during the year.

An analysis of the Group's turnover by type is as follow:

	2013	2012
	RMB'000	*RMB'000*
Sale of properties	**3,427,613**	1,945,557
Leasing of properties	**34,560**	19,669
Hotel operation	**6,856**	–
	3,469,029	1,965,226

Non-current assets (excluding financial instruments and deferred tax assets) with carrying amount of RMB2,726,541,000 (2012: RMB1,930,390,000) as at December 31, 2013 are situated in the PRC, the remaining non-current assets with carrying amount of RMB28,030,000 (2012: RMB28,817,000) as at December 31, 2013 are situated in the United States ("US").

4. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on bank and other borrowings		
– wholly repayable within five years	**(83,874)**	(193,640)
– not wholly repayable within five years	**(14,072)**	(15,880)
– interest expense on senior notes	**(20,425)**	–
	(118,371)	(209,520)
Less: Amount capitalised in properties under development	**82,801**	111,422
	(35,570)	(98,098)

5. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
Current Tax		
PRC enterprise income tax	**(284,774)**	(174,603)
Hong Kong profits tax	**–**	(276)
US corporate tax	**–**	(2)
Land appreciation tax ("LAT")	**(273,564)**	(198,257)
Over provision in prior year		
Hong Kong profits tax	**6**	–
Deferred tax		
PRC enterprise income tax	**65,218**	61,261
LAT	**(1,116)**	(7,522)
Income tax expense	**(494,230)**	(319,399)

Pursuant to the PRC Enterprise Income Tax Law promulgated on March 16, 2007, the PRC enterprise income tax for both domestic and foreign-invested enterprises has been unified at the enterprise income tax rate of 25% effective from January 1, 2008 onwards.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Pursuant to the rules and regulation of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income in the BVI and the Cayman Islands.

No provision for Hong Kong profits tax has been made as the companies comprising the Group neither arises in, nor is derived from, Hong Kong for the year ended December 31, 2013. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the year ended December 31, 2012.

Pursuant to the US Federal tax law, the US corporate tax shall be taxed at progressive rates ranging from 15% to 35%. US corporate tax is provided at federal statutory rate of 15% based on the estimated assessable profits during the year ended December 31, 2012. No provision for US corporate income tax has been made as the companies comprising the Group have no assessable income during the year ended December 31, 2013.

6. DIVIDENDS

The Company has paid an interim dividend of HK$1.5 cents, amounting to HK$24,000,000 in aggregate (2012: Nil).

Proposed final dividend – HK10.8 cents

The proposed final dividend for the year 2013 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year ended December 31, 2013 is based on the profit for the year attributable to equity owners of the Company of approximately RMB528,934,000 (2012: RMB471,488,000) and the weighted average number of ordinary shares in issue during the year ended December 31, 2013 of 1,389,589,000 (2012: 1,200,000,000) on the assumption that the reorganisation and the capitalisation had been completed on January 1, 2012.

No adjustment has been made to the basic earnings per share amount presented for the years ended December 31, 2013 and 2012 as the Group had no potentially dilutive ordinary shares in issue during both years.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables comprise of overdue rental receivables. Pursuant to the lease agreements, rental payment is required to be settled in advance with no credit period being granted to the tenants. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 45 days from the agreement date.

	2013	2012
	RMB'000	*RMB'000*
Trade receivables, net of allowance	**15,892**	15,133
Advances to suppliers of construction materials	**65,262**	81,167
Other receivables, net of allowance	**77,205**	55,367
Prepaid LAT and business tax	**304,556**	260,782
Compensation for Water Metre Plant area project *(note a)*	**–**	28,693
Guarantee deposits for housing provident fund loans provided to customers *(note b)*	**4,775**	5,099
	467,690	446,241

Notes:

(a) Balance as at December 31, 2012 represented the compensation in relation to resettlement of Water Metre Plant area project. During the year ended December 31, 2013, the compensation was fully settled.

(b) Guarantee deposits for housing provident fund loans provided to customers represent amounts placed with Housing Provident Fund Management Center, a state-owned organisation responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers and will be refunded to the Group upon customers obtaining the property individual ownership certificate.

The following is an aged analysis of trade receivables based on due date for rental receivables, which approximated the respective revenue recognition dates, at the end of each of the reporting period:

	2013	2012
	RMB'000	*RMB'000*
Less than 1 year	**15,892**	15,133

All of the above trade receivables are overdue rental receivables but not impaired at the end of the reporting period. The Group does not hold any collateral over these balances.

Movements in the allowance for doubtful debts on trade receivables are set out as follows:

	2013	2012
	RMB'000	*RMB'000*
At the beginning of the year	**8,045**	8,034
Provided during the year	**–**	11
At the end of the year	**8,045**	8,045

Movements in the allowance for doubtful debts on other receivables are set out as follows:

	2013	2012
	RMB'000	*RMB'000*
At the beginning of the year	**14,190**	14,190
Provided during the year	**610**	–
At the end of the year	**14,800**	14,190

9. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	2013	2012
	RMB'000	*RMB'000*
Trade payables	**338,660**	449,589
Accrued expenditure on construction	**581,338**	409,674
Other payables	**163,078**	326,820
Other tax payables	**216,281**	183,365
Accrued payroll	**48,807**	23,466
Deposits received and receipt in advance from property sales	**3,570,342**	3,143,215
Other accrued charges	**7,878**	11,276
Dividend payable	**270**	–
	4,926,654	4,547,405

Trade payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe, if any.

The following is an aged analysis of trade payables based on invoice date at the end of reporting period:

	2013	2012
	RMB'000	*RMB'000*
Less than 1 year	**220,248**	330,793
1-2 years	**51,598**	86,108
2-3 years	**47,245**	18,949
Over 3 years	**19,569**	13,739
	338,660	449,589

10. CONTINGENT LIABILITIES

In the opinion of the Directors, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the possibility of the default of the parties involved is remote, accordingly, no value has been recognised at the inception of the guarantee contracts and as at December 31, 2013 and December 31, 2012. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the buyer obtained the individual property ownership certificate.

The amounts of the outstanding guarantees at the end of the reporting period are as follows:

	2013	2012
	RMB'000	*RMB'000*
Mortgage guarantees	**2,128,391**	1,434,739

In February 2013, Modern Green Development and Shanxi Modern Green Development Co., Ltd. are involved in arbitration proceedings with two management firms (the "Hotel Management Group") specialising in the management of hotel residences and serviced apartments in relation to management services of the Group's planned serviced apartments. The Hotel Management Group claimed its loss of profits under the agreement entered with the Group, the management of the Company has re-assessed the likelihood of the claimed payment by the Hotel Management Group as at December 31, 2013 and is of the view that full payment of claims of the Hotel Management Group in the arbitration would be largely unsupported according to principles of PRC laws, with reference to the legal opinion from its lawyer. Accordingly, the management of the Group considered that the ultimate outcome of this legal proceeding will not have a material adverse effect on the financial position of the Group.

CHAIRMAN'S STATEMENT

2013 is a significant and strategically meaningful year for the development of the Group. The successful listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on July 12, 2013 was a milestone in the development of the Group. The Company successfully completed the issue of US$150 million senior notes in the bond market in three months after its listing, showing the recognition of the international capital market for the Company as a dedicated pioneer in the comfortable and energy-saving property development market.

The results of the Group significantly improved in 2013. The Group recorded contracted sales of approximately RMB4,365.2 million, including contracted property and car parking spaces sales of approximately RMB4,139.2 million and RMB226.0 million, respectively. The contracted property sales area was approximately 368,412 square meters (sq.m.), and the average selling price was approximately RMB11,235.2 per sq.m. The contracted car parking spaces sales were 1,724 and the average selling price was approximately RMB131,094.5 per car parking space. The contracted sales increased by approximately 54.2% while the increase in the contracted sales area and the average selling price were approximately 14.1% and approximately 36.6%, respectively as compared to 2012.

In view of the above, the Group successfully achieved its development target of over 50% growth in terms of contracted sales in 2013.

The Group has been committed to be a socially responsible company since its establishment in 2000 in Beijing with a belief in providing customers with green+comfortable+energy-saving+full-life-cycle residential communities. The Group is engaged in construction of green, comfortable and low-carbon communities. As of December 31, 2013, Modern Green Development Co., Ltd. ("Modern Green Development") and its subsidiaries held a total of 41 patents, and the application of 8 other patents was being examined. In 2013, both Nanchang Man Ting Chun MOMΛ and Modern MOMΛ passed China Green Building Three-Star Certification. Up to now, the Group is the only group of companies that has passed the top certification for green building in China – China Green Building Three-Star Certification twice. This tremendous recognition of our core competitiveness from the certificating institution further solidified our confidence in the cultivation in this niche market.

In 2013, the Group acquired a total of five parcels of land in Nanchang, Jiangxi Province, Wuhan, Hubei Province, Beijing and Jiujiang (of which two parcels of land located in Nanchang). The Group always responds to regional difference with its own technologies based on local climate conditions and local social and economic conditions. By providing regions south to the Yangtze River, where the temperature difference was large in different seasons, with effective solutions to the humid and cold winter with significantly lower energy consumption and meeting increasing market and customer demand for green property in regions north to the Yangtze River, where the air pollution was aggravating, the Group has been exploring new operations proactively. Since operating only in Beijing at the beginning, at present, the Group has successfully expanded its operations into Shanxi Province, Hunan Province, Hubei Province and Jiangxi Province. Looking forward, in addition to actively developing its existing businesses in these regions, the Group will devote efforts to expand its operations into other regions. Before deciding to enter into new regions, the Group will, depending on the market conditions, geographic locations and climate factors, select the most suitable products or portfolios among three product lines: Wan Guo Cheng MOMΛ, Shang Pin Ge MOMΛ and Man Ting Chun MOMΛ, to meet the ongoing demands for full life circle industrialised community development by the markets of these regions. From a long term perspective, the Group seeks to invest its resources in the first, second and third tier cities at the same time, so as to ease the impact of the national real estate austerity policies and the real estate market conditions on the Group.

Real estate for the seniors is of importance to the Group, in the way that it will enable the Group's products to make better use of the core competitiveness of sustainable development + full life cycle residence. In 2013, the Group commenced a real estate project for the senior in Pearland, Texas, the U.S. The Chinese name of the project is 美國當代綠色常青藤MOMC廣場 (休斯頓) while its English name is America Modern Green Senior Garden MOMC (Houston). The total site area of the project was 48.47 acres (or 2,111,404 square feet or approximately 196,156 sq.m.), with floor area ratio of 1 and floor area of 2,111,404 square feet (excluding car parking spaces). The project will be developed in 6 phases. It is expected that all units will be occupied by 2019. The project comprised apartments, apartment hotels, offices, trading center, ancillary facilities and residential units all specialised for the seniors. Looking forward, the real estate market will face two major challenging issues: sustainable development and ageing of population. Therefore, real estate for the seniors should not be ignored in the real estate market in the future. The Group believes that when the real estate for the senior attracts more market's attention, the Group will become the leading real estate developer in that area.

On behalf of the Board, I would like to extend sincere thanks to our shareholders for their unwavering support and trust, and the Group would like to express its deepest gratitude to the Board, the management team and all staff of the Group for their dedication and diligence!

Zhang Lei
Chairman

March 24, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The revenue of the Group mainly generates from sale of properties and leasing of properties.

Sale of Properties

For the year ended December 31, 2013, the Group's revenue from sale of properties amounted to RMB3,427.6 million, representing an increase of 76.2% as compared to 2012. The Group delivered 367,098 sq.m. of property in terms of total gross floor area ("GFA") and 1,033 units of carparks in 2013. Gross profit margin of sale of properties amounted to 39.5%, a slight decrease from the level in 2012. Recognised average selling price ("ASP") was RMB8,950.0 per sq.m. and that for car parking spaces was RMB137,594.4 per unit for the year ended December 31, 2013.

Table 1: Breakdown of revenue from sale of properties of the Group

* *After deducting sales tax*

Revenue by project	**Revenue** *RMB'000*	**2013 Total saleable GFA or units delivered** *sq.m.*	**ASP** *RMB'000 per sq.m*	Revenue *RMB'000*	2012 Total saleable GFA or units delivered *sq.m.*	ASP *RMB'000 per sq.m*
Wan Guo Cheng MOMΛ (Taiyuan)	**837,691**	**60,791**	**14**	572,164	53,153	11
Nanchang Man Ting Chun MOMΛ	**661,172**	**104,900**	**6**	99,039	16,248	6
Modern MOMΛ	**629,719**	**12,041**	**52**	346,150	8,296	42
Jiujiang Man Ting Chun MOMΛ	**472,190**	**88,709**	**5**	–	–	–
MOMΛ Forest Forever	**229,064**	**8,770**	**26**	106,751	4,396	24
Changsha Man Ting Chun MOMΛ	**196,670**	**38,704**	**5**	432,153	84,381	5
Xiantao Man Ting Chun MOMΛ	**126,162**	**38,608**	**3**	–	–	–
Wan Guo Cheng MOMΛ (Changsha)	**87,981**	**13,289**	**7**	73,777	11,516	6
Wan Guo Cheng MOMΛ	**39,888**	**1,003**	**40**	64,120	2,248	29
YMOMΛ	**3,488**	**197**	**18**	22,547	1,062	21
iMOMΛ	**1,453**	**86**	**17**	11,747	514	23
Shangdi MOMΛ	**–**	**–**	**–**	8,395	272	31
	3,285,478	**367,098**	**9**	1,736,843	182,086	10
Car park	**142,135**	**1,033 units**	**138/unit**	208,714	1,113 units	188/unit
Total	**3,427,613**			1,945,557		

Contracted Sales

For the year ended December 31, 2013, the Group achieved contracted sales of RMB4,365.2 million, representing an increase of 54.2% as compared to 2012. The Group sold 368,412 sq.m. in total GFA and 1,724 units of carparks, representing an increase of 14.1% and 62.2% respectively over the year ended December 31, 2012.

Table 2: Breakdown of contracted sales of the Group

* *Before deducting sales tax*

	Contracted Sales *RMB'000*	**2013 GFA or Unit** *sq.m.*	**ASP** *RMB'000*	Contracted Sales *RMB'000*	2012 GFA or Unit *sq.m.*	ASP *RMB'000*
Modern MOMΛ	**1,145,392**	**18,413**	**62**	525,703	11,612	45
Wan Guo Cheng MOMΛ (Taiyuan)	**1,118,781**	**81,338**	**14**	402,008	31,174	13
Changsha Kaifu Man Ting Chun MOMΛ	**974,901**	**151,390**	**6**	374,506	63,428	6
Jiujiang Man Ting Chun MOMΛ	**246,775**	**42,885**	**6**	399,595	74,843	5
MOMΛ Forest Forever	**229,274**	**7,681**	**30**	82,663	3,221	26
Nanchang Man Ting Chun MOMΛ	**128,859**	**17,514**	**7**	678,448	101,304	7
Xiantao Man Ting Chun MOMΛ	**120,606**	**34,810**	**3**	92,402	26,977	3
Shang Pin Ge MOMΛ (Changsha)	**68,416**	**7,741**	**9**	–	–	–
Modern City Garden	**65,000**	**4,626**	**14**	–	–	–
iMOMΛ	**29,300**	**977**	**30**	15,177	754	20
Wan Guo Cheng MOMΛ (Changsha)	**11,182**	**897**	**12**	43,268	4,987	9
Changsha Man Ting Chun MOMΛ	**695**	**140**	**5**	20,655	3,658	6
YMOMΛ	**–**	**–**	**–**	20,503	896	23
	4,139,181	**368,412**	**11**	2,654,928	322,854	8
Car park	**226,007**	**1,724 units**	**131**	176,372	1,063 units	166
	4,365,188			2,831,300		

Leasing of Properties

For the year ended December 31, 2013, the Group's revenue from leasing of investment properties amounted to RMB34.6 million, representing an increase of 75.7% as compared to the year ended December 31, 2012. As at December 31, 2013, the Group owned investment properties of 47,702 sq.m., with an overall occupancy rate of 89.3%.

Status of U.S. Business

As of the date hereof, the Group's project located in Pearland, Texas, the U.S. is still at the early stage of planning, and the project company is actively engaged in exchange and communication with the government in respect of America Modern Green Senior Garden MOMC (Houston). It is expected that the construction of the project will commenced in 2014. If the Group commences the property development in the U.S. prior to June 30, 2014, an announcement in relation to updates thereof will be issued.

Land Bank

As at December 31, 2013, the Group's total land bank in the PRC (excluding investment properties and properties held for own use) was 2,796,835 sq.m. The average unit acquisition cost of its land bank was RMB1,588 per sq.m., accounting for approximately 14.1% of unit price of current contracted sales.

The geographic spread of the land bank of the Group was as follows:

Table 3: Land bank of the Group

Land bank in China Project name	City	Attributable interest to the Group	Total GFA unsold as at December 31, 2013	Contracted as at December 31, 2013
Xiantao Man Ting Chun MOMΛ	Xiantao	100%	814,540	22,490
Changsha Kaifu Man Ting Chun MOMΛ	Changsha	100%	540,685	216,444
Changsha Man Ting Chun MOMΛ	Changsha	100%	35,445	4,066
Wan Guo Cheng MOMΛ (Taiyuan)	Taiyuan	100%	335,859	82,026
Wuhan Man Ting Chun MOMΛ	Wuhan	100%	283,100	–
Nanchang Man Ting Chun MOMΛ (International)	Nanchang	100%	207,084	–
Jiujiang Man Ting Chun MOMΛ	Jiujiang	100%	174,754	47,655
Parcel in Caiyu County, Daxing District, Beijing	Beijing	100%	152,400	–
Nanchang Man Ting Chun MOMΛ (Hongwan)	Nanchang	100%	90,432	–
Nanchang Man Ting Chun MOMΛ	Nanchang	100%	66,913	25,267
Modern MOMΛ	Beijing	100%	34,412	7,881
Wan Guo Cheng MOMΛ (Changsha)	Changsha	100%	29,131	5,810
MOMΛ Forest Forever	Beijing	100%	14,338	2,322
Modern City Garden	Beijing	100%	9,437	–
Shangdi MOMΛ	Beijing	100%	4,460	1,918
iMOMΛ	Beijing	100%	1,262	–
YMOMΛ	Beijing	100%	2,139	1,114
Wan Guo Cheng MOMΛ	Beijing	100%	444	121
			2,796,835	**417,114**

* *Note:* Total GFA unsold includes aggregated GFA sold but undelivered with sales contracts.

The Group wholly owns a parcel of land with a site area of approximately 196,156 sq.m. located in Pearland, Texas, the U.S. for future development. So far, this parcel of land is still at the early stage of planning, and the estimated GFA data has not been determined accurately.

For the year ended December 31, 2013, the Group acquired 5 parcels of land, the information of which is as follows:

As disclosed in the prospectus (the "Prospectus") issued by the Company on June 28, 2013 in connection with the initial public offering of its shares in Hong Kong, the Group was applying to obtain the land use rights of a piece of land with a site area of approximately 25,004 sq.m. for further development of its Jiujiang Man Ting Chun MOMΛ Project. The Group fully paid relevant land grant premium of the abovementioned parcels of land of approximately RMB20.3 million in June 2013, and also obtained such land and relevant State-owned Land Use Rights Certificates on July 15, 2013. The Group estimates that the total GFA of this land will be 86,141 sq.m.

On August 14, 2013, the Group successfully acquired the land use rights and its entire interest of two parcels of land located in Xinjian county, Nanchang city, Jiangxi Province through an online auction of land use rights of state-owned construction land in Nanchang city. The aggregated considerations were RMB287 million and RMB704 million, respectively. The Group has estimated that the total GFA of such two parcels of land will be approximately 78,000 sq.m. and 175,000 sq.m., respectively. The land grant premium of the above mentioned parcels of land will be financed by the Group's internal resources.

On October 31, 2013, the Group successfully acquired the land use right and its entire interest of a parcel of land located in Donghu Development Zone (東湖開發區), Wuhan, Hubei through an online auction of land use rights of state-owned construction land in Wuhan city. The aggregated consideration was RMB789 million. The Group has estimated that the total GFA of such parcel of land will be approximately 235,000 sq.m.. The land grant premium of the above mentioned parcel of land will be financed by the Group's internal resources.

On December 24, 2013, the Group acquired the State-owned construction land use right over a parcel of class 2 residential land DX10-0001-6006 at Caiyu Town, Daxing District, Beijing, PRC through bidding of State-owned land use right organised by Beijing Municipal Bureau of Land and Resources at a cost of RMB685 million. The Group has expected that such parcel has a GFA of 150,199 sq.m. The land grant premium of the above mentioned parcel of land will be financed by the Group's internal resources.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 76.5% to approximately RMB3,469.0 million for the year ended December 31, 2013 from approximately RMB1,965.2 million for the year ended December 31, 2012. Such increase was mainly attributable to sales revenue from the projects, such as Modern MOMΛ, Wan Guo Cheng MOMΛ (Taiyuan), Nanchang Man Ting Chun MOMΛ and Jiujiang Man Ting Chun MOMΛ. The property related delivered GFA of the Group increased from approximately 182,086 sq.m. for the year ended December 31, 2012 to approximately 367,098 sq.m. for the year ended December 31, 2013.

Cost of Sales

The Group's cost of sales increased by approximately 92.1% to RMB2,099.0 million in 2013 from 2012. Such increase was mainly due to an increase in sales area with higher cost of sales in 2013.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, the Group's gross profit increased by approximately 57.0% to RMB1,370.0 million in 2013 from 2012 and the Group's gross profit margin in 2013 was 39.5%, which decreased by approximately 4.9 percentage points as compared to 2012.

OTHER INCOME, GAINS AND LOSS

Other income, gains and loss for the year ended December 31, 2013 decreased by approximately 95.0% to approximately RMB8.7 million from approximately RMB173.6 million for the year ended December 31, 2012. This decrease was primarily due to the recognition of resettlement compensation with respect to the Water Metre Plant Area Project (details of which are set out in the Prospectus) of approximately RMB146.9 million for the year ended December 31, 2012.

CHANGE OF FAIR VALUES

Change of fair value includes change in fair value of held for trading investment, fair value gain of completed properties for sale upon transfer to investment properties and changes in fair value of investment properties. The changes in fair values for the year ended December 31, 2013 dropped from RMB137.7 million in 2012 to RMB76.5 million, representing a decrease of approximately 44.5%, which was mainly attributable to a decrease in fair value gain of completed properties for sale upon their transfer to investment properties.

SELLING AND DISTRIBUTION EXPENSES

The selling and distribution expenses of the Group for the year ended December 31, 2013 increased by approximately 40.4% to approximately RMB170.8 million from approximately RMB121.7 million for the year ended December 31, 2012, primarily due to a substantial increase in the pre-sales volume of the Group's properties in 2013, resulting in corresponding increase in the related selling and distribution expenses.

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group for the year ended December 31, 2013 increased by approximately 36.0% to approximately RMB204.1 million from approximately RMB150.1 million for the year ended December 31, 2012, primarily due to the increase of day-to-day management expenses arising from commencement of various projects at the same time.

FINANCE COSTS

The finance costs of the Group amounted to approximately RMB35.6 million for the year ended December 31, 2013, representing a significant decrease of approximately 63.7% from approximately RMB98.1 million for the year ended December 31, 2012. This decrease was primarily attributable to a significant decrease in average balances of other loans for the twelve months of 2013 as compared to the same period of 2012.

PROFIT BEFORE TAXATION

The profit before taxation of the Group for the year ended December 31, 2013 increased by approximately 28.2% to approximately RMB1,022.6 million from approximately RMB797.8 million for the year ended December 31, 2012 for the above reasons.

INCOME TAX EXPENSE

The income tax expense of the Group for the year ended December 31, 2013 increased by approximately 54.7% to approximately RMB494.2 million from approximately RMB319.4 million for the year ended December 31, 2012, primarily due to an increase in revenue.

PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

As a result of the foregoing, the profit of the Group for the period attributable to owners of the Company for the year ended December 31, 2013 increased by approximately 12.2% to approximately RMB528.9 million from approximately RMB471.5 million for the year ended December 31, 2012. The income from the land resettlement project (Water Metre Plant Area Project) amounted to approximately RMB146.9 million in the profit for 2012. Profit for the period attributable to owners of the Company would record an increase of approximately 45.6% from 2012 if the income and respective tax expenses, calculated based on 25% effective tax rate, was excluded and not accounted for as other income in 2012 given its non-recurrent nature.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at December 31, 2013, the Group had cash, restricted cash and bank balances of approximately RMB2,869.5 million (December 31, 2012: RMB872.9 million), representing an increase of approximately 228.7% as compared with that as at December 31, 2012. Of which, as at December 31, 2013, some of the Group's cash was deposited with certain banks as guarantee deposits for mortgage financing loans granted to purchasers of the Group's properties. As at December 31, 2013, the above guarantee deposits amounted to approximately RMB112.4 million in total.

Borrowings and pledge of the Group's assets

As at December 31, 2013, the Group had total borrowings of approximately RMB2,158.9 million, including bank and other loans of approximately RMB1,254.1 million and senior notes of approximately RMB904.8 million (senior debt included). As at December 31, 2013, certain banking and other facilities granted to the Group were secured by the Group's assets, such as investment properties, prepaid lease payment, properties under development, properties held for sale, property, plant and equipment, which had a carrying amount of approximately RMB1,800.3 million. Majority of the carrying value of all the Group's bank loans was denominated in RMB. Domestic bank loans of the Group bore interests at variable rates pegged with the benchmark loan interest rates quoted by the People's Bank of China. The Group was exposed to interest rate risk which mainly related to variable interest rates of the domestic bank loans.

Breakdown of indebtedness

By type of borrowings and maturity

	December 31, 2013	December 31, 2012
	RMB'000	*RMB'000*
Onshore bank loans		
Within one year	**237,400**	109,000
Over one year and within two years	**437,200**	351,900
Over two years and within three years	**20,000**	179,000
Over three years and within four years	**20,000**	20,000
Over four years and within five years	**20,000**	20,000
Over five years	**110,000**	130,000
Subtotal	**844,600**	809,900
Onshore trust and other loans		
Over one year and within two years	**390,000**	300,000
Offshore bank loans		
Within one year	**19,510**	–
Offshore senior notes		
Over four years and within five years	**904,753**	–
TOTAL	**2,158,863**	1,109,900

By currency denomination

	December 31, 2013 *RMB'000*	December 31, 2012 *RMB'000*
By type of borrowings and maturity		
– Denominated in RMB	**1,234,600**	1,109,900
– Denominated in USD	**924,263**	–
	2,158,863	1,109,900

Leverage

As at December 31, 2013, the Group recorded net cash of approximately RMB710.6 million. The Group's net current assets (being current assets less current liabilities) increased by approximately 327.7% to approximately RMB1,274.9 million as at December 31, 2013 from approximately RMB298.1 million as at December 31, 2012. Its current ratio (being current assets/current liabilities) increased from approximately 105.1% as at December 31, 2012 to approximately 119.2% as at December 31, 2013.

Foreign Currency Risk

The Group's functional currency is RMB. Most of the transactions are denominated in RMB. Transactions of the Group's foreign operations (such as the purchase of land held for future development) and certain expenses incurred are denominated in foreign currencies. As at December 31, 2013, the Group had assets which are denominated in US dollars and HK dollars of approximately RMB279.9 million and approximately RMB32.0 million, respectively and liabilities which are denominated in US dollars of approximately RMB934.0 million. Those amounts were exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy in place but the management will monitor foreign exchange exposure and will consider to hedge against any significant foreign currency exposure when necessary.

Contingent Liabilities

As at December 31, 2013, the Group had contingent liabilities amounting to approximately RMB2,128.4 million (December 31, 2012: approximately RMB1,434.7 million) in relation to guarantees provided to the domestic banks for their mortgage bank loans granted to the Group's customer. Under the terms of the guarantees, if a purchaser has defaulted on mortgage payments, the Group will be liable for the payment of outstanding mortgage principals plus accrued interest and penalties as owed by the defaulted purchasers to banks, and, in such circumstances, the Group will be entitled to take over the legal title and ownership of the relevant property. These guarantees will be released upon the earlier of: (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgaged property and cancellation of mortgage registration.

MATERIAL INVESTMENT ACQUISITION AND DISPOSAL OF ASSETS

During the Period, the Group had no material acquisition and disposal of assets, save the disposal of its entire interests in Beijing Modern MOMΛ Investment Management Co., Ltd. and Suizhong Xian Changlong Property Development Co., Ltd. as disclosed in detail in the Prospectus.

PROSPECT

Looking forward, the Chinese government will continue to implement its stringent macro-control policies over the real estate sector as a normal practice in 2014. The purchase restriction policy will be still in place for major cities to suppress speculative real estate investments, and ensure the consumers with low purchasing power is provided with affordable housing. With its policy of letting the market play a decisive role in resource allocation, combined with development in the integration of urban and rural construction land, and the accelerated real estate tax legislation and implementation, the Chinese government will gradually shift its regulation and control from administration orientation to market orientation in the long run. Later on when there are more tightening policies, consumers will change from speculating/investment to solely residential purpose. The land supply for affordable housing, economic housing and owner occupation will constitute a larger part in the market. The advance of urbanisation will bring about a new round of housing demand in the second and third-tier cities, which are going to safeguard stable and healthy development of the real estate sector.

EMPLOYEES AND COMPENSATION POLICY

As at December 31, 2013, the Group had 725 employees (December 31, 2012: 495). Employee's remuneration is determined based on the employee's performance, skills, knowledge, experience and market trends. The Group regularly reviews compensation policies and programs, and will make any necessary adjustment in order to be in line with the remuneration levels in the industry norm. In addition to basic salaries, employees may be granted with discretionary bonus and cash awards based on individual performance.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

(a) On January 15, 2014, the Company entered into a purchase agreement in connection with the issue of RMB1,100,000,000 of 11% senior notes due 2017. The estimated net proceeds of the notes issue, after deduction of underwriting commissions, amounted to approximately RMB1,080,000,000 and the Company intended to use the net proceeds from the notes issue to fund existing and new property projects (including development costs and land acquisition costs) and for general corporate purposes.

(b) Pursuant to the agreement dated December 8, 2013 entered into between Modern Green Development and Modern Construction Investment Management Co., Ltd., a company controlled by Mr. Zhang Lei, Modern Green Development agreed to purchase the entire equity interest in Modern Moma which held 60% equity interest in Suizhong Changlong in consideration amounted to approximately RMB137,420,000, being the equity interest of RMB10,000,000 and the outstanding shareholder loan in aggregate of approximately RMB127,420,000. The principal activities of Suizhong Changlong is property development. The transaction was completed in January 2014. Details of the acquisition are set out in the Company's circular dated January 9, 2014.

    The Group is in the process of assessing the fair value of the identified assets and liabilities of the acquiree, therefore the financial effect of the acquisition is not presented.

(c) Pursuant to the agreement dated March 18, 2014 entered into between the Group and AVIC Trust Co., Ltd., the Group agreed to dispose 35% and 35% equity in Nanchang Moma Real Estate Co., Ltd. and Nanchang Xinjian Modern Real Estate Development Co., Ltd. respectively. The transaction was completed in March 2014. Details of the aforesaid disposals are set out in the Company's announcement dated March 18, 2014.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company raised net proceeds of approximately HK$545.4 million (based on HK$1.49 per Offer Share less underwriting fee and comissions and other relevant expenses, equivalent to approximately RMB457.2 million) in aggregate under its initial public offering at the Stock Exchange in July 2013. During the Relevant Period, approximately RMB400,000,000 of such amount was used to acquire a parcel of land at Nanchang as proposed in the section headed "Use of Proceeds" of the prospectus (detailed information is set out in the voluntary announcement of the Company dated August 14, 2013). Included in the total balance of the proceeds unutilised, amounting to RMB45.7 million, will be used as general working capital as disclosed in the prospectus.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as its own code of conduct for dealing in securities of the Company by the Directors. All Directors have confirmed that they complied with the required standards set out in the Model Code during the year under review.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the year under review.

CORPORATE GOVERNANCE

The Board is of opinion that the Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules since the listing of the Company's shares on the Stock Exchange until December 31, 2013, except for the code provision C.1.2:

Code provision C.1.2 – This code provision stipulates that management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. The Company did not provide the monthly updates to all members of the Board by omission since its listing until January 2014, when the Company rectified by circulation of the monthly updates.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") on June 14, 2013. No options were granted under the Share Option Scheme from the date of its adoption to the date of this announcement. A summary of the principal terms and conditions of the Share Option Scheme is set out in Appendix V to the Prospectus.

ANNUAL GENERAL MEETING

The annual general meeting ("2014 AGM") will be held on May 21, 2014, Wednesday. The notice of annual general meeting will be published and dispatched to the shareholders of the Company in due course.

FINAL DIVIDEND AND CLOSURE OF REGISTER

The Board is pleased to recommend a final dividend of HK10.8 cents (2012: Nil) per share for the year ended December 31, 2013. Subject to the approval of the proposed final dividend by the Shareholders at the 2014 AGM, it is expected that the final dividend will be paid on or around June 6, 2014 to the Shareholders whose names appear on the register of members of the Company on May 28, 2014.

(a) For determining the entitlement to attend and vote at the 2014 AGM. The register of members of the Company will be closed from Tuesday, May 20, 2014 to Wednesday, May 21, 2014 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the 2014 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, May 19, 2014.

(b) For determining the entitlement to the proposed final dividend (subject to shareholders' approval at the 2014 AGM). The register of members of the Company will be closed from Tuesday, May 27, 2014 to Wednesday, May 28, 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, May 26, 2014.

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") is comprised of three independent non-executive Directors who together have substantial experience in field of auditing, legal matter, business, accounting, corporate internal control and regulatory affairs.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended December 31, 2013.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2013 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION

The annual results announcement of the Company for the year under review is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mgreen.hk and alternatively www.modernland.hk) respectively. The 2013 annual report will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board of
Modern Land (China) Co., Limited
Zhang Lei
Chairman and executive Director

Hong Kong, March 24, 2014

As at the date of this announcement, the Board of Directors of the Company comprises eight directors, namely executive directors: Mr. Zhang Lei, Mr. Zhang Peng, Mr. Chen Yin, Mr. Fan Qingguo and Mr. Zhong Tianxiang, and independent non-executive directors: Mr. Qin Youguo, Mr. Cui Jian and Mr. Hui Chun Ho, Eric.