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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

- Revenue increased by approximately 3.8% from the corresponding period in 2014 to approximately RMB1,954.2 million.
- Gross profit decreased by approximately 6.1% from the corresponding period in 2014 to approximately RMB811.8 million and gross profit margin decreased to approximately 41.5% as compared to approximately 45.9% for the corresponding period in 2014.
- Profit for the period attributable to owners of the Company increased by approximately 20.6% to approximately RMB284.2 million as compared to the corresponding period in 2014.
- Achieved contracted sales of approximately RMB4,367.4 million represented an increase of approximately 91.2% as compared to the corresponding period in 2014.
- Basic earnings per share was RMB16.2 cents (2014: RMB13.4 cents), representing an increase of 20.9%.
- Diluted earnings per share was RMB16.1 cents (2014: N/A).

Interim Results

The board (the "Board") of directors (the "Directors" and each a "Director") of Modern Land (China) Co., Limited (the "Company" or "Modern Land") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2015 with the comparative figures for the six months ended 30 June 2014, as follows:

The Group's unaudited condensed consolidated statement of profit or loss and other comprehensive income, unaudited condensed consolidated statement of financial position and explanatory notes 1 to 12 as presented below are extracted from the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2015, which has been reviewed by the Company's independent auditor, Deloitte Touche Tohmatsu, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months ended 30 June 2015

	NOTES	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Revenue	3	**1,954,236**	1,882,256
Cost of sales		**(1,142,462)**	(1,017,637)
Gross profit		**811,774**	864,619
Other income, gain and loss	4	**76,353**	(4,324)
Recognition of changes in fair value of completed properties for sale upon transfer to investment properties		**56,559**	(13,902)
Changes in fair value of investment properties		**50,624**	57,239
Selling and distribution expenses		**(88,899)**	(78,709)
Administrative expenses		**(125,696)**	(98,116)
Finance costs	5	**(117,670)**	(131,751)
Share of loss of joint ventures		**(61,307)**	(2,623)
Share of loss of an associate		**(3,514)**	–
Profit before taxation		**598,224**	592,433
Income tax expense	6	**(295,240)**	(357,013)
Profit for the period	7	**302,984**	235,420
Other comprehensive income for the period:			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of owner-occupied properties upon transfer to investment properties		**–**	1,351
Deferred tax relating to gain on revaluation of owner-occupied properties		**–**	(338)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(122)**	1,416
Other comprehensive (expense) income for the period, net of income tax		**(122)**	2,429
Total comprehensive income for the period		**302,862**	237,849
Profit for the period attributable to:			
Owners of the Company		**284,163**	235,571
Non-controlling interests		**18,821**	(151)
		302,984	235,420
Total comprehensive income attributable to:			
Owners of the Company		**284,041**	238,000
Non-controlling interests		**18,821**	(151)
		302,862	237,849
Earnings per share, in RMB cents:			
Basic	9	**16.2**	13.4
Diluted	9	**16.1**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	NOTES	**At 30 June 2015** *RMB'000* **(unaudited)**	At 31 December 2014 *RMB'000* (audited)
NON-CURRENT ASSETS			
Investment properties		**1,295,800**	1,146,600
Property, plant and equipment		**504,846**	503,655
Intangible assets		**1,070**	1,259
Freehold land held for future development		**27,818**	27,842
Interests in an associate		**9,796**	20,977
Interests in joint ventures	*10*	**2,928,971**	2,116,699
Advances to employees		**–**	39,769
Available-for-sale investments		**113,250**	114,236
Deferred tax assets		**326,607**	317,112
		5,208,158	4,288,149
CURRENT ASSETS			
Inventories		**3,848**	3,675
Prepaid lease payments		**131,591**	410,642
Properties under development for sale		**5,078,387**	4,213,683
Properties held for sale		**1,075,661**	1,036,375
Deposits paid for acquisition of land use rights		**55,200**	–
Trade and other receivables, deposits and prepayments	*11*	**785,436**	708,459
Amounts due from related parties		**560,378**	573,353
Advances to employees		**39,769**	–
Restricted cash		**917,896**	1,145,997
Bank balances and cash		**2,023,910**	2,797,941
		10,672,076	10,890,125
CURRENT LIABILITIES			
Trade and other payables, deposits received and accrued charges	*12*	**5,271,940**	5,486,747
Amounts due to related parties		**381,884**	186,183
Taxation payable		**1,711,078**	1,717,318
Bank and other borrowings - due within one year		**1,616,493**	1,314,317
		8,981,395	8,704,565
NET CURRENT ASSETS		**1,690,681**	2,185,560
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,898,839**	6,473,709

	At 30 June 2015 *RMB'000* (unaudited)	At 31 December 2014 *RMB'000* (audited)
CAPITAL AND RESERVES		
Share capital	**98,610**	98,610
Reserves	**3,047,050**	2,762,043
Equity attributable to owners of the Company	**3,145,660**	2,860,653
Non-controlling interests	**382,082**	373,086
TOTAL EQUITY	**3,527,742**	3,233,739
NON-CURRENT LIABILITIES		
Bank and other borrowings - due after one year	**591,000**	480,900
Senior notes	**2,718,208**	2,712,020
Deferred tax liabilities	**61,889**	47,050
	3,371,097	3,239,970
	6,898,839	6,473,709

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited condensed 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. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new amendments to International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board.

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle

The application of the above new amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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. Zhang Peng, who is the Executive President of the Group, reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no segment information is presented.

Revenue represents the fair value of the consideration received or receivable and is analysed as follow:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sale of properties	**1,895,502**	1,858,902
Leasing of properties	**16,458**	14,909
Hotel operation	**21,526**	8,445
Project management	**20,750**	–
	1,954,236	1,882,256

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of customers is based on the location at which the services were provided or the goods and properties were delivered.

Geographic information

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Northern, PRC	**937,517**	1,130,414
Middle south, PRC	**1,016,719**	751,842
	1,954,236	1,882,256

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue during the six months ended 30 June 2015 and 2014.

4. OTHER INCOME, GAIN AND LOSS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income	**51,408**	5,819
Dividend income from available-for-sale investments	**2,890**	2,230
Penalty income	**208**	183
Government grants *(note)*	**11,195**	80
Gain on disposal of property, plant and equipment	**5**	79
Gain on disposal of subsidiaries	**91**	9,337
Loss on disposal of available-for-sale investments	**(985)**	–
Gain on disposal of interest in joint venture	**8,198**	–
Project management service income	**–**	946
Net exchange gain (loss)	**1,990**	(11,930)
Allowance for advance to a supplier	**–**	(5,580)
Loss on transfer of properties	**–**	(6,354)
Others	**1,353**	866
	76,353	(4,324)

Note: Government grants represent incentive subsidies from various PRC governmental authorities. There are no conditions or limitations attached to these subsidies by the respective PRC governmental authorities.

5. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank and other borrowings		
– Wholly repayable within five years	**(114,885)**	(57,891)
– Not wholly repayable within five years	**–**	(5,274)
Interest expense on senior notes wholly repayable within five years	**(179,872)**	(120,870)
Interest expense on execution of supplemental indentures in respect of senior notes	**(26,470)**	–
	(321,227)	(184,035)
Less: Amount capitalised in properties under development for sale	**203,557**	52,284
	(117,670)	(131,751)

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax		
PRC Enterprise Income Tax	**(162,431)**	(89,290)
US Corporate Tax	**(8)**	–
Land appreciation tax ("LAT")	**(119,952)**	(216,760)
	(282,391)	(306,050)
Deferred tax		
PRC Enterprise Income Tax	**(16,791)**	(48,234)
LAT	**3,942**	(2,729)
	(12,849)	(50,963)
Income tax expense	**(295,240)**	(357,013)

Pursuant to the PRC Enterprise Income Tax Law promulgated on 16 March 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 1 January 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. The LAT expenses declined because the projects recognised revenue with lower appreciation rate for the six month ended 30 June 2015. The increase in PRC enterprise income tax during the period is mainly resulted from the increase in profit generated from the operation of the PRC subsidiaries of the Company.

Pursuant to the rules and regulation of BVI and the Cayman Islands, the Group is not subject to any income tax in BVI and the Cayman Islands.

No provision for Hong Kong profits tax has been made as the income generated from the Group neither arises in, nor is derived from, Hong Kong for the six months ended 30 June 2015 and 2014.

Pursuant to the United States ("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% on estimated assessable profits for the six months ended 30 June 2015.

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment recognised in profit or loss	**13,519**	11,301
Depreciation of property, plant and equipment capitalised in properties under development	**86**	117
Total depreciation charged for the period	**13,605**	11,418
Operating lease rentals	**3,996**	3,030
Write-down of properties held for sale included in cost of sales	**–**	5,663

8. DIVIDENDS

During the current interim period, a bonus share issue of 1 bonus share for every 10 existing shares proposed by the board of directors was approved in the Company's annual general meeting on 17 June 2015. The bonus shares were issued to those shareholders whose names appeared on the Register of Members on 25 June 2015, completed and despatched to the shareholders of the Company on 10 July 2015.

A final dividend in respect of the year ended 31 December 2013 of HK10.8 cents (equivalent to RMB8.6 cents) per share amounting to HK$172,800,000 (equivalent to RMB137,160,000) in aggregate has been paid by the Group during the six months ended 30 June 2014.

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	**284,163**	235,571

	Six months ended 30 June	
	2015	2014
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of calculating basic earnings per share *(note a)*	**1,760,000**	1,760,000
Effect of dilutive potential ordinary shares:		
– Share options *(note b)*	**649**	–
Number of ordinary shares for the purpose of calculating diluted earnings per share	**1,760,649**	1,760,000

Notes:

(a) On 29 May 2015, the Board of Directors proposed to allot and issue new shares on the basis of one bonus share for every 10 shares ("Bonus Issue") to the shareholders of the Company. After the resolution approved in the annual general meeting of the Company held on 17 June 2015, a total of 160,000,000 new shares were issued pursuant to the Bonus Issue. The weighted average of ordinary shares for the purposes of calculating basic earnings per share for the six months ended 30 June 2015 and 2014 had been retrospectively adjusted to 1,760,000,000 shares after completion of the Bonus Issue as at 10 July 2015.

(b) The computation of the diluted earnings per share for the six months ended 30 June 2015 has taken into consideration share options which have been vested and could be exercised in 2015 under the share option scheme adopted by the Company on 14 June 2013. No diluted earnings per share is presented for the six months ended 30 June 2014 as the Group had no potential ordinary shares in issue during the prior period.

10. INTERESTS IN JOINT VENTURES

	At 30 June 2015 ***RMB'000*** **(unaudited)**	At 31 December 2014 *RMB'000* (audited)
Share of net assets	**1,287,897**	595,116
Loans to joint ventures	**1,641,074**	1,521,583
	2,928,971	2,116,699

(a) In March 2015, the Group entered into a cooperative framework agreement and related supplementary agreements (collectively, the "Agreements") with Shanghai International Trust Co., Ltd. 上海國際信託有限公司 ("Shanghai Trust"), Cura Investment Management (Shanghai) Co., Ltd. 上海中城聯盟投資管理股份有限公司 ("Cura Investment") and Shanghai San Sheng Hong Ye Investment (Group) Co., Ltd. 上海三盛宏業投資(集團)有限責任公司 ("San Sheng Hong Ye"), independent third parties. Pursuant to the Agreements, (i) Shanghai Trust set up a trust scheme for Shanghai Minhang Project property development (the Shanghai Minhang Project was developed by Shanghai Mantingchun Development Co., Ltd. 上海滿庭春置業有限公司 ("Shanghai Mantingchun"), a subsidiary of Wuhan Moma Development Co., Ltd. 武漢摩碼置業有限公司 ("Wuhan Moma")), under the trust scheme, Modern Green Development and Cura Investment contributed RMB320,000,000 and RMB80,000,000 respectively, as the equity investment to the trust scheme, being contributed to Wuhan Moma. Shanghai Trust provided no more than RMB1,200,000,000 as trust loan ("Trust Loan") to Shanghai Mantingchun (the "Project Company"), (ii) Modern Green Development and Cura Investment contributed RMB319,100,000 and RMB900,000 respectively, where the Group's equity interests in Wuhan Moma were diluted from 100% to 90% accordingly, (iii) Wuhan Moma pledged its entire equity interests in Project Company and Project Company pledged its land use right to Shanghai Trust, as securities to the Trust Loan, (iv) Modern Green Development and San Sheng Hong Ye provided guarantee to Shanghai Trust for the Trust Loan.

Pursuant to the Agreements and revised Articles of Association of Wuhan Moma, relevant activities of Wuhan Moma require unanimous consent of the board of directors, which comprise directors appointed by Modern Green Development, Shanghai Trust, and Cura Investment. The Group therefore lost control over Wuhan Moma, and Wuhan Moma became a joint venture of the Group. The 90% equity interests in Wuhan Moma held by the Group amounted the RMB739,079,000 was recognised at fair value at the date of deemed disposal.

(b) During the interim period, pursuant to the supplementary agreement entered between the Group and CIFI Group Co., Ltd. 旭輝集團股份有限公司, and the provisions in the revised Articles of Associations of Beijing CIFI Development Co., Ltd. 北京旭輝當代置業有限公司 ("Beijing CIFI Modern"), Beijing CIFI Modern ceased to be a joint venture and becomes a subsidiary of the Company. A gain on disposal of interest in joint venture of RMB8,198,000 was recognised in the profit or loss in the current period.

11. 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.

	At 30 June 2015 ***RMB'000*** **(unaudited)**	At 31 December 2014 *RMB'000* (audited)
Trade receivables, net of allowance	**35,602**	74,560
Advances to suppliers of construction materials	**127,044**	53,182
Other receivables, net of allowance	**291,718**	248,588
Prepaid LAT and business tax	**319,175**	322,911
Guarantee deposits for housing provident fund loans provided to customers *(note)*	**11,897**	9,218
	785,436	708,459

Note: 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 and agreement date for receivables from properties sold, which approximated the respective revenue recognition dates, at the end of each of the reporting period:

	At 30 June 2015 ***RMB'000*** **(unaudited)**	At 31 December 2014 *RMB'000* (audited)
Less than 1 year	**32,403**	74,560
1-2 years	**3,199**	–
	35,602	74,560

As at 30 June 2015, the trade receivables of RMB8,742,000 (31 December 2014: RMB8,742,000) was impaired and fully provided because the counterparties' breach of contract and the Group does not hold any collateral over these balances.

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

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Trade payables	**405,466**	462,216
Accrued expenditure on construction	**510,417**	519,658
Other payables	**225,914**	224,748
Amount due to former shareholder of a subsidiary *(note)*	**42,952**	131,952
Other tax payables	**103,212**	139,199
Accrued payroll	**11,795**	36,987
Accrued interest on senior notes	**110,709**	112,188
Deposits received and receipt in advance from property sales	**3,851,073**	3,835,135
Other accrued charges	**9,701**	23,963
Dividend payable	**701**	701
	5,271,940	5,486,747

Note: The balance of amount due to former shareholder was the assignment of debts arising from the acquisition of Liaoning Dongdaihe Xinqu Modern Development Co., Ltd. ("Dongdaihe Modern") 遼寧東戴河新區當代置業有限公司 (formerly known as Suizhong Xian Changlong Property Development Co., Ltd. 綏中縣長龍房地產開發有限公司) by the Group during 2014. The amount is unsecured, non-interest bearing and repayable on demand.

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 time frame, if any.

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

	At 30 June 2015 RMB'000 (unaudited)	At 31 December 2014 RMB'000 (audited)
Less than 1 year	**225,395**	381,178
1-2 years	**131,229**	55,760
2-3 years	**23,717**	723
Over 3 years	**25,125**	24,555
	405,466	462,216

CHAIRMAN'S STATEMENT

Dear Shareholders,

I, on behalf of the Board, am pleased to present the business review of the Group from 1 January 2015 to 30 June 2015 (the "Period") and its prospects.

THE "DEVELOPING" MODERN LAND

In the past year, significant changes occurred in the macro environment in which Modern Land thrived on. The whole market faced the traits of short-term and uneven growth with resources continuing to be tilted towards the enterprises leading in scale of the industry. This "snowball" effect was accompanied by our high-focus and high-elimination business model. In such market environment, if a company could not keep up with the pace, it would soon fall behind the others. Modern Land belongs to the category of developing enterprises, but possesses extreme competitive edge in the industry with innate potential to achieve constant growth in the market. In the first half of 2015, through the tireless efforts of the whole company, we achieved more than 90% growth in contracted sales as compared with the same period last year. We also acquired two pieces of new high-quality land in Shanghai and Suzhou. The Company has full confidence in maintaining compound annual growth rate of around 50% for 2015 and the following few years, as we have self-belief in our high core competitiveness, that is, a self-confidence in the model of green estate development. With our MOMΛ products, we created green residences under the slogan of "We have what others don't, we are better off than what others have", and adhere to the product philosophy of "green, comfortable, energy-saving and full life cycle".

THE SEVEN WARSHIPS UNDER OUR INNOVATIVE SERVICES

We classify real estate enterprises into three categories. The first one is traditional real estate enterprise, which holds firm to their existing competitiveness by buying land and selling houses, step by step. The second category is platform-style real estate enterprise which enlarges the value of the platform, on which they do not confine themselves only on developing real properties. The third category is service-style real estate enterprise which creates a comprehensive online service chain, hatches creativity from the internal makeup, being pragmatic rather than revolutionary and stressing on replacement of internal components; such modeling makes the enterprise adapting to the fast-paced markets more swiftly. Modern Land's profile is that of "innovative services" by which we construct our service venture platform. We incite our staff's passions in risking business ventures through internal monetary innovation, community service innovation and internet innovation, thereby realising selling price premium in our products, augmenting user loyalty and de-stocking which are the ambits of our principal business.

MINGLING OF BLUE AND GREEN, AND AN INNOVATIVE DEEP BLUE

Since the establishment of our Company, we have been targeting on a real estate full of green coziness and energy-saving elements. "MINGLING OF BLUE AND GREEN, AND AN INNOVATIVE DEEP BLUE": Green - is the developing platform for our real estate enterprise, Blue - is the service platform for our green residences of full life cycle.

STAYING DARK GREEN: GREEN RESIDENCES

This year marks the fifteenth anniversary of Modern Land. In all these fifteen years, we have targeted on the only one goal - building green cozy residences with our core philosophy of active energy-saving, passive energy-saving and smart energy-saving. In the first half of 2015, several of our projects were again awarded Green Building certification by the Ministry of Housing; in particular, Modern Land's Dongdaihe, Bai Jin Hai MOMΛ project is proud to be the first one awarded with "Model project of green building in Chinese habitat environment" jointly issued by the China Real Estate Research Society and China Real Estate Association. The Company would continue to steadfastly sharpen its core competitive edge through practising the strategy of "heating and cooling unique solution + air quality unique solution + energy consumption and operation cost reduction unique solution + full life circle aging population solution + industry leading solution under the theme of sustainable development", ultimately building homes with "green, comfortable, energy-saving and full life cycle".

BREAKING THROUGH DARK GREEN: TECHNOLOGICAL COMMUNITY

A technological community is absolutely not one that equips the whole community with smart living appliances. We are of the opinion that genuine "smartness" is "interaction between human beings and machines". To be smart is absolutely not to remote control the equipments, rather it should be that the machine senses changes in the surrounding environment and then sends out intelligence controls in response. The human being and the machine are integrated through services.

We assemble an exclusive smart home system on the hard ware of each community, and making it smart both at home and within the community. The model for households is that "the big screen (smart TV etc.) + small screen (smart phone etc.)" would meet their daily needs; the big screen being the solution to households' entertainment needs as well as their needs to access external information, while the small screen satisfies their social needs and convenience in smart living.

Meanwhile, we co-operate with excellent community service providers, and make use of the community platform for enhancing customers' loyalty and their recognition of our products. We would like to repay the customers by providing them with comfort living, community and full-cycle lives and quality community services for the selling price premium in our products and de-stocking of our properties.

DASHING TO DEEP BLUE: HEALTHY COMMUNITY

In June this year, Modern Land signed a strategic agreement with iKang Guobin Healthcare Group Inc. ("iKang Guobin"), the largest medical examination and community healthcare solution provider in China. Modern Land and iKang Guobin consolidate through experience shops offline and health management app online, thereby creating the O+O model of medical platform employing mobile internet + green community. The co-operation between Modern Land and iKang Guobin is not merely a 1+1 model but an onward upgrading of the model. Community medical care opens up the three large scopes of intelligence hard wares, family needs and community services, enabling data to reflect their real values through the medium of services. This model would soon be solidly implemented in the real estate projects of Modern Land.

INNOVATIVE DEEP BLUE: AGING COMMUNITY

Let us review the two challenges that we consider to be the most astounding in the 21st century: firstly, sustainable development, and secondly, aging population. For sustainability, we have green energy-saving real estate projects; as for industry for the aging, we have developed the established overseas markets set out in our priority list. We set up the Crown District Centre in Houston, the U.S. constructing "Partners Alliance" which is exclusive to MOMΛ families by way of investment immigration. We donate the quotas of EB-5, which not merely actualises our goal of profit sharing, it also realises the dreams of households' friends of moving their whole family to reside in the most bustling and livable land in the world.

WE ARE NOT STANDING AT THE WIND-GAP

We are not standing at the wind-gap, but right at the doorway of opportunities. We do not stay inert and motionless under the opportunist trend of internet concept under the new norm; therefore today, we do not just dream that we could fly up high just standing at the wind-gap, we realise the urgency to find different exits from the wind and different ways out of the gaps.

In the revolutionary 2015 for our industry, we are embedded with overwhelming confidence in employing the abovementioned strategic thinking and effective implementation to realise our strategic targets of 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue is mainly attributable to sale of properties, rental income, hotel operations and project management.

Sale of Properties

During the Period, the Group's revenue from sale of properties amounted to RMB1,895.5 million, representing an increase of 2.0% as compared with the same period in 2014. The Group delivered 223,244 sq.m. of property in terms of total gross floor area ("GFA") and 440 units of carparks during the Period. Recognised average selling price ("ASP") was RMB8,270 per sq.m. and that for car parking spaces was RMB111,898 per unit for the six months ended 30 June 2015.

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

* *Net of sales tax*

	For the six months ended 30 June					
	2015			2014		
Project name	**Revenue**	**Total saleable GFA or units delivered**	**ASP**	Revenue	Total saleable GFA or units delivered	ASP
	RMB'000	*sq.m. or units*	*RMB/sq.m. or unit*	*RMB'000*	*sq.m. or units*	*RMB/sq.m. or unit*
Modern MOMΛ (Beijing)	**189,159**	**3,339**	**56,651**	773,075	11,768	65,692
iMOMΛ (Beijing)	**9,435**	**358**	**26,355**	–	–	–
Yue MOMΛ (Beijing)	**–**	**–**	**–**	27,707	977	28,359
MOMΛ Forest Forever (Beijing)	**–**	**–**	**–**	131,621	4,457	29,531
Wan Guo Cheng MOMΛ (Taiyuan)	**685,960**	**54,288**	**12,636**	149,351	10,062	14,843
Wan Guo Cheng MOMΛ (Changsha)	**11,312**	**1,587**	**7,128**	34,529	6,489	5,321
Man Ting Chun MOMΛ (Changsha)	**749**	**122**	**6,139**	2,923	665	4,395
Kaifu Man Ting Chun MOMΛ (Changsha)	**756,843**	**122,145**	**6,196**	326,057	58,443	5,579
Man Ting Chun MOMΛ (Nanchang)	**5,412**	**632**	**8,563**	134,987	19,857	6,798
Man Ting Chun MOMΛ (Jiujiang)	**174,618**	**36,744**	**4,752**	162,822	29,747	5,474
Man Ting Chun MOMΛ (Xiantao)	**12,779**	**4,029**	**3,172**	45,230	13,824	3,272
Subtotal	**1,846,267**	**223,244**	**8,270**	1,788,302	156,289	11,441
Car park	**49,235**	**440 units**	**111,898/ units**	70,600	628 units	112,420/ units
Total	**1,895,502**			1,858,902		

Contracted Sales

For the six months ended 30 June 2015, the Group achieved contracted sales of RMB4,367.4 million, representing an increase of 91.2% as compared to the same period in 2014. The Group pre-sold 479,193 sq.m. in total GFA and 653 units of car parks, representing an increase of 119.7% and 40.1% respectively over the same period in 2014.

Table 2: Breakdown of contracted sales of the Group

* *Before deducting sales tax*

		For the six months ended 30 June					
		2015			2014		
Project name	**Attributable interest to the Group**	**Contracted sales**	**GFA**	**ASP**	Contracted sales	GFA	ASP
	(%)	*RMB'000*	*(in sq.m.) or units*	*RMB/sq.m. or unit*	*RMB'000*	*(in sq.m.) or units*	*RMB/sq.m. or unit*
Modern MOMΛ (Beijing)	**100%**	**81,839**	**1,227**	**66,698**	470,286	6,759	69,579
Wan Guo Cheng MOMΛ (Beijing)	**100%**	**–**	**–**	**–**	24,902	285	87,375
MOMΛ Forest Forever (Beijing)	**100%**	**–**	**–**	**–**	65,461	2,011	32,551
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	**53.75%**	**14,244**	**1,499**	**9,502**	–	–	–
Modern Land • CIFI Villa (Beijing)	**50%**	**1,020,390**	**63,175**	**16,152**	–	–	–
Shangdi MOMΛ (Beijing)	**100%**	**33,754**	**1,156**	**29,199**	–	–	–
Songjiang Yi Jing Yuan (Shanghai)	**35%**	**596,616**	**27,892**	**21,390**	–	–	–
Wan Guo Cheng MOMΛ (Taiyuan)	**100%**	**188,990**	**17,334**	**10,903**	667,100	51,418	12,974
Wan Guo Cheng MOMΛ (Changsha)	**100%**	**18,538**	**2,244**	**8,261**	70,563	7,730	9,128
Man Ting Chun MOMΛ (Changsha)	**100%**	**1,659**	**287**	**5,780**	2,675	445	6,011
Kaifu Man Ting Chun MOMΛ (Changsha)	**100%**	**106,384**	**14,165**	**7,510**	455,906	66,727	6,832
Modern Binjiang MOMΛ (Changsha)	**51%**	**173,072**	**25,342**	**6,829**	–	–	–
MOMΛ Modern Plaza (Changsha)	**51%**	**371,767**	**75,675**	**4,913**	–	–	–
Hanyang Man Ting Chun MOMΛ (Wuhan)	**99.02%**	**295,695**	**53,569**	**5,520**	–	–	–
Guanggu Man Ting Chun MOMΛ (Wuhan)	**60%**	**179,948**	**24,135**	**7,456**	–	–	–
Modern MOMΛ (Hefei)	**51%**	**504,821**	**31,413**	**16,070**	–	–	–
Man Ting Chun MOMΛ (Nanchang)	**100%**	**1,617**	**112**	**14,438**	52,655	5,474	9,619
Modern MOMΛ New City (Nanchang)	**65%**	**56,753**	**8,598**	**6,601**	63,496	8,092	7,847
Modern International MOMΛ (Nanchang)	**65%**	**207,282**	**28,030**	**7,395**	65,239	7,432	8,778
Man Ting Chun MOMΛ (Jiujiang)	**100%**	**190,234**	**40,527**	**4,694**	121,943	20,551	5,934
Chao Yang Li MOMΛ (Jiujiang)	**100%**	**87,647**	**19,047**	**4,602**	–	–	–
Man Ting Chun MOMΛ (Xiantao)	**100%**	**148,397**	**43,766**	**3,391**	140,930	41,142	3,425
Subtotal		**4,279,647**	**479,193**	**8,931**	2,201,156	218,066	10,094
Car park		**87,757**	**653 units**	**134,391/ units**	82,898	466 units	177,893/ units
Total		**4,367,404**			2,284,054		

Leasing of Properties, Hotel Operations and Project Management

For the six months ended 30 June 2015, the Group's revenue from leasing of properties amounted to RMB16.5 million, representing an increase of 10.4% as compared with the same period in 2014. Revenue from hotel operations increased by 154.9% to RMB21.5 million in 2015 while revenue from project management was RMB20.8 million in 2015 (2014: Nil).

Land Bank

As at 30 June 2015, the Group's total land bank in the PRC (excluding investment properties and properties held for own use) was 4,439,652 sq.m.

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	**Attributable interest to the Group** *(%)*	**Total GFA unsold as at 30 June 2015** *(Note)* *(sq.m.)*	**Aggregated GFA sold but undelivered with sales contracts** *(sq.m.)*
Modern MOMΛ (Beijing)	100%	9,323	–
MOMΛ Forest Forever (Beijing)	100%	7,985	–
Modern City Garden (Beijing)	100%	6,567	5,810
Shangdi MOMΛ (Beijing)	100%	4,040	420
iMOMΛ (Beijing)	100%	729	175
Yue MOMΛ (Beijing)	100%	1,162	798
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	53.75%	152,400	145,257
Modern Land • CIFI Villa (Beijing)	50%	158,213	63,175
Modern North Star • Yue MOMΛ (Beijing)	50%	131,346	–
Songjiang Yi Jing Yuan (Shanghai)	35%	146,307	58,205
Modern Wan Guo Fu MOMΛ (Shanghai)	51%	127,474	–
Wan Guo Cheng MOMΛ (Taiyuan)	100%	241,951	109,276
Wan Guo Cheng MOMΛ (Changsha)	100%	12,377	1,989
Man Ting Chun MOMΛ (Changsha)	100%	30,091	–
Kaifu Man Ting Chun MOMΛ (Changsha)	100%	164,839	13,469
Modern Binjiang MOMΛ (Changsha)	51%	229,374	33,942
MOMΛ Modern Plaza (Changsha)	51%	341,778	136,660
Guanggu Man Ting Chun MOMΛ (Wuhan)	60%	283,100	45,512
Hanyang Man Ting Chun MOMΛ (Wuhan)	99.02%	120,473	58,497
North Star-Modern • Guanggu Green Home (Wuhan)	45%	315,203	–
Modern MOMΛ (Hefei)	51%	189,073	31,413
Modern Wan Guo Fu MOMΛ (Suzhou)	100%	74,442	–
Man Ting Chun MOMΛ (Nanchang) 100%	100%	28,698	–

Project name	Attributable interest to the Group *(%)*	Total GFA unsold as at 30 June 2015 *(Note)* *(sq.m.)*	Aggregated GFA sold but undelivered with sales contracts *(sq.m.)*
Modern MOMΛ New City (Nanchang)	65%	90,432	34,540
Modern International MOMΛ (Nanchang)	65%	207,084	77,710
Dongdaihe • Bai Jin Hai MOMΛ (Dongdaihe)	100%	346,675	–
Man Ting Chun MOMΛ (Jiujiang)	100%	95,462	93,053
Chao Yang Li MOMΛ (Jiujiang)	100%	168,292	19,047
Man Ting Chun MOMΛ(Xiantao)	100%	754,762	81,601
Total		4,439,652	1,010,549

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 date has not been determined accurately.

Land Acquisition in 2015

During the Period and up to the date hereof, the Group acquired 3 parcels of land, details of which are as follows:

On 11 February 2015, Wuhan Moma Development Co., Ltd.* (武漢摩碼置業有限公司), an indirect wholly-owned subsidiary of the Company, successfully acquired the state-owned land use rights and the entire interests of a parcel of land No. 52-03 (land parcel no. 186-1 in Zhuanqiaozhen) in Units No. 01 and 02 (Unit No. MHPO-1101、MHPO-1102) of Jiangchuan Community in Minhang District of Shanghai, the PRC, through the auction of the land use rights of state-owned construction land in Shanghai, the PRC, with the total consideration of RMB1,735 million. The GFA of the land parcel was approximately 92,400 square metres.

On 3 June 2015, Yili Jingshen Investment (Beijing) Co., Ltd.* (毅力精神投資（北京）有限公司), an indirect wholly-owned subsidiary of the Company, successfully acquired the state-owned land use rights and the entire interests of a mixed commercial and residential land (Sudi No.2015-G2) in Suzhou, the PRC, through the auction of the land use rights of state-owned construction land in Suzhou, the PRC, with the total consideration of RMB450 million. The GFA of the land was approximately 55,000 square meters.

On 18 August 2015, Shengeng Zhiye Investment (Beijing) Co., Ltd.* (深耕智業投資（北京）有限公司) ("Shengeng Zhiye"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Shaanxi Hongsheng Industrial Group Company Limited* (陝西鴻盛實業集團有限公司) ("Hongsheng Industrial") and Shaanxi Hejin Mineral Company Limited* (陝西合金礦業有限公司) ("Hejin Mineral") whereby Shengeng Zhiye agreed to acquire 26% and 25% equity interest in Shaanxi Zhuoli Industrial Company Limited* (陝西卓立實業有限公司) ("Shaanxi Zhuoli") from Hongsheng Industrial and Hejin Mineral, respectively, at an aggregate consideration of RMB10.2 million. Shaanxi Zhuoli is a company established in the PRC with limited liability in 2009 and is principally engaged in development and construction of the development project of the land located in the southwest corner of the intersection of the west end of Jinye Road and Xisanhuan in Xi'an High New Technology Industrial Development District, Xi'an, Shaanxi Province, the PRC (中國陝西省西安市高新技術產業開發區錦業路西口與西三環交界西南角), with the planned GFA of approximately 330,000 square metres. It is intended that the land will be developed for commercial and residential purposes.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 3.8% to approximately RMB1,954.2 million for the six months ended 30 June 2015 from approximately RMB1,882.3 million for the six months ended 30 June 2014. Such increase was mainly attributable to an increase in revenue generated by hotel operations and project management.

Cost of Sales

The Group's cost of sales increased by approximately 12.3% to approximately RMB1,142.5 million for the six months ended 30 June 2015 from approximately RMB1,017.6 million for the six months ended 30 June 2014. Such increase was mainly due to an increase in GFA delivered.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by approximately 6.1% to approximately RMB811.8 million for the six months ended 30 June 2015 from approximately RMB864.6 million for the six months ended 30 June 2014.

For the six months ended 30 June 2015, the Group's gross profit margin was 41.5%, as compared to approximately 45.9% for the same period in 2014 which is due to a decrease in average selling price of properties and carparks sold.

Other income, gain and loss

Other income, gain and loss for the six months ended 30 June 2015 was approximately RMB76.4 million, representing an increase of RMB80.7 million, as compared to a loss of approximately RMB4.3 million for the six months ended 30 June 2014, which is due to substantial increase in interest income generated from loans to joint ventures.

Change in fair value

Change in 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 change in fair value increased from RMB43.3 million for the six months ended 30 June 2014 to RMB107.2 million for the six months ended 30 June 2015, representing an increase of approximately 147.3%, which was mainly attributable to an increase in fair value of investment properties transferred from completed properties for sales.

Selling and distribution expenses

The selling and distribution expenses of the Group for the six months ended 30 June 2015 increased by approximately 12.9% to approximately RMB88.9 million from approximately RMB78.7 million for the six months ended 30 June 2014, primarily due to the substantial increase in the pre-sales volume of the Group's properties in the first six months of 2015, resulting in corresponding increase in the related selling and distribution expenses.

Administrative expenses

The administrative expenses of the Group for the six months ended 30 June 2015 increased by approximately 28.1% to approximately RMB125.7 million from approximately RMB98.1 million for the six months ended 30 June 2014, primarily due to commencement of operation of the Group's new projects in cities such as Wuhan and Nanchang, leading to an increase in expenses of early stage management and expansion of business scale of the Group.

Finance costs

The finance costs of the Group amounted to approximately RMB117.7 million for the six months ended 30 June 2015, representing a slight decrease of approximately 10.7% from approximately RMB131.8 million for the six months ended 30 June 2014. Although gross finance cost increased, the net finance cost charged to income statement decreased as more interest was capitalised into qualifying assets.

Profit before taxation

The profit before taxation of the Group for the six months ended 30 June 2015 increased by approximately 1.0% to approximately RMB598.2 million from approximately RMB592.4 million for the six months ended 30 June 2014.

Income tax expense

The income tax expense of the Group for the six months ended 30 June 2015 decreased by approximately 17.3% to approximately RMB295.2 million from approximately RMB357.0 million for the six months ended 30 June 2014, primarily due to a decrease in land appreciation tax.

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 six months ended 30 June 2015 increased by approximately 20.6% to approximately RMB284.2 million from approximately RMB235.6 million for the six months ended 30 June 2014.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2015, the Group had cash, restricted cash and bank balances of approximately RMB2,941.8 million (31 December 2014: RMB3,943.9 million), representing a decrease of approximately 25.4% as compared to that as at 31 December 2014. A healthy cash position is maintained. The decrease was mainly due to the extensive acquisition of land under the Group's expansion.

Borrowings and pledge of the Group's assets

As at 30 June 2015, the Group had total borrowings of approximately RMB4,925.7 million, including bank and other loans of approximately RMB2,207.5 million and senior notes of approximately RMB2,718.2 million. As at 30 June 2015, certain banking and other facilities granted to the Group were secured by the Group's assets, such as investment properties, properties under development, properties held for sale, property, plant and equipment, which had a carrying amount of approximately RMB3,796.0 million (31 December 2014: RMB3,273.9 million). The carrying value of most of the Group's bank and other 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 is exposed to interest rate risk which is mainly related to variable interest rates of the domestic bank loans.

Breakdown of indebtedness

By type of borrowings and maturity

	30 June 2015 *RMB'000*	31 December 2014 *RMB'000*
Bank and other loans		
Within one year or on demand	**1,616,493**	1,314,317
Over one year and within two years	**492,000**	365,900
Over two years and within five years	**99,000**	115,000
Subtotal	**2,207,493**	1,795,217
Off shore senior notes		
Over two years and within five years	**2,718,208**	2,712,020
TOTAL	**4,925,701**	4,507,237

	30 June 2015 RMB'000	31 December 2014 RMB'000
Less:		
Cash and restricted cash	**2,941,806**	3,943,938
Net debt	**1,983,895**	563,299
Total equity	**3,527,742**	3,233,739
Net debt to equity	**56.2%**	17.4%
Total debt/total equity	**139.6%**	139.4%

By type of borrowings and maturity

	30 June 2015 RMB'000	31 December 2014 RMB'000
Denominated in RMB	**3,102,499**	2,737,509
Denominated in USD	**1,823,202**	1,633,411
Denominated in HKD	**–**	136,317
	4,925,701	4,507,237

Leverage

As at 30 June 2015, the Group recorded net debt ratio of 56.2%. The Group's net current assets (being current assets less current liabilities) decreased by approximately 22.6% to approximately RMB1,690.7 million as at 30 June 2015 from approximately RMB2,185.6 million as at 31 December, 2014. Its current ratio (being current assets/current liabilities) decreased from approximately 1.25 times as at 31 December 2014 to approximately 1.19 times as at 30 June 2015.

Foreign Currency Risk

Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 30 June 2015, our major non-RMB assets and liabilities are (i) bank deposits and borrowings denominated in H.K. dollar and U.S. dollar; and (ii) the senior notes denominated in U.S. dollar. We are subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB currencies. The majority of our foreign currency transactions and balances are denominated in H.K. dollar and U.S. dollar. We do not have foreign currency hedging policy.

Contingent Liabilities

As at 30 June 2015, the Group had contingent liabilities amounting to approximately RMB3,168.5 million (31 December 2014: approximately RMB2,680.4 million) in relation to guarantees provided to the domestic banks for their mortgage bank loans granted to the Group's customers. 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 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.

Employees and Compensation Policy

As at 30 June 2015, the Group had 1,032 employees (31 December 2014: 973). 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 share options, discretionary bonus and cash awards based on individual performance.

FUND AND TREASURY POLICIES AND OBJECTIVES

The management team holds meeting with finance and operation teams in the first week of every month to discuss the cash situation and indebtedness situation. In addition, Board office circulates weekly capital market reports to Board members so that the Board can assess equity/bond financing opportunities. At project level, all projects are expected to reach over 15%-20% internal rate of return, depending on the location and categories of the projects.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

During the Period, the Group had no material acquisition and disposal of assets.

PROSPECT

Throughout the year of 2014, the contract of sale, the area of sale and the retail price of the real estate industry experienced a relatively significant decreasing trend. On the demand side, the aggregate demand for China's real estate industry will continue to decrease year-on-year due to the slowdown in urbanisation and the decreasing demographic dividend. Rigid demand has continued to be supported by policies, and the demand for improved housing, particularly for those in the first and second-tier cities, will be the new point for sustainable growth of future development in the industry. On the supply side, excess capacity accumulated through the real estate development in recent years has resulted in the problem of de-stocking and general high liabilities.

Facing the national economic comprehensive transformation in 2015, the deep economic structural adjustment will follow the downward pressure of GDP. First of all, the national economy as investment or export-driven will be gradually replaced by consumption or renovation-driven. The real estate industry which has high correlation with economic structure and an advantage of scale will become the focus of the new round of macro-policies adjustments. The government wishes to reduce the liabilities of regional government and real estate corporate by "re-leveraging" strategy; meanwhile, it encourages personal credit so that it is easier for the citizens to get mortgage loan. Through fund received and improved land finance, it brings benefits to real estate industry and regional finance, making "soft landing" for China economy. By the strategies of "greenifying" and "Internet+", the nation also wishes to guide the traditional industries to the green, innovated and new development path. As seen, whether it is the easing of restriction on home purchases in certain cities and favorable personal credit launched a year ago, or several interest-rate cuts and reduction in reserve-requirement ratios by central bank, all these helped significantly stimulate and catalyze the recovery and transformation of the real estate industry, leading to the expectation that the entire industry would rebound after the bottom-out. From the viewpoint of the corporate, under the favorable policies, the real estate industry will be in an increasingly obvious discrepancy, "strong ones stay strong forever" becomes an unchangeable principle, and the state-owned corporates will obtain more market resources than the privately-owned corporates because of their advantages of financing costs, mid-size or smaller privately-owned corporates have to form a niche market to survive and develop. The corporates principally engaged in property sale must change their business concepts and strategies to the direction of high turnover rate, differentiation and low cost under a new macro-environment. Differentiation is shown in the main business and the niche, renovated non-main business; amongst all, the most promising is the diverse development of raising core competitiveness of products, creating industry value chain, up and down stream and eco-sphere. It can effectively improve the sustainable profitability and the ability to defend against risks.

According to our own judgements on market, our Group will mainly enter the first and second tier cities to acquire land, and realise the goals of higher turnover rate, product differentiation and lower comprehensive costs. We are determined to follow the trend of niche market path to act. We will also continue to pay attention to the latest changes in the market environment, keep close contact with the investors, in order to strive for a higher return for the stockholders.

BONUS ISSUE

On 29 May 2015, the Board resolved to allot and issue new shares on the basis of one bonus share for every 10 shares (the "Bonus Issue") to the shareholders of the Company. After the resolution was approved by the shareholders at the annual general meeting of the Company held on 17 June 2015, a total of 160,000,000 new shares were allotted and issued pursuant to the Bonus Issue on 10 July 2015. The weighted average of ordinary shares for the purposes of calculating basic earnings per share for the six months ended 30 June 2015 and 30 June 2014 had been retrospectively adjusted to 1,760,000,000 shares after completion of the Bonus Issue on 10 July 2015.

CONSENT SOLICITATION

On 29 June 2015, the Company completed the consent solicitation (the "Consent Solicitation") and obtained requisite consents from holders of its senior notes to certain proposed amendments to the provisions set out in the indentures (the "Indentures") constituting the senior notes issued by the Company (the "Proposals"). The principal purpose of the Consent Solicitation and the Proposals is to obtain the requisite consents to amend certain provisions in the Indentures to enable the Company to pursue business opportunities that may not otherwise be available at attractive valuations or at all and to better suit its business needs. The Proposals include, among other things, amendments in relation to: (i) provisions relating to Indebtedness, Investments and Liens; (ii) the definitions of "Consolidated EBITDA" and "Consolidated Net Income"; (iii) the definition of "Permitted Investment"; and (iv) the clarification or additions of certain definitions.

CORPORATE GOVERNANCE

The Company is committed to good corporate governance practices and procedures including a quality board, sound internal control, transparency and accountability to its shareholders. The Company had complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 1 January 2015 to 30 June 2015, and where appropriate, adopted the recommended best practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as 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 for the six months ended 30 June 2015.

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 six months ended 30 June 2015.

DIVIDEND

The Group does not recommend any dividend for the six months ended 30 June 2015.

CHANGES SINCE 31 DECEMBER 2014

There were no other significant changes in the Group's financial position or from the information disclosed under Management Discussion and Analysis in the annual report of the Company for the year ended 31 December 2014.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Hui Chun Ho, Eric (the chairman of the Audit Committee), Mr. Cui Jian and Mr. Qin Youguo as at 30 June 2015. None of them is a member of the former or existing auditor of the Company. The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group, reviewed the interim results for the six months ended 30 June 2015 and considered that the interim results have been prepared in accordance with the applicable accounting standards and requirements and have made appropriate disclosures accordingly.

PUBLICATION

The interim results announcement of the Company for the Period has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.modernland.hk) respectively. The 2015 interim 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.

APPRECIATION

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

By Order of the Board of
MODERN LAND (CHINA) CO., LIMITED
Zhang Peng
President and Executive Director

Hong Kong, 24 August 2015

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

* *For identification purposes only*