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 31 DECEMBER 2015

HIGHLIGHTS

- Revenue increased by approximately 55.7% to approximately RMB6,349.8 million.
- Gross profit increased by approximately 18.7% to approximately RMB1,964.1 million and gross profit margin was approximately 30.9%.
- Profit for the year attributable to owners of the Company increased by approximately 10.9% to approximately RMB577.9 million.
- Basic earnings per share was RMB30.5 cents (2014: RMB29.6 cents)
- The aggregate value of achieved contracted sales (including contracted sales by joint ventures and associate) amounted to approximately RMB11,290.0 million, representing a year-on-year increase of approximately 53.5%.
- The Board resolved to declare a final dividend of HK9.9 cents per share.

Annual 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 consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 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 31 DECEMBER 2015

	Notes	2015 RMB'000	2014 RMB'000
Revenue	3	**6,349,767**	4,079,464
Cost of sales		**(4,385,674)**	(2,424,163)
Gross profit		**1,964,093**	1,655,301
Other income, gain and loss		**(26,848)**	75,334
Fair value gain of completed properties for sale upon transfer to investment properties		**90,381**	90,886
Changes in fair value of investment properties		**77,494**	111,074
Selling and distribution expenses		**(209,705)**	(206,835)
Administrative expenses		**(245,837)**	(242,083)
Finance costs	4	**(197,276)**	(265,510)
Share of loss of joint ventures		**(108,048)**	(51,133)
Share of loss of associates		**(4,696)**	(90)
Profit before taxation		**1,339,558**	1,166,944
Income tax expense	5	**(738,858)**	(625,552)
Profit for the year		**600,700**	541,392
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		**–**	1,351
Deferred tax relating to gain on revaluation of owner-occupied properties		**–**	(338)

	Notes	**2015** *RMB'000*	2014 *RMB'000*
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**9,160**	562
Other comprehensive income for the year, net of income tax		**9,160**	1,575
Total comprehensive income for the year		**609,860**	542,967
Profit for the year attributable to:			
Owners of the Company		**577,867**	521,128
Non-controlling interests		**22,833**	20,264
		600,700	541,392
Total comprehensive income attributable to:			
Owners of the Company		**587,027**	522,703
Non-controlling interests		**22,833**	20,264
		609,860	542,967
Earnings per share, in Renminbi cents:			
Basic	*7*	**30.5**	29.6
Diluted	*7*	**30.3**	29.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	Notes	2015 RMB'000	2014 RMB'000
NON-CURRENT ASSETS			
Investment properties		**1,368,240**	1,146,600
Property, plant and equipment		**498,816**	503,655
Intangible assets		**2,355**	1,259
Freehold land held for future development		**29,547**	27,842
Interests in associates		**71,959**	20,977
Interests in joint ventures		**1,182,955**	595,116
Loans to joint ventures		**2,169,600**	1,521,583
Advances to employees		**–**	39,769
Available-for-sale investments		**34,850**	114,236
Deferred tax assets		**322,481**	317,112
		5,680,803	4,288,149
CURRENT ASSETS			
Inventories		**3,941**	3,675
Prepaid lease payments		**130,162**	410,642
Properties under development for sale		**3,653,643**	4,213,683
Properties held for sale		**1,303,189**	1,036,375
Deposits paid for acquisition of land use rights		**187,120**	–
Trade and other receivables, deposits and prepayments	8	**622,079**	708,459
Amounts due from related parties		**535,530**	573,353
Advances to employees		**31,139**	–
Restricted cash		**1,054,992**	1,145,997
Bank balances and cash		**2,520,759**	2,797,941
		10,042,554	10,890,125
CURRENT LIABILITIES			
Trade and other payables, deposits received and accrued charges	9	**3,859,078**	5,486,747
Amounts due to related parties		**728,840**	186,183
Taxation payable		**1,839,585**	1,717,318
Bank and other borrowings – due within one year		**1,756,687**	1,314,317
		8,184,190	8,704,565
NET CURRENT ASSETS		**1,858,364**	2,185,560
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,539,167**	6,473,709

	Notes	**2015**	2014
		RMB'000	*RMB'000*
Capital and reserves			
Share capital		**128,094**	98,610
Reserves		**3,637,266**	2,762,043
Equity attributable to owners of the Company		**3,765,360**	2,860,653
Non-controlling interests		**9,689**	373,086
Total equity		**3,775,049**	3,233,739
Non-current liabilities			
Bank and other borrowings – due after one year		**700,000**	480,900
Long term payable		**133,134**	–
Senior notes		**2,802,214**	2,712,020
Deferred tax liabilities		**128,770**	47,050
		3,764,118	3,239,970
		7,539,167	6,473,709

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL

The Company was incorporated in the Cayman Islands on 28 June 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its parent is Super Land Holdings Limited, a company incorporated in the British Virgin Islands ("BVI") and its ultimate holding company is Fantastic Energy Ltd., a company incorporated under the laws of Commonwealth of the Bahamas. Both of them are controlled by Mr. Zhang Lei and Mr. Salum Zheng Lee. 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, the People's Republic of China (the "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 in 2011. Further details of which are set out in the Company's prospectus dated 28 June 2013. The Company's shares were then listed on the Stock Exchange on 12 July 2013.

The Company and its subsidiaries (collectively, the "Group") are principally engaged in real estate development, property investment, hotel operation, project management, real estate agency services and immigration services in the PRC and the United States (the "US").

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 the following amendments to International Financial Reporting Standards ("IFRSs") for the first time in the current year:

Amendments to IFRS 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 amendments to 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/or on the disclosures set out in these consolidated financial statements.

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, (c) hotel operation, (d) project management, (e) real estate agency services and (f) immigration services. The operating segment has been identified on the basis of internal management reports reviewed by chief operating decision maker of the Group ("CODM"), Mr. Zhang Peng, who is the Executive President of the Group. The CODM mainly reviews the revenue information on sales of properties from property development, leasing properties from property investment, hotel operation, project management, real estate agency services, and immigration services. 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 CODM 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.

Revenue represents the fair value of the consideration received or receivable.

Entity-wide information

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

	2015	2014
	RMB'000	*RMB'000*
Sale of properties	**6,201,939**	4,018,247
Leasing of properties	**45,068**	36,488
Hotel operation	**33,680**	24,729
Project management	**42,513**	–
Real estate agency services	**12,856**	–
Immigration services	**13,711**	–
	6,349,767	4,079,464

Non-current assets (excluding financial instruments and deferred tax assets) with carrying amount of RMB3,070,982,000 (2014: RMB3,828,083,000) as at 31 December 2015 are situated in the PRC, the remaining non-current assets with carrying amount of RMB82,890,000 (2014: RMB28,718,000) as at 31 December 2015 are situated in the US.

Geographic information

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.

	Revenues from external customers	
	2015	2014
	RMB'000	*RMB'000*
Northern, PRC	**3,697,286**	1,961,593
Middle south, PRC	**2,638,770**	2,117,871
US	**13,711**	–
	6,349,767	4,079,464

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue during the year.

4. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**(163,010)**	(142,234)
Interest expense on senior notes	**(372,568)**	(293,712)
	(535,578)	(435,946)
Less: Amount capitalised in properties under development	**338,302**	170,436
	(197,276)	(265,510)

Borrowing costs capitalised arose on the senior notes of the Group were calculated by applying a capitalisation rate of 6.92% (2014: 2.59%) per annum for the year ended 31 December 2015, to expenditure on the qualifying assets.

5. INCOME TAX EXPENSE

	2015	2014
	RMB'000	*RMB'000*
Current Tax		
PRC enterprise income tax	**(338,069)**	(281,985)
US corporate tax	**(7)**	(23)
Land appreciation tax ("LAT")	**(326,074)**	(306,259)
Deferred tax		
PRC enterprise income tax	**(78,922)**	(35,000)
LAT	**4,214**	(2,285)
Income tax expense	**(738,858)**	(625,552)

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.

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 year ended 31 December 2015 and 2014.

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 31 December 2015.

6. DIVIDEND

The final dividend proposed by the directors of the Company for the year ended 31 December 2015 of HK9.9 cents per share is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Pursuant to the bonus issue being completed on 10 July 2015, a total of 160,000,000 bonus shares were issued on the basis of one bonus share for every ten existing share as at 25 June 2015.

7. EARNINGS PER SHARE

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

	2015	2014
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**577,867**	521,128

	2015	2014
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of calculating basic earnings per share *(note a)*	**1,895,063**	1,760,000
Effect of dilutive potential ordinary shares:		
– Share options *(note b)*	**15,057**	–
Number of ordinary shares for the purpose of calculating diluted earnings per share	**1,910,120**	1,760,000

Notes:

(a) Weighted average number of 1,895,063,000 ordinary shares are calculated after taken into account the effects of bonus issue completed on 10 July 2015, the placing of shares completed on 31 July 2015 and exercise of share options during the year ended 31 December 2015.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 2014 has been retrospectively adjusted to 1,760,000,000 shares after completion of the bonus issue on 10 July 2015.

(b) The computation of the diluted earnings per share for the year ended 31 December 2015 has taken into consideration share options which have been vested and could be exercised under the share option scheme adopted by the Company on 14 June 2013. For the year ended 31 December 2014, the share options were not included in the calculation of diluted earnings per share as the adjusted exercise price was greater than the average market price of the Company's shares during the outstanding period in 2014.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly are rental receivable and receivable from sales of properties. 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.

	2015	2014
	RMB'000	*RMB'000*
Trade receivables, net of allowance	**59,800**	74,560
Advances to suppliers of construction materials	**43,770**	53,182
Other receivables, net of allowance	**340,221**	248,588
Prepaid LAT and business tax	**160,408**	322,911
Guarantee deposits for housing provident fund loans provided to customers *(note)*	**17,880**	9,218
	622,079	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 receivable from sales of properties, which approximated the respective revenue recognition dates, at the end of each of the reporting period:

	2015	2014
	RMB'000	*RMB'000*
Less than 1 year	**56,836**	74,560
1 – 2 years	**2,964**	–
	59,800	74,560

All of the above trade receivables are overdue rental receivables and receivable from properties sold 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:

	2015	2014
	RMB'000	*RMB'000*
At the beginning of the year	**8,742**	8,045
Provided during the year	**4,044**	697
Written off during the year	**(8,731)**	–
At the end of the year	**4,055**	8,742

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

	2015	2014
	RMB'000	*RMB'000*
At the beginning of the year	**14,800**	14,800
Reversed during the year	**(24)**	–
Written off during the year	**(11,502)**	–
At the end of the year	**3,274**	14,800

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

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**323,052**	462,216
Accrued expenditure on construction	**562,717**	519,658
Deposits received and receipt in advance from property sales	**2,152,162**	3,835,135
Other payables	**573,694**	224,748
Other tax payables	**106,716**	139,199
Accrued interest on senior notes	**117,784**	112,188
Accrued payroll	**19,920**	36,987
Other accrued charges	**2,444**	23,963
Dividend payable	**589**	701
Amount due to then shareholder arising from acquisition of a subsidiary	**–**	131,952
	3,859,078	5,486,747

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:

	2015	2014
	RMB'000	*RMB'000*
Less than 1 year	**264,373**	381,178
1-2 years	**54,355**	55,760
2-3 years	**832**	723
Over 3 years	**3,492**	24,555
	323,052	462,216

10. CONTINGENT LIABILITIES

(a) The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the related properties. 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. In the opinion of the directors of the Company, the fair value of guarantee contracts is insignificant at initial recognition. Also, no provision for the guarantee contracts at the end of the reporting period is recognised as the default risk is low.

The amounts of the outstanding guarantees given to banks for mortgage facilities at the end of the reporting period are as follows:

	2015	2014
	RMB'000	*RMB'000*
Mortgage guarantees	**3,460,036**	2,680,397

(b) The Group provided guarantees to bank loans and other loans of an associate and joint ventures amounting to RMB3,690,000,000 at 31 December 2015 (2014: RMB2,949,500,000). At the end of the reporting period date, the directors of the Company do not consider it probable that claims will be made against the Group under these guarantees. The Group has not recognised any deferred income in respect of these guarantees.

(c) During the year ended 31 December 2015, the Group provided guarantees to third parties in relation to considerations amounting to RMB2,469,917,000 in respect of acquisition of subsidiaries by joint ventures of the Group.

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board, I am pleased to present the business review of the Group for the year ended 31 December 2015 and its prospects.

Results

For the 12 months ended 31 December 2015, the Group, its joint ventures and associate achieved contracted sales of approximately RMB11,290.0 million, of which approximately RMB10,991.6 million was from properties and approximately RMB298.4 million was from carparks. Area of properties under contracted sales was approximately 1.242 million sq.m. and the average selling price per sq.m. was approximately RMB8,852. The Group achieved an increase of approximately 53.5% in contracted sales as compared with the figure for the 12 months ended 31 December 2014. As at the end of 2015, the Group's land bank increased by 1,020,132 sq.m. to a total land bank of 4,623,068 sq.m. Operating income increased by approximately 55.7% to approximately RMB6,349.8 million, gross profit increased by approximately 18.7% to approximately RMB1,964.1 million, with a gross profit margin of approximately 30.9%. Profit for the year attributable to owners of the Company increased by 10.9% to approximately RMB577.9 million, with basic earnings per share of RMB30.5 cents, as compared with RMB29.6 cents for 2014.

Review of 2015

In 2015, Modern Land implemented ecological strategies and innovated its business model, consolidating an environmental-friendly system.

Firstly, green solutions. With 15 years of dedicated research, Modern Land has developed its unique core competitiveness in solutions for modern life, i.e., "unique solution of heating and cooling", "unique solution of air quality" and "unique solution of cost reduction in energy consumption and operation". The "unique solution of air quality" is AirDino 1, a household filtration system of air source whilst the "unique solution of cost reduction of energy consumption and operation" is a home technology and self-control building system using mobile Internet. The "unique solution of heating and cooling" is AirDino 2 launched in 2015, which is a household heat pumping system of air source. These three green products further consolidated our core competitiveness in terms of eco-friendliness.

Secondly, the scale of green efforts. In 2015, Modern Land was committed to the "choosing prime sites" strategy, focusing on selected urban areas. It established its presence in Foshan, Xi'an, and Suzhou, and furthered its work in Shanghai, Changsha and Hefei, thus completing the strategic development plan of the four regions of Northern, Central, Eastern and Southern China, and achieving the nationwide presence of the MOMΛ brand. The Company won the championship for China Green Operation Model, and two projects were chosen as demonstration model of green residential area of China. The Company is a listed company with the most investment value across China, winning the Best Corporate Governance Award and boasting an AA credit rating with a "stable" outlook. Its scale in green initiatives is gradually expanding, with a total land bank currently at 4,623,068 sq.m.

Thirdly, green innovation. The year 2015 was revolutionary. With the combination of internet mindset and the whole value chain of real estate development, Modern Land established a brand new ecological development model and three major platforms, i.e. platform of green financial capital for attracting capital from home and abroad, development platform of green real estate featuring comfort and energy conservation, and green mobile internet community service platform after moving in by the residents. Meanwhile, from the business model extended from key points identified in the value chain of the whole process of property development, 12 value-added products were developed for serving our clients, including 51wofang.com, izhujia.com.cn, 52kanhaizi.com, Green Living Equity Investment Fund, the venture BIGGER and Zhongxin Internet Supply Chain Finance. These 12 products undoubtedly enhance clients' loyalty by meeting their needs, enhancing our capabilities of increasing sales and differentiating from competitors.

Outlook in 2016

The year 2015 was a period of adjustment for the industry, with first and second-tier cities beginning to show significant rebound. For 2016, from the perspective of demand, China's urbanisation process has just reached approximately 50% and currently entered its second stage of development, thus there is still much room for development. As de-stocking remains the theme of 2016, the overall market of the industry will enter a new norm and the Company will face three breakthroughs.

The first is breakthrough in products, which is to design products for our customers' future lifestyle according to their needs, and adjust our product structure, which is now termed supply-side structural reform. The second is breakthrough in financing structure, changing from the single channel of debt financing to more varied channels featuring financial innovations, real estate financialisation, securitisation of commercial banks, insurances, Internet finance, and assets, and the marketisation, diversification, securitisation of funds. Equity financing has led to financial restructuring of enterprises for reducing cost of capital. The third is breakthrough in customer operations. Previously, real estate companies focused on acquiring land, designing products, and constructing and selling buildings. For 2016, the Company has to operate and maintain its operations with the customers truly as its focus, so that customers will feel the change in their lifestyle, not only in physical space, but a move towards a community of creativity, culture, life, education and future. This requires research, guidance and engagement of customers, so as to create a future lifestyle model together with customers. This also features a turning point from shifting our focus from the increment market to the existing market.

Under this market environment, as an enterprise with differentiated core competitiveness, we find the current stage a growth opportunity for us. Relying on the strength of our team and products, we are confident enough to believe that 2016 will be a year of steady and solid development for Modern Land.

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

Zhang Lei
Chairman

21 March 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Sale of Properties

For the year ended 31 December 2015, the Group's revenue from sale of properties amounted to RMB6,201.9 million, representing an increase of 54.3% as compared to the year ended 31 December 2014. The Group delivered 776,369 sq.m. of property in terms of total gross floor area ("GFA") and 2,258 units of carparks in 2015. Gross profit margin of sale of properties was 30.9%, down from 40.6% in the corresponding period in 2014. Recognised average selling price ("ASP") was RMB7,577 per sq.m. and that for car parking spaces was RMB141,340 per unit for the year ended 31 December 2015.

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

* *After deducting sales tax*

Project name	**2015** Revenue	**2015** Total saleable GFA or units delivered	**2015** ASP	2014 Revenue	2014 Total saleable GFA or units delivered	2014 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)	**218,313**	**3,777**	**57,801**	1,153,569	17,742	65,019
Wan Guo Cheng MOMΛ (Beijing)	**18,242**	**352**	**51,824**	3,212	157	20,459
MOMΛ Forest Forever (Beijing)	**–**	**–**	**–**	177,248	6,353	27,900
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	**1,309,850**	**145,904**	**8,977**	–	–	–
Shangdi MOMΛ (Beijing) *(Note (1))*	**29,626**	**1,177**	**25,171**	27,329	977	27,972
Wan Guo Cheng MOMΛ (Taiyuan)	**1,801,183**	**156,637**	**11,499**	508,919	39,550	12,868
Kaifu Man Ting Chun MOMΛ (Changsha) *(Note (2))*	**1,176,148**	**177,506**	**6,626**	1,511,396	253,054	5,973
Hanyang Man Ting Chun MOMΛ (Wuhan)	**322,093**	**59,875**	**5,379**	–	–	–
Man Ting Chun MOMΛ (Nanchang)	**5,413**	**632**	**8,565**	172,386	24,423	7,058
Modern MOMΛ New City (Nanchang)	**323,235**	**50,380**	**6,416**	–	–	–
Man Ting Chun MOMΛ (Jiujiang)	**352,233**	**73,961**	**4,762**	178,406	33,039	5,400
Man Ting Chun MOMΛ (Xiantao)	**326,458**	**106,168**	**3,075**	180,177	55,749	3,232
Subtotal	**5,882,794**	**776,369**	**7,577**	3,912,642	431,044	9,077
Car park	**319,145**	**2,258**	**141,340**	105,605	1,019	103,636
Total	**6,201,939**			4,018,247		

Notes: (1) iMOMΛ (Beijing) is no longer presented separately as it has been consolidated into Shangdi MOMΛ (Beijing).

(2) Wan Guo Cheng MOMΛ (Changsha) and Man Ting Chun MOMΛ (Changsha) are no longer presented separately as they have been consolidated into Kaifu Man Ting Chun MOMΛ (Changsha).

Contracted Sales

For the year ended 31 December 2015, the Group, its joint ventures and associate achieved contracted sales of RMB11,290.0 million, representing an increase of 53.5% as compared to the year ended 31 December 2014. The Group, its joint ventures and associate sold 1,241,650 sq.m. in total GFA and 2,377 units of carparks, representing an increase of 57.3% and 99.1% respectively as compared to the year ended 31 December 2014.

Table 2: Breakdown of contracted sales of the Group, its joint ventures and associate

* *Before deducting sales tax*

Project name	Attributable interest to the Group	2015 Contracted sales	2015 GFA	2015 ASP	2014 Contracted Sales	2014 GFA	2014 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**	965,462	12,633	76,424
Wan Guo Cheng MOMΛ (Beijing)	**100%**	**19,339**	**352**	**54,940**	7,900	235	33,617
MOMΛ Forest Forever (Beijing)	**100%**	**–**	**–**	**–**	104,222	3,592	29,015
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	**100%**	**48,139**	**4,174**	**11,533**	1,365,100	143,758	9,496
Modern Land • CIFI Villa (Beijing)	**50%**	**1,681,082**	**112,374**	**14,960**	–	–	–
Modern North Star • YUE MOMΛ (Beijing)	**50%**	**1,218,863**	**72,145**	**16,895**	–	–	–
Shangdi MOMΛ (Beijing) *(Note (1))*	**100%**	**50,689**	**1,636**	**30,983**	9,995	515	19,408
Modern Wan Guo Fu MOMΛ (Shanghai)	**65.63%**	**450,000**	**15,000**	**30,000**	–	–	–
Songjiang Yi Jing Yuan (Shanghai)	**35%**	**1,104,326**	**50,931**	**21,683**	640,344	30,313	21,124
Wan Guo Cheng MOMΛ (Taiyuan)	**100%**	**467,346**	**48,782**	**9,580**	1,139,644	91,058	12,516
Hongsheng Man Ting Chun MOMΛ(Shaanxi)	**51%**	**104,599**	**15,111**	**6,922**	–	–	–
Kaifu Man Ting Chun MOMΛ (Changsha) *(Note (2))*	**100%**	**385,317**	**45,030**	**8,557**	1,174,427	169,019	6,948
Modern Binjiang MOMΛ (Changsha)	**51%**	**517,588**	**75,856**	**6,823**	57,724	8,600	6,712
MOMΛ Modern Plaza (Changsha)	**51%**	**630,686**	**125,703**	**5,017**	252,922	60,985	4,147
Hanyang Man Ting Chun MOMΛ (Wuhan)	**99.02%**	**504,808**	**90,076**	**5,604**	26,700	4,928	5,418
Guanggu Man Ting Chun MOMΛ (Wuhan)	**94.95%**	**544,817**	**83,146**	**6,553**	138,911	21,377	6,498
North Star-Modern • Guanggu Green Home (Wuhan)	**45%**	**437,340**	**64,950**	**6,733**	–	–	–
Modern MOMΛ (Hefei)	**51%**	**889,671**	**55,470**	**16,039**	–	–	–

Project name	Attributable interest to the Group	2015 Contracted sales	2015 GFA	2015 ASP	2014 Contracted Sales	2014 GFA	2014 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*
Man Ting Chun MOMΛ (Nanchang)	**100%**	**1,627**	**113**	**14,398**	61,365	6,609	9,285
Modern MOMΛ New City (Nanchang)	**100%**	**196,284**	**30,825**	**6,368**	209,232	29,404	7,116
Modern International MOMΛ (Nanchang)	**65%**	**530,095**	**71,797**	**7,383**	371,295	49,680	7,474
Man Ting Chun MOMΛ (Jiujiang) *(Note (3))*	**100%**	**614,660**	**133,856**	**4,592**	405,056	83,040	4,878
Man Ting Chun MOMΛ(Xiantao)	**100%**	**417,079**	**126,437**	**3,299**	250,137	73,619	3,398
Dongdaihe • Bai Jin Hai MOMΛ(Dongdaihe)	**100%**	**95,396**	**16,659**	**5,726**	–	–	–
Subtotal		**10,991,590**	**1,241,650**	**8,852**	7,180,436	789,365	9,096
Car park		**298,442**	**2,377units**	**125,554/unit**	176,041	1,194units	147,438/unit
Total		**11,290,032**			7,356,477		

Notes: (1) iMOMΛ (Beijing) is no longer presented separately as it has been consolidated into Shangdi MOMΛ (Beijing).

(2) Wan Guo Cheng MOMΛ (Changsha) and Man Ting Chun MOMΛ (Changsha) are no longer presented separately as they have been consolidated into Kaifu Man Ting Chun MOMΛ (Changsha).

(3) Chao Yang Li MOMΛ (Jiujiang) is no longer presented separately as it has been consolidated into Man Ting Chun MOMΛ (Jiujiang).

Leasing of Properties, Hotel Operations and Project Management

For the year ended 31 December 2015, the Group's revenue from leasing of properties amounted to RMB45.1 million, representing an increase of 23.5% as compared to the corresponding period in 2014. The Group's revenue from hotel operations increased by 36.2% to RMB33.7 million in 2015 while the revenue from project management amounted to RMB42.5 million in 2015 (2014: nil). The Group's revenue from real estate agency services amounted to RMB12.9 million in 2015 (2014: nil), while the revenue from immigration services amounted to RMB13.7 million in 2015 (2014: nil).

Land Bank

As at 31 December 2015, total land bank in the PRC (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 4,623,068 sq.m.

The geographic spread of the land bank held by the Group, its joint ventures and associates was as follows:

Table 3: Land bank held by the Group, its joint ventures and associates

Land bank in China

Project name	Attributable interest to the Group (%)	As at 31 December 2015 Total GFA unsold *(Note 1)* *(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 Caiyu Man Ting Chun MOMΛ (Beijing)	100%	6,496	2,028
Modern Land CIFI Villa(Beijing)	50%	158,213	112,374
Modern North Star • YUE MOMΛ(Beijing)	50%	131,346	72,145
Shangdi MOMΛ (Beijing) *(Note (2))*	100%	11,414	–
Wan Guo Cheng MOMΛ (Shanghai)	65.63%	127,474	15,000
Songjiang Yi Jing Yuan (Shanghai)	35%	146,307	81,244
Wan Guo Cheng MOMΛ (Foshan)	100%	190,833	–
Modern Wan Guo Cheng MOMΛ (Suzhou)	100%	72,730	–
Wan Guo Cheng MOMΛ (Taiyuan)	100%	81,550	17,291
Hongsheng Man Ting Chun MOMΛ (Shaanxi)	51%	169,058	15,111
Kaifu Man Ting Chun MOMΛ (Changsha) *(Note (2))*	100%	162,836	17,392
Modern Binjiang MOMΛ (Changsha)	51%	229,374	84,456
MOMΛ Modern Plaza (Changsha)	51%	341,778	186,688
Hanyang Man Ting Chun MOMΛ (Wuhan)	99%	60,598	35,129
Guanggu Man Ting Chun MOMΛ (Wuhan)	94.95%	240,076	61,499
North Star-Modern • Guanggu Green Home (Wuhan)	45%	315,203	64,950
Modern MOMΛ (Hefei)	51%	189,073	55,470
Modern MOMΛ Hengtong international city of the future (Hefei)	20%	460,037	–
Man Ting Chun MOMΛ (Nanchang)	100%	28,313	–

Project name	Attributable interest to the Group *(%)*	As at 31 December 2015 Total GFA unsold *(Note 1)* *(sq.m.)*	Aggregated GFA sold but undelivered with sales contracts *(sq.m.)*
Modern MOMΛ New City (Nanchang)	100%	40,052	6,747
Modern International MOMΛ (Nanchang)	65%	190,898	108,081
Man Ting Chun MOMΛ (Jiujiang) *(Note (2))*	100%	235,614	150,169
Man Ting Chun MOMΛ (Xiantao)	100%	669,812	62,132
Dongdaihe • Bai Jin Hai MOMΛ (Dongdaihe)	100%	346,675	16,659
Total		**4,623,068**	**1,164,565**

Note: (1) Total GFA unsold includes aggregated GFA sold but not yet delivered with sales contracts.

(2) iMOMΛ (Beijing) is no longer presented separately as it has been consolidated into Shangdi MOMΛ (Beijing).Wan Guo Cheng MOMΛ (Changsha) and Man Ting Chun MOMΛ (Changsha) are no longer presented separately as they have been consolidated into Kaifu Man Ting Chun MOMΛ (Changsha). Chao Yang Li MOMΛ (Jiujiang) is no longer presented separately as it has been consolidated into Man Ting Chun MOMΛ (Jiujiang).

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.

Land Acquisitions

During the year and up to the date of this announcement, the Group and its joint ventures acquired 7 parcels of land in aggregate, details of which are as follows:

- On 11 February 2015, 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, was successfully acquired through the auction of the land use rights of state-owned construction land held in Shanghai, for a total consideration of RMB1,735 million. The GFA of the land was approximately 92,400 sq.m.

- On 3 June 2015, the state-owned land use rights and the entire interests of a mixed commercial and residential land (Sudi No.2015-G2) in Suzhou, Jiangsu Province, the PRC, was successfully acquired through the auction of the land use rights of state-owned construction land held in Suzhou, for a total consideration of RMB450 million. The GFA of the land was approximately 55,000 sq.m.

- On 18 August 2015, a parcel of 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 a planned GFA of approximately 330,000 sq.m. was acquired. It is intended that the land will be developed for commercial and residential use.

- On 11 December 2015, the state-owned land use rights of and the entire interest in a parcel of land (No. XZQTD190) in Xinzhan District, Hefei, Anhui Province, the PRC, was successfully acquired through an auction of state-owned construction land use rights held in Hefei, at a total consideration of RMB626 million. The total GFA of the land was approximately 375,724 sq.m.

- On 31 December 2015, the state-owned construction land use rights of a parcel of land (03-02-08) in Zone B, Guangdong High Tech Service Zone for Financial Institutions, Guicheng Subdistrict, Nanhai District, Foshan, Guangdong Province, the PRC, was successfully acquired through an auction of state-owned construction land use rights held in Foshan, for a total consideration of RMB1,668 million. The total GFA of the land was approximately 144,600 sq.m.

- On 27 January 2016, the state-owned construction land use rights of a parcel of land (SY00-0029-6012) in Liqiao Town, Shunyi District, Beijing, the PRC, was successfully acquired through an auction of state-owned construction land use rights held in Beijing, for a total consideration of RMB1,875 million. The total GFA of the land was approximately 123,693 sq.m.

- On 28 January 2016, a parcel of residential land located at the north of Yuanda 1st Road in Furong District, Changsha, Hunan Province, the PRC was acquired. The total GFA of the land was approximately 453,948 sq.m.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 55.7% to approximately RMB6,349.8 million for the year ended 31 December 2015 from approximately RMB4,079.5 million for the year ended 31 December 2014. Such increase was mainly attributable to the aggregate sales revenue from various property development projects such as Wan Guo Cheng MOMΛ (Taiyuan), Changsha Kaifu Man Ting Chun MOMΛ and Modern Caiyu Man Ting Chun MOMΛ (Beijing). The property-related delivered GFA of the Group increased from approximately 431,044 sq.m. for the year ended 31 December 2014 to approximately 776,369 sq.m. for the year ended 31 December 2015.

Cost of Sales

The Group's cost of sales increased by approximately 80.9% to RMB4,385.7 million in 2015 from 2014. Such increase was mainly due to a significant increase in sold area with higher cost of sales in 2015.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit increased by approximately 18.7% to RMB1,964.1 million in 2015 from 2014 and the Group's gross profit margin in 2015 was 30.9%, representing a decrease of approximately 9.7 percentage points as compared to 2014.

Other Income, Gains and Loss

Other income, gains and loss for the year ended 31 December 2015 decreased by approximately 135.6% to the loss of approximately RMB26.8 million from the gains of approximately RMB75.3 million for the year ended 31 December 2014. Such decrease was primarily due to the foreign exchange loss arising from the senior notes denominated in US dollars and payment of the settlement amount in relation to the reconciliation of the arbitration matter as disclosed in the announcement dated 28 December 2015 by the Group.

Change of Fair Value

Change of fair value includes 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 value for the year ended 31 December 2015 decreased by approximately 16.9% to RMB167.9 million from RMB202.0 million in 2014, which was mainly attributable to relatively stable market conditions of the investment properties held by the Group without notable movement of rental.

Selling and Distribution Expenses

The selling and distribution expenses of the Group for the year ended 31 December 2015 slightly increased by approximately 1.4% to approximately RMB209.7 million from approximately RMB206.8 million for the year ended 31 December 2014. The percentage of expenses to the revenue decreased from 5.1% for 2014 to 3.3% for 2015, which was primarily due to significantly enhanced selling efficiency of the Group, rational usage of marketing resources and strengthened control over expenses.

Administrative Expenses

The administrative expenses of the Group for the year ended 31 December 2015 increased by approximately 1.5% to approximately RMB245.8 million from approximately RMB242.1 million for the year ended 31 December 2014. The percentage of expenses to the revenue decreased from 5.9% for 2014 to 3.9% for 2015, which was primarily due to significantly enhanced operational capacity of the Group in 2015 and impressive improvement of management efficiency.

Finance Costs

The finance costs of the Group amounted to approximately RMB197.3 million for the year ended 31 December 2015, representing a decrease of approximately 25.7% from approximately RMB265.5 million for the year ended 31 December 2014. Despite the higher total amount of financing, the average finance costs decreased to 10.5% and the level of capitalisation of qualifying assets was enhanced.

Profit before Taxation

Profit before taxation of the Group for the year ended 31 December 2015 increased by approximately 14.8% to approximately RMB1,339.6 million from approximately RMB1,166.9 million for the year ended 31 December 2014 for the above reasons.

Income Tax Expense

The income tax expense of the Group for the year ended 31 December 2015 increased by approximately 18.1% to approximately RMB738.9 million from approximately RMB625.6 million for the year ended 31 December 2014, primarily due to an increase in revenue and the scale of the Group.

Profit for the Period Attributable to Owners of the Company

As a result of the foregoing, the profit of the Group attributable to owners of the Group for the year ended 31 December 2015 increased by approximately 10.9% to approximately RMB577.9 million from approximately RMB521.1 million for the year ended 31 December 2014.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2015, the Group had cash, restricted cash and bank balances of approximately RMB3,575.8 million (31 December 2014: RMB3,943.9 million), representing a decrease of approximately 9.3% as compared with that as at 31 December 2014. The continuous stability of cash position was mainly due to moderate decrease in the cash level resulting from the large-scale land acquisitions for business expansion of the Group. As at 31 December 2015, 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 31 December 2015, the above guarantee deposits amounted to approximately RMB57.3 million in total.

Borrowings and pledge of the Group's assets

As at 31 December 2015, the Group had total borrowings of approximately RMB5,258.9 million, including bank and other loans of approximately RMB2,456.7 million and senior notes of approximately RMB2,802.2 million. As at 31 December 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, equity interests in a subsidiary and bank deposits which had a carrying amount of approximately RMB3,891.8 million. A 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 was mainly related to variable interest rates of the domestic bank loans.

Breakdown of borrowings

By type of borrowings and maturity

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Bank and other loans		
Within one year or on demand	**1,756,687**	1,314,317
Over one year and within two years	**632,000**	365,900
Over two years and within five years	**68,000**	115,000
Subtotal	**2,456,687**	1,795,217
Offshore senior notes		
Over one year and within two years	**1,076,234**	–
Over two years and within five years	**1,725,980**	2,712,020
Subtotal	**2,802,214**	2,712,020
TOTAL	**5,258,901**	4,507,237
Less:		
Cash and restricted cash	**3,575,751**	3,943,938
Net debt	**(1,683,150)**	(563,299)
Total equity	**3,775,049**	3,233,739
Net debt to equity	**44.6%**	17.4%

By currency denomination

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
By type of borrowings and maturity		
– Denominated in RMB	**3,469,284**	2,688,195
– Denominated in HK$	**–**	136,317
– Denominated in USD	**1,789,617**	1,682,725
	5,258,901	4,507,237

Leverage

As at 31 December 2015, the Group recorded net debt ratio of approximately 44.6%. The Group's net current assets (being current assets less current liabilities) decreased by approximately 15.0% to approximately RMB1,858.4 million as at 31 December 2015 from approximately RMB2,185.6 million as at 31 December 2014. Its current ratio (being current assets/current liabilities) slightly decreased from approximately 125.1% as at 31 December 2014 to approximately 122.7% as at 31 December 2015.

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 31 December 2015, the Group had monetary assets which are denominated in US dollars and HK dollars of approximately RMB60.4 million and approximately RMB206.2 million respectively and liabilities which are denominated in US dollars of approximately RMB2,136.0 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 31 December 2015, the Group had contingent liabilities amounting to approximately RMB3,460.0 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 as owed by the defaulted purchasers to the banks, and, in such circumstances, the Group will be entitled to take over the legal title and ownership of the relevant properties. 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 the completion of registration of other ownership certificates.

Employees and Compensation Policy

As at 31 December 2015, the Group had 915 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 discretionary bonus and cash awards based on individual performance.

MATERIAL INVESTMENT, ACQUISITION AND DISPOSAL OF ASSETS

A summary of the material investment, acquisitions and disposals of the Group during the year ended 31 December 2015 is set out as follows:

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 the equity transfer agreement with Shaanxi Hongsheng Industrial Group Company Limited* (陝西鴻盛實業集團有限公司) and Shaanxi Hejin Mineral Company Limited* (陝西合金礦業有限公司) ("Hejin Mineral") whereby the parties agreed that, among others, (i) Shengeng Zhiye shall 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 (equivalent to approximately HK$12.4 million); and (ii) Shengeng Zhiye shall provide Shaanxi Zhuoli with the loan in the amount of RMB200 million. Upon completion of the said acquisition, Shaanxi Zhuoli is held as to 51% and 49% by Shengeng Zhiye and Hongsheng Industrial, respectively. As resolutions of the board of directors of Shaanxi Zhuoli may only be passed upon approval of all directors, the Group does not control the board of directors of Shaanxi Zhuoli and Shaanxi Zhuoli becomes a joint venture of the Group. The financial results of Shaanxi Zhuoli will not be consolidated with the financial results of the Group and is equity accounted for by the Group. For details, please refer to the announcement of the Company dated 18 August 2015.

In March 2015, the Company entered into a cooperative framework agreement and related supplementary agreements (collectively, the "Wuhan Moma Agreements") with Shanghai International Trust Co., Ltd.* (上海國際信託有限公司), Cura Investment Management (Shanghai) Co., Ltd.* (上海中城聯盟投資管理股份有限公司) 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), pursuant to which the Company's equity interest in Wuhan Moma Development Co., Ltd.* (武漢摩碼置業有限公司) ("Wuhan Moma") was diluted from 100% to 90.13% accordingly. Pursuant to the Wuhan Moma Agreements and the revised Articles of Association of Wuhan Moma, Wuhan Moma was no longer an indirect wholly-owned subsidiary of the Company, and was accounted for as a joint venture of the Group. In September 2015, the Company transferred its 24.5% equity interests in Wuhan Moma to Shihezi Hong Rui Rui An Equity Investment Partnership at a consideration of RMB200,900,000. After the transfer, the equity interest in Wuhan Moma held by the Group further decreased from 90.13% to 65.63% and Wuhan Moma remains as a joint venture of the Group.

On 12 October 2015, Huojianzhiye Investment (Beijing) Co., Ltd.* (火箭智業投資（北京）有限公司) ("HJZY"), a then wholly-owned subsidiary of the Company, held a meeting of equity holder and the resolution on changes in shareholding and the registered capital increased from RMB10,000,000 to RMB100,000,000 was approved at the meeting. Pursuant to the resolution, the Company increased its capital contribution in HJZY from RMB10,000,000 to RMB20,000,000 and Jiaxing Lvxin Equity Investment Fund (Limited Partnership)*) (嘉興綠信股權投資基金合夥企業（有限合夥)), the new equity holder, contributed RMB80,000,000 into HJZY for holding 20% and 80% of equity interests in HJZY, respectively. After these changes took effect, HJZY was accounted for as an associate of the Group.

On 13 October 2015, Nengdonghongye Investment (Beijing) Co., Ltd ("NDHY"), a then wholly-owned subsidiary of the Company, held a meeting of equity holder and the resolution on transfer of the Group's 49% equity interest in NDHY to Oriental Bangxinshengshi Investment Fund Management (Beijing) Co., Ltd. * (東方邦信盛世投資基金管理（北京）有限公司) ("Oriental BX") at a consideration RMB4,900,000 was approved at the meeting. Upon completion of the aforesaid equity transfer, NDHY was held by the Group and Oriental BX as to 51% and 49%, respectively, therefore NDHY was no longer a subsidiary of the Company and was accounted for as a joint venture of the Group.

On 20 October 2015, the Company and AVIC Trust Co., Ltd* (中航信託股份有限公司) ("AVIC Trust") entered into the equity transfer agreement whereby the Company agreed to acquire from AVIC Trust 35% equity interest in Nanchang Xinjian Modern Real Estate Development Co., Ltd.* (南昌新建當代房地產開發有限公司) ("Nanchang Modern") for a consideration of RMB80,500,000. Prior to completion of the acquisition, Nanchang Modern is held as to 65% by the Company and 35% by AVIC Trust (being the trustee of the trust). Upon completion of the acquisition, Nanchang Modern is held as to 100% by the Company and becomes a wholly-owned subsidiary of the Company. For details, please refer to the announcement of the Company dated 20 October 2015.

On 6 November 2015, a resolution was passed by all the partners of the Beijing Green Spring Equity Investment Fund (Limited Partnership)* (北京綠色春天股權投資基金(有限合夥)) (the "Fund")whereby it was agreed that the total investment amount in Beijing Green Spring Equity Investment Fund will be reduced from RMB800 million to RMB430 million, and Minsheng Royal Asset Management Co., Ltd.* (民生加銀資產管理有限公司) ("MRAM") will cease to be one of the partners of the fund. The fund will return the investment amount injected by MRAM in cash. As at the date of the resolution, the Fund had a total investment amount of RMB800 million which was held as to 1.875% by Beijing Modern Green Investment Fund Management Co., Ltd.* (北京當代綠色投資基金管理有限公司) ("Modern Green Fund Management") as general partner, 51.875% by Modern Green Development as subordinated limited partner and 46.25% by MRAM as senior limited partner. Upon return of the investment amount injected by MRAM, the investment amount in the Fund reduced from RMB800 million to RMB430 million and was held as to 3.49% by Modern Green Fund Management as general partner and 96.51% by Modern Green Development as subordinated limited partner. For details, please refer to the announcement of the Company dated 6 November 2015.

PROSPECTS

In 2015, the forecast on the growth rate of Chinese economy was lowered several times, and the "supply side reform" has been featured in many recent policies, implying that while properly stimulating the overall demand, more emphasis will be laid on the supply side reforms. President Xi Jinping pointed out that in order to promote economic structural reform, we should target at the outstanding problems and seize the key points. President Xi named several problems including over-capacity, cost of enterprise, as well as real estate inventory, etc. In November 2015, Premier Li Keqiang highlighted again that various policy tools would be used to form two major engines for economic growth: one is grassroots innovation, which is a key to the structural reform; the other is the increase in supply of public products and services to shore up effective demands, while at the same time, to improve people's well-being.

Suffering from the unfavorable overall market and forecasts, there is an unbalanced capital supply structure from financial institutions, which is the main contributor to "increased sales and decreased growth rate of inventory, but surge in price and plummetting in investment growth". In 2015, the central bank cut the requirement reserve ratio and the interest rate in five instances. Individuals are exempted from business tax for selling houses that they owned for more than two years. There is also a lift in home purchase restrictions across the country except for first-tier cities. However, the capital supply in the financial market still suffered from structural disequilibrium: Home mortgage loans grew rapidly, up 19.9% year-on-year; developer bank loans went down 3.6% year-on-year, with a 4% year-on-year decrease in self-raised funds and only a 1.3% increase in the overall growth of enterprise funds source. Meanwhile, sales and price shot up in first-tier cities with lower inventory levels, while third- and fourth-tier cities with more inventory were faced with severe challenges.

In 2015, the macro real estate industry trend is de-stocking, differentiation, and changes. De-stocking corelates to the current high inventory ratio. Both macro policies and micro aims of real estate enterprises will guide de-stocking of high inventory sectors. On the macro level, differentiation refers to the highly differentiated situation for different cities, the highly differentiated financial market, and the differentiated problems of high housing price but low margins, and high levels of sales but low levels of investment. On the micro level, it refers to the gradual differentiation of enterprises during reintegration and transformation, and the gradual differentiation of various demand groups. And changes mean that in the new normal, China's economic growth slowed down and the real estate industry, as a pillar industry of the economy, will consequently experience changes in the way it drives the growth, and businesses will also experience changes in main businesses and the strategic business layout during the transition.

2016 real estate outlook: rising prices, quantity assurance, and improvement. Rising prices mean that favorable monetary policies and land policies will further spur an increase in housing prices. Quantity assurance means that in the future, there are larger risks in the real estate market due to higher volatility, and developers will try to assure the quantity, while the government will do its best to restore the normal level of overall volume of real estate investment. And improvement means that housing improvement demand will become the growth point of the real estate market in 2016.

In the coming two years, adjustments and control of the property market should focus on three goals: de-stocking to achieve huge sales growth; risk-prevention to keep the housing price growth at a reasonable level to avoid radical fluctuations or default risks; and investment promotion: to allow real estate investment to return to normal levels. There are six tasks to fulfill: taking advantage of the previous demand to conduct shanty towns transformation through monetized resettlement; development of new demands to encourage migrant workers to purchase housing; to enlarge the previous increment and shore up housing improvement demands; transformation and upgrading, and cutting new projects; circulating funds to speed up construction; acquisition and reorganization to avoid unfinished projects.

BONUS ISSUE

On 29 May 2015, the Board resolved to allot and issue new shares of US$0.01 each of the Company (the "Share(s)") on the basis of one bonus Share for every 10 Shares to the shareholders (the "Shareholder(s)") of the Company (the "Bonus Issue"). 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.

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 (as defined in the Indentures); (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.

PLACING

On 31 July 2015, the Company completed a placing (the "Placing") whereby an aggregate of 320,000,000 new Shares were successfully placed to no fewer than six placees at the placing price of HK$1.05 per Share by Kingston Securities Limited (the "Placing Agent") in accordance with the terms and conditions of the placing agreement entered into between the Company and the Placing Agent on 15 July 2015.

No placee has become a substantial shareholder (as defined under the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")) immediately following completion of the Placing. After deducting the placing commission and other expenses in connection with the Placing from the gross proceeds, the net placing proceeds amounted to approximately HK$330 million and are intended to be used as general working capital and/or for future investment opportunities of the Group.

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 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. During January to December in 2015, Mr. Zhang Lei, the chairman of the Board, an executive Director and a controlling shareholder of the Company, purchased 3,426,000 Shares at an average price of approximately HK$1.35.

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 for the year ended 31 December 2015.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 14 June 2013. The Company granted 105,600,000 share options in aggregate on 10 July 2015 to two Directors and other eligible participants, details of which are set out in the announcement of the Company dated 10 July 2015.

ANNUAL GENERAL MEETING

The annual general meeting (the "2016 AGM") will be held on Tuesday, 3 May 2016. The notice of the 2016 AGM will be published and despatched to the Shareholders in due course.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board is pleased to recommend a final dividend of HK9.9 cents per Share for the year ended 31 December 2015. Subject to the approval of the proposed final dividend by the Shareholders at the 2016 AGM, it is expected that the final dividend will be paid on or around 18 May 2016 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 10 May 2016.

(a) For determining the entitlement of Shareholders to attend and vote at the 2016 AGM

For determining the entitlement of Shareholders to attend and vote at the 2016 AGM, the register of members of the Company will be closed from Friday, 29 April 2016 to Tuesday, 3 May 2016 (both days inclusive), during which period no transfer of Shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the 2016 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 April 2016.

(b) For determining the entitlement to the proposed final dividend (subject to Shareholders' approval at the 2016 AGM)

For determining the entitlement to the proposed final dividend (subject to Shareholders' approval at the 2016 AGM), the register of members of the Company will be closed from Monday, 9 May 2016 to Tuesday, 10 May 2016 (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 May 2016.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises 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 31 December 2015.

PUBLICATION

This annual results announcement of the Company is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.modernland.hk) respectively. The 2015 annual report will be despatched to the Shareholders 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, 21 March 2016

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.