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 2016

HIGHLIGHTS

- Revenue increased by approximately 118.6% from the corresponding period in 2015 to approximately RMB4,271.3 million.
- Achieved contracted sales of approximately RMB7,450.6 million, representing an increase of approximately 70.6% as compared to the corresponding period in 2015.
- Profit for the period attributable to owners of the Company increased by approximately 75.8% to approximately RMB499.6 million as compared to the corresponding period in 2015.
- The Group's total asset as at 30 June 2016 amounted to RMB26,372.5 million, an increase of approximately 67.7% as compared to the figure as at 31 December 2015.
- As at 30 June 2016, bank balances and cash (including restricted cash) was RMB5,714.1 million.
- During the six months ended 30 June 2016, diluted earnings per share was RMB23.9 cents (during the six months ended 30 June 2015: RMB16.1 cents), representing an increase of 48.4%.
- The Group successfully issued RMB1 billion domestic corporate bond with coupon rate of 6.4%.
- The weighted average borrowing cost of the Group decreased from 10.5% to 8.4% as at 30 June 2016.

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 2016 with the comparative figures for the six months ended 30 June 2015, as follows:

The Group's unaudited consolidated statement of profit or loss and other comprehensive income, unaudited 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 2016, which has been reviewed by the Company's independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2016

	Notes	For the six months ended 30 June **2016** ***RMB'000***	 2015 *RMB'000*
Revenue	*3*	**4,271,329**	1,954,236
Cost of sales		**(3,469,750)**	(1,142,462)
Gross profit		**801,579**	811,774
Other income, gain and loss	*4*	**195,215**	76,353
Recognition of changes in fair value of properties held for sale and properties under development for sale upon transfer to investment properties		**77,778**	56,559
Changes in fair value of investment properties, net		**89,934**	50,624
Selling and distribution expenses		**(112,127)**	(88,899)
Administrative expenses		**(141,518)**	(125,696)
Finance costs	*5*	**(119,905)**	(117,670)
Share of loss of joint ventures		**(41,127)**	(61,307)
Share of loss of associates		**(10,076)**	(3,514)
Profit before taxation		**739,753**	598,224
Income tax expense	*6*	**(237,935)**	(295,240)
Profit for the period	*7*	**501,818**	302,984

	Note	For the six months ended 30 June **2016** ***RMB'000***	 2015 *RMB'000*
Profit for the period:		**501,818**	302,984
Other comprehensive income for the period:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations, net of nil tax		**4,561**	(122)
Total comprehensive income for the period		**506,379**	302,862
Profit for the period attributable to:			
Owners of the Company		**499,559**	284,163
Non-controlling interests		**2,259**	18,821
		501,818	302,984
Total comprehensive income attributable to:			
Owners of the Company		**504,120**	284,041
Non-controlling interests		**2,259**	18,821
		506,379	302,862
Earnings per share, in RMB cents:			
Basic	*9*	**24.0**	16.2
Diluted	*9*	**23.9**	16.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
NON-CURRENT ASSETS			
Investment properties		**1,647,000**	1,368,240
Property, plant and equipment		**503,747**	498,816
Intangible assets		**1,833**	2,355
Freehold land held for future development		**30,173**	29,547
Interests in associates		**105,423**	71,959
Interests in joint ventures	*10*	**956,821**	1,182,955
Loans to joint ventures	*10*	**1,896,763**	2,169,600
Available-for-sale investments		**36,350**	34,850
Deferred tax assets		**463,987**	322,481
		5,642,097	5,680,803
CURRENT ASSETS			
Inventories		**5,106**	3,941
Prepaid lease payments		**654,968**	130,162
Properties under development for sale		**11,209,199**	3,653,643
Properties held for sale		**1,452,876**	1,303,189
Deposits paid for acquisition of land use rights		**50,000**	187,120
Trade and other receivables, deposits and prepayments	*11*	**1,176,646**	622,079
Amounts due from related parties		**467,498**	535,530
Advances to employees		**–**	31,139
Restricted cash		**1,702,815**	1,054,992
Bank balances and cash		**4,011,264**	2,520,759
		20,730,372	10,042,554

	Note	**At 30 June 2016** *RMB'000*	At 31 December 2015 *RMB'000*
CURRENT LIABILITIES			
Trade and other payables, deposits received and accrued charges	*12*	**10,247,547**	3,859,078
Amounts due to related parties		**873,072**	728,840
Taxation payable		**1,905,264**	1,839,585
Bank and other borrowings — due within one year		**2,402,725**	1,756,687
Senior notes — due within one year		**1,083,781**	–
		16,512,389	8,184,190
NET CURRENT ASSETS		**4,217,983**	1,858,364
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,860,080**	7,539,167
CAPITAL AND RESERVES			
Share capital		**128,200**	128,094
Reserves		**3,973,301**	3,637,266
Equity attributable to owners of the Company		**4,101,501**	3,765,360
Non-controlling interests		**21,851**	9,689
TOTAL EQUITY		**4,123,352**	3,775,049
NON-CURRENT LIABILITIES			
Bank and other borrowings — due after one year		**2,482,500**	700,000
Corporate bond		**991,477**	–
Long-term payable		**192,323**	133,134
Senior notes — due after one year		**1,770,669**	2,802,214
Deferred tax liabilities		**299,759**	128,770
		5,736,728	3,764,118
		9,860,080	7,539,167

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This interim financial report of Modern Land (China) Co., Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of 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 interim financial report has 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 interim financial report for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2015.

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group.

- Annual Improvements to *IFRSs 2012–2014 cycle*
- Amendments to IAS1, *Presentation of financial statements: Disclosure initiative*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Annual Improvements to IFRSs 2012–2014 Cycle

This cycle of annual improvements contains amendments to four standards. Among them, IAS 34, *Interim financial reporting*, has been amended to clarify that if an entity discloses the information required by the standard outside the interim financial statements by a cross-reference to the information in another statement of the interim financial report, then users of the interim financial statements should have access to the information incorporated by the cross-reference on the same terms and at the same time. The amendments do not have an impact on the group's interim financial report as the group does not present the relevant required disclosures outside the interim financial statements.

Amendments to IAS 1, Presentation of financial statements: Disclosure initiative

The amendments to IAS 1 introduce narrow-scope changes to various presentation requirements. The amendments do not have a material impact on the presentation and disclosure of the Group's interim financial report.

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 and is analysed as follow:

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Sale of properties	**4,195,496**	1,895,502
Leasing of properties	**26,812**	16,458
Hotel operation	**20,760**	21,526
Project management	**13,720**	20,750
Real estate agency services	**8,984**	–
Immigration services	**5,557**	–
	4,271,329	1,954,236

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Northern, PRC	**285,447**	937,517
Middle south, PRC	**3,980,325**	1,016,719
United States	**5,557**	–
	4,271,329	1,954,236

No revenue from transaction with single external customer amounted to 10% or more of the Group's revenue during the six months ended 30 June 2016 and 2015.

4. OTHER INCOME, GAIN AND LOSS

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Interest income	**40,264**	51,408
Dividend income from available-for-sale investments	**3,755**	2,890
Penalty income	**28**	208
Government grants *(note a)*	**5,637**	11,195
Remeasurement to fair value of pre-existing interest in acquirees *(note b)*	**201,593**	8,198
Net exchange (loss)/gain *(note c)*	**(56,968)**	1,990
Gain on disposal of property, plant and equipment	**–**	5
Gain on disposal of subsidiaries	**–**	91
Loss on disposal of available-for-sale investments	**–**	(985)
Others	**906**	1,353
	195,215	76,353

Notes:

(a) 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.

(b) During the six months ended 30 June 2016, the Group acquired four subsidiaries which were joint ventures of the Group before the acquisition. The remeasurement to fair value of the Group's pre-existing interest in these acquirees resulted in a total gain of RMB201,593,000.

(c) The net exchange loss for the six months ended 30 June 2016 mainly arose from retranslation of senior notes held by the Company denominated in US$ due to depreciation of RMB against US$.

5. FINANCE COSTS

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**(165,406)**	(114,885)
Interest expense on senior notes and corporate bond	**(209,327)**	(206,342)
	(374,733)	(321,227)
Less: Amount capitalised in properties under development for sale	**254,828**	203,557
	(119,905)	(117,670)

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax	**(166,162)**	(162,431)
US Corporate Tax	**–**	(8)
Land Appreciation Tax ("LAT")	**(30,725)**	(119,952)
	(196,887)	(282,391)
Deferred tax		
PRC Enterprise Income Tax	**(41,048)**	(16,791)
LAT	**–**	3,942
	(41,048)	(12,849)
Income tax expense	**(237,935)**	(295,240)

In accordance with the Enterprise Income Tax Law of the PRC, the income tax rate applicable to the Company's subsidiaries in the PRC is 25%.

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 arose in, nor was derived from, Hong Kong for the six months ended 30 June 2016 and 2015.

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment recognised in profit or loss	**11,506**	13,519
Depreciation of property, plant and equipment capitalised in properties under development for sale	**–**	86
Total depreciation charged for the period	**11,506**	13,605
Operating lease rentals	**3,951**	3,996

8. DIVIDENDS

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (for the six months ended 30 June 2015: Nil).

A final dividend in respect of the year ended 31 December 2015 of HK9.9 cents per share amounting to HK$206,136,000 (equivalent to RMB173,181,000) in aggregate has been approved and paid during the six months ended 30 June 2016. No such final dividend was approved nor paid during the six months ended 30 June 2015.

9. 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:

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**499,559**	284,163

	For the six months ended 30 June	
	2016	2015
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of calculating basic earnings per share	**2,081,568**	1,760,000
Effect of dilutive potential ordinary shares:		
— Share options *(note)*	**12,728**	649
Number of ordinary shares for the purpose of calculating diluted earnings per share	**2,094,296**	1,760,649

Note: The computation of the diluted earnings per share for the six months ended 30 June 2016 and 2015 has taken into consideration the weighted average number of 12,728,000 and 649,000 shares deemed to be issued at nil consideration, respectively, if all outstanding share options had been exercised.

10. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

	At 30 June 2016 *RMB'000*	At 31 December 2015 *RMB'000*
Cost of investment in joint ventures	**953,628**	1,241,329
Share of post-acquisition profits/(losses) and other comprehensive income	**3,193**	(58,374)
Interests in joint ventures	**956,821**	1,182,955
Loans to joint ventures, gross	**1,941,083**	2,261,682
Less: share of post-acquisition losses that are in excess of cost of the investments	**(44,320)**	(92,082)
Loans to joint ventures, net	**1,896,763**	2,169,600

During the six months ended 30 June 2016, the Group acquired further 49%, 35%, 49% and 5% equity interest in Anhui MOMA Development Co., Ltd. 安徽摩碼置業有限公司 ("Anhui MOMA"), Nanchang Moma Development Co., Ltd. 南昌摩碼置業有限公司 ("Nanchang Moma"), Modern Land (HKNO.5) Limited 當代置業(香港5)有限公司 ("HKNO.5") and Wuhan Modern Green Development Co., Ltd. 武漢當代節能置業有限公司 ("Wuhan Modern Green"), respectively, whereupon these four joint ventures became subsidiaries of the Group.

Loans to joint ventures are unsecured, expected to be recovered after one year and bear interest at fixed rate ranged from 6% to 13% (2015: 3% to 13%) per annum, except for the amounts of RMB1,492,197,000 (2015: RMB1,230,022,000) which are interest free.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly represent rental receivables and receivable from sale 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.

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
Trade receivables, net of allowance	**179,350**	59,800
Guarantee deposits for housing provident fund loans provided to customers *(note)*	**57,521**	17,880
Other receivables, net of allowance	**392,666**	340,221
Prepayments to suppliers of construction materials	**78,768**	43,770
Prepaid LAT and business tax	**468,341**	160,408
	1,176,646	622,079

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 ageing 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 2016	At 31 December 2015
	RMB'000	*RMB'000*
Less than 1 year	**174,517**	56,836
1–2 years	**4,833**	2,964
	179,350	59,800

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.

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

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
Trade payables *(note a)*	**901,873**	323,052
Accrued expenditure on construction *(note a)*	**1,668,164**	562,717
Deposits received and receipt in advance from property sales	**5,974,110**	2,152,162
Other tax payables	**107,182**	106,716
Accrued interest on senior notes and corporate bond	**119,823**	117,784
Accrued payroll	**15,677**	19,920
Other accrued charges	**–**	2,444
Dividend payable	**1,133**	589
Amounts due to non-controlling interests *(note b)*	**1,077,000**	–
Other payables	**382,585**	573,694
	10,247,547	3,859,078

Notes:

(a) 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 are within the credit timeframe, where applicable.

(b) As at 30 June 2016, amounts due to non-controlling interests are unsecured, interest free and repayable on demand (2015: nil).

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

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
Less than 1 year	**790,141**	264,373
1–2 years	**107,222**	54,355
2–3 years	**386**	832
Over 3 years	**4,124**	3,492
	901,873	323,052

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the business review of the Group for the period from 1 January 2016 to 30 June 2016 (the "Period") and the outlook for the remainder of the year.

Stable growth in results and business presence in Yangtze River Delta

Over the past six months, notable changes were observed in the macro environment, as the market in general was marked by disproportionate growth of a short-term nature. As a company focusing on property development based on green technologies, Modern Land enjoyed a period of stable and continuous development. For the first half of 2016, we achieved contracted sales of approximately RMB7,450.6 million and gross floor area sales of 658,689 sq.m., an increase of 70.6% and 37.5% respectively compared to the same period in 2015, thanks to the concerted effort of our team. For the first half of 2016, the Group's average borrowing cost reduced by 2.1 percentage points to approximately 8.4%, while its average borrowing cost for new land acquisition reduced by 3.5 percentage points to approximately 7.6%, respectively. The acquisition of six land parcels located in Beijing, Changsha, Suzhou and Nanjing respectively has provided solid replenishments to the Group's land reserve, while giving the Group presence in Nanjing to complete its business layout in the golden circle formed by four cities in the Yangtze River Delta ("YRD") region. During the Period, the Company captured a number of honours and accolades, including back-to-back titles of "Top 100 PRC Property Developers", 2nd place among listed property developers in terms of operational abilities, one of the top 5 listed property developers in terms of operating results, and 28th place among listed property developers in terms of consolidated strengths. Without any doubt, Modern Land is enjoying sustained growth on the back of solid operations.

Sophisticated products and meticulous operations

In the second half of the year, the Company will remain committed to "deep green" innovation in our products. Firstly, the Company consistently focuses on building homes of "green + comfort + energy saving + full-life cycle with mobile internet". Sixteen years ago, Modern Land was not lured into reckless expansion by bullish market sentiments; neither would we sacrifice the core competitiveness of our products today for the sake of expansion. On the contrary, the core competitiveness of Modern Land will be enhanced on an ongoing basis. Secondly, "going green" is not a rigid concept, but it should grow in sophistication. In 2016, the Company keeps increasing its exposures to the market and frontier developments. With this in mind, we were able to focus on the research of green technologies and introduced the Air Dino Series (Air Dino 1 and Air Dino 2) in a further upgrade of our green products.

We operate to build green architectures, maintain green residences, and promote green lifestyles. Our customers are concerned not only with the buildings, but also with the experience of their daily living. That is why Modern Land has determined "MOMΛ Living Homes 4+1" as the direction of its products, which shall be built into green residences, technological communities, healthy communities, all-age communities and overseas lifestyle communities. We currently have 20 innovative ecospheres and this number will multiply as we continue to develop with the full value chain of the property sector and the green lifestyle as our focal points.

Precise marketing and focus on prime sites

In the second half of the year, we will put the principle into practice stringently, striving for swift destocking of existing products and building a solid foundation along the way. Fast sales is fundamental to the solution of any problem. In the marketplace, we seek to seize any opportunities arising and ride on any favourable trends. In keeping with the momentum formed by strong sales in Shanghai, Suzhou, Hefei and other cities in the YRD region in the first half of the year, we will endeavor to forge a golden circle comprising four cities in the YRD region and integrate our resources in this circle to create a multiplying effect. We will conduct ongoing analysis and research on customer preferences for the implementation of precise marketing to facilitate fast sales of inventory.

On the land market front, the Company plans to acquire six to eight land parcels in the second half of the year in one to two selected cities, while riding on past successes to consolidate our foundation in regions where we have already established our presence, with a special focus on the market share of our products in the four major regions of Central China, East China, North China and South China. We will continue to insist on focused development in tier-one cities, such as Beijing, Shanghai, Guangzhou and Shenzhen, and active development in suitable high-end tier-two cities, such as Wuhan, Suzhou, Nanjing, Changsha, Taiyuan, Nanchang and Hefei.

Motivation of our team and confidence in our products

Given the context of disproportionate growth of the market, we will make breakthroughs in the market in the second half of 2016 with our core competitiveness and strategic planning, so as to accomplish our strategic objectives for the full year of 2016.

Zhang Lei
Chairman of the Board

15 August 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue is mainly attributable to sale of properties, leasing of properties, hotel operation, project management, real estate agency services and immigration services.

Sale of Properties

During the Period, the Group's revenue from sale of properties amounted to approximately RMB4,195.5 million, representing an increase of 121.3% as compared to the corresponding period in 2015. The Group delivered 716,050 sq.m. of property in terms of total gross floor area ("GFA") and 1,231 units of car park during the Period. Recognised average selling price ("ASP") was RMB5,686 per sq.m. and that for car parking spaces was RMB100,981 per unit for the six months ended 30 June 2016.

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

* *Net of business tax*

	For the six months ended 30 June					
	2016			2015		
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
iMOMΛ (Beijing)	**–**	**–**	**–**	9,435	358	26,355
Modern Cai Yu Man Ting Chun MOMΛ(Beijing)	**28,435**	**2,260**	**12,581**	–	–	–
Wan Guo Cheng MOMΛ (Taiyuan)	**165,436**	**19,270**	**8,585**	685,960	54,288	12,636
Guanggu Man Ting Chun MOMΛ (Wuhan)	**740,757**	**114,071**	**6,494**	–	–	–
Hanyang Man Ting Chun MOMΛ (Wuhan)	**244,727**	**44,283**	**5,526**	–	–	–
Kaifu Man Ting Chun MOMΛ (Changsha) *(Note a)*	**115,452**	**17,806**	**6,484**	768,904	123,854	6,208
Modern Binjiang MOMΛ (Changsha)	**789,122**	**121,944**	**6,471**	–	–	–
MOMΛ Modern Plaza(Changsha)	**755,858**	**174,273**	**4,337**	–	–	–
Modern International MOMΛ (Nanchang)	**805,669**	**115,528**	**6,974**	–	–	–
Man Ting Chun (Nanchang)	**634**	**99**	**6,404**	5,412	632	8,563
Modern MOMΛ Xincheng (Nanchang)	**75,272**	**11,962**	**6,293**	–	–	–
Man Ting Chun MOMΛ (Jiujiang) *(Note b)*	**206,127**	**48,555**	**4,245**	174,618	36,744	4,752
Man Ting Chun MOMΛ (Xiantao)	**143,699**	**45,999**	**3,124**	12,779	4,029	3,172
Subtotal	**4,071,188**	**716,050**	**5,686**	1,846,267	223,244	8,270
Car park	**124,308**	**1,231 units**	**100,981/unit**	49,235	440 units	111,898/unit
Total	**4,195,496**			1,895,502		

Notes:

(a) Related information of Wan Guo Cheng MOMΛ (Changsha), Man Ting Chun MOMΛ (Changsha) and Shang Pin Ge MOMΛ (Changsha) are no longer presented separately as it has been consolidated into Kaifu Man Ting Chun MOMΛ (Changsha).

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

Contracted Sales

For the six months ended 30 June 2016, the Group, its joint ventures and associates achieved contracted sales of approximately RMB7,450.6 million, representing an increase of 70.6% as compared to the corresponding period in 2015. The Group, its joint ventures and associates pre-sold 658,689 sq.m. in total GFA and 1,352 units of car parks, representing an increase of 37.5% and 107.0% respectively over the same period in 2015.

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

* *Before deducting business tax*

		Six months ended 30 June					
		2016			2015		
Project name	**Attributable interest to the Group** *(%)*	**Contracted sales** *RMB'000*	**GFA** *(in sq.m.) or units*	**ASP** *RMB/sq.m. or unit*	Contracted sales *RMB'000*	GFA *(in sq.m.) or units*	ASP *RMB/sq.m. or unit*
Modern MOMΛ (Beijing)	**100%**	**–**	**–**	**–**	81,839	1,227	66,698
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	**100%**	**2,541**	**262**	**9,698**	14,244	1,499	9,502
Modern Land • CIFI Villa (Beijing)	**50%**	**210,200**	**8,330**	**25,234**	1,020,390	63,175	16,152
Modern North Star • YUE MOMΛ (Beijing)	**50%**	**63,725**	**4,931**	**12,924**	–	–	–
Shangdi MOMΛ (Beijing)	**100%**	**–**	**–**	**–**	33,754	1,156	29,199
Modern Wan Guo Fu MOMΛ (Shanghai)	**65.63%**	**1,437,214**	**39,074**	**36,782**	–	–	–
Songjiang Yi Jing Yuan (Shanghai)	**35%**	**192,670**	**6,972**	**27,635**	596,616	27,892	21,390
Modern Wan Guo Fu MOMΛ (Suzhou)							
Modern MOMΛ (Hefei)	**70%**	**953,014**	**37,057**	**25,717**	–	–	–
	100%	**1,362,436**	**75,625**	**18,016**	504,821	31,413	16,070
Wan Guo Cheng MOMΛ (Taiyuan)	**100%**	**78,143**	**9,381**	**8,330**	188,990	17,334	10,903
Hongsheng Man Ting Chun MOMΛ(Shaanxi)	**51%**	**192,138**	**25,083**	**7,660**	–	–	–
Modern Furong Wan Guo Cheng MOMΛ (Changsha)	**51%**	**411,102**	**64,547**	**6,369**	–	–	–
Kaifu Man Ting Chun MOMΛ (Changsha) *(Note a)*	**100%**	**113,300**	**12,852**	**8,816**	126,581	16,696	7,582
Modern Binjiang MOMΛ (Changsha)	**100%**	**281,712**	**38,703**	**7,279**	173,072	25,342	6,829

Project name	Attributable interest to the Group	Six months ended 30 June 2016 Contracted sales	2016 GFA	2016 ASP	2015 Contracted sales	2015 GFA	2015 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
MOMΛ Modern Plaza (Changsha)	100%	170,293	28,715	5,930	371,767	75,675	4,913
Hanyang Man Ting Chun MOMΛ (Wuhan)	99.02%	72,264	9,450	7,647	295,695	53,569	5,520
Guanggu Man Ting Chun MOMΛ (Wuhan)	99.95%	437,102	60,924	7,175	179,948	24,135	7,456
North Star-Modern • Guanggu Green Home (Wuhan)	45%	510,948	61,263	8,340	–	–	–
Man Ting Chun MOMΛ (Nanchang)	100%	640	98	6,531	1,617	112	14,438
Modern MOMΛ New City (Nanchang)	100%	32,408	5,011	6,468	56,753	8,598	6,601
Modern International MOMΛ (Nanchang)	100%	252,987	33,317	7,593	207,282	28,030	7,395
Man Ting Chun MOMΛ (Jiujiang) *(Note b)*	100%	223,914	44,779	5,000	277,881	59,574	4,664
Man Ting Chun MOMΛ (Xiantao)	100%	256,905	79,453	3,233	148,397	43,766	3,391
Dongdaihe • Bai Jin Hai MOMΛ (Dongdaihe)	100%	76,336	12,862	5,935	–	–	–
Subtotal		7,331,992	658,689	11,131	4,279,647	479,193	8,931
Car park		118,644	1,352 units	87,753/unit	87,757	653 units	134,391/unit
Total		7,450,636			4,367,404		

Notes:

(a) Related information of Wan Guo Cheng MOMΛ (Changsha), Man Ting Chun MOMΛ (Changsha) and Shang Pin Ge MOMΛ (Changsha) are no longer presented separately as it has been consolidated into Kaifu Man Ting Chun MOMΛ (Changsha).

(b) Related information of Chao Yang Li MOMΛ (Jiu Jiang) is no longer presented separately as it has been consolidated into Man Ting Chun MOMΛ (Jiujiang).

Leasing of Properties, Hotel Operation, Project Management, Real Estate Agency and Immigration Services

For the six months ended 30 June 2016, the Group's revenue from leasing of properties amounted to approximately RMB26.8 million, representing an increase of 62.9% as compared to the corresponding period in 2015. Revenue from hotel operation decreased by 3.6% to approximately RMB20.8 million in 2016 while revenue from project management decreased by 33.9% to approximately RMB13.7 million in 2016 as compared to the corresponding period in 2015. Revenue from real estate agency and immigration services were approximately RMB9.0 million and approximately RMB5.6 million, respectively, while there were no such income in the corresponding period in 2015.

Land Bank

As at 30 June 2016, 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 4,785,246 sq.m.

Note: The land bank of the Group, its joint ventures and associates includes lands in Beijing, Shanghai, Nanjing, Suzhou, Hefei, Taiyuan, Xi'an, Changsha, Wuhan, Nanchang, Dongdaihe, Jiujiang, Xiantao and Foshan.

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** *(%)*	**Total GFA unsold as at 30 June 2016** ***(Note)*** *(sq.m.)*	**Aggregated GFA sold but undelivered with sales contracts** *(sq.m.)*
Modern MOMΛ (Beijing)	100%	8,403	–
MOMΛ Forest Forever (Beijing)	100%	7,985	–
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	100%	4,206	3,381
Modern Land • CIFI Villa (Beijing)	50%	158,213	120,704
Modern North Star • Yue MOMΛ (Beijing)	50%	131,346	81,806
Modern Yunjing MOMΛ (Beijing)	51%	163,593	163,593
Shangdi MOMΛ (Beijing)	100%	11,324	–
Modern Wan Guo Fu MOMΛ (Shanghai)	65.63%	127,474	54,074
Songjiang Yi Jing Yuan (Shanghai)	35%	146,307	88,216
Modern Wan Guo Fu MOMΛ (Suzhou)	70%	72,730	37,057
Gusu Wan Guo Fu (Suzhou)	50%	24,078	–
Xiang Cheng Wan Guo Shu (Suzhou)	50%	58,373	–
Shishan MOMΛ (Suzhou)	20%	80,511	–
Wan Guo Cheng MOMΛ (Nanjing)	51%	54,486	–
Wan Guo Cheng MOMΛ (Taiyuan)	100%	60,003	12,166
Hongsheng Man Ting Chun MOMΛ (Shaanxi)	51%	151,625	13,761
Kaifu Man Ting Chun MOMΛ (Changsha)	100%	127,943	5,721
Modern Binjiang MOMΛ (Changsha)	100%	97,050	1,215
MOMΛ Modern Plaza (Changsha)	100%	167,504	45,200
Modern Furong Wan Guo Cheng MOMΛ (Changsha)	51%	545,752	90,961
Guanggu Man Ting Chun MOMΛ (Wuhan)	99.95%	126,005	8,352
Hanyang Man Ting Chun MOMΛ (Wuhan)	99.02%	16,315	4,616
North Star-Modern • Guanggu Green Home (Wuhan)	45%	315,203	126,213
Modern MOMΛ (Hefei)	100%	189,073	131,095
Modern MOMΛ Hengtong international city of the future (Hefei)	20%	460,037	–
Man Ting Chun MOMΛ (Nanchang)	100%	27,944	–
Modern MOMΛ New City (Nanchang)	100%	27,884	–
Modern International MOMΛ (Nanchang)	100%	71,321	25,793
Modern Wan Guo Cheng MOMΛ (Foshan)	51%	190,833	–
Dongdaihe • Bai Jin Hai MOMΛ (Dongdaihe)	100%	346,675	29,522
Man Ting Chun MOMΛ (Jiujiang)	100%	192,348	146,392
Man Ting Chun MOMΛ(Xiantao)	100%	622,702	94,475
Total		4,785,246	1,284,313

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 United States of America (the "U.S.") for future development. So far, this parcel of land is still at the early stage of planning, and the estimated GFA has not been determined accurately.

The Group owns a parcel of land with a GFA of approximately 237,000 square feet (approximately 26,333 sq.m.) located in Seattle, Washington, the U.S. for future development. So far, this parcel of land is still at the early stage of planning.

Land Acquisitions in 2016

During the Period and up to the date hereof, the Group, its joint ventures and associates acquired six parcels of land, details of which are as follows:

On 27 January 2016, the state-owned construction land use rights and the entire interests of a parcel of SY00-0029-6012 construction land in Li Qiao Town, Shunyi District of Beijing, the PRC, was successfully acquired through the auction of the land use rights of state-owned construction land in Beijing, the PRC, for a total consideration of RMB187.5 million. The aggregate GFA of the land was approximately 163,593 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 for a total consideration of RMB1,293 million. The aggregate GFA of the land was approximately 545,752 sq.m.

On 7 April 2016, the state-owned construction land use rights and the entire interests of a mixed commercial and residential land (Sudi No. 2016-WG-12) in Suzhou, the PRC, was successfully acquired through the auction of the land use rights of state-owned construction land in Suzhou, the PRC, for a total consideration of RMB638.3 million. The aggregate GFA of the land was approximately 80,511 sq. m.

On 7 April 2016, the state-owned construction land use rights and the entire interests of a mixed commercial and residential land (Sudi No. 2016-WG-02) in Suzhou, the PRC, was successfully acquired through the auction of the land use rights of state-owned construction land in Suzhou, the PRC, for a total consideration of RMB427.6 million. The aggregate GFA of the land was approximately 24,078 sq. m.

On 8 April 2016, the state-owned construction land use rights and the entire interests of a mixed commercial and residential land (Sudi No. 2016-WG-09) in Suzhou, the PRC, was successfully acquired through the auction of the land use rights of state-owned construction land in Suzhou, the PRC, for a total consideration of RMB512.5 million. The aggregate GFA of the land was approximately 58,373 sq. m.

On 30 May 2016, a parcel of land located at 427 9th Ave N, Seattle, WA98109, King County, Washington, U.S., for a total consideration of USD16,250,000. The aggregate GFA of the land was approximately 237,000 square feet (approximately 26,333 sq.m).

On 20 June 2016, the Group agreed to acquire the entire interests of Nanjing Xinlei Property Development Company Limited ("Nanjing Xinlei") from Nanjing Xinhe Property Development Company Limited ("Nanjing Xinhe"), through the entering into of the equity transfer agreement with Nanjing Xinhe, for a consideration of RMB340 million. As at the date of this announcement, the entire payment for the consideration of the equity transfer had been made and the procedure of equity transfer is under execution. Nanjing Xinlei is a limited company established in the PRC in 2014, principally engages in the development and construction of a parcel of land located in South Rehe Road, Gulou District, Nanjing, Jiangsu Province, the PRC. The aggregate planned GFA of the land was approximately 41,220 sq.m.. It is intended that the land will be developed for commercial and constructive purposes.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 118.6% to approximately RMB4,271.3 million for the six months ended 30 June 2016 from approximately RMB1,954.2 million for the six months ended 30 June 2015. Such increase was mainly attributable to the completion and delivery schedule of various projects which led to the significant increase in GFA delivered.

Cost of Sales

The Group's cost of sales increased by approximately 203.7% to approximately RMB3,469.7 million for the six months ended 30 June 2016 from approximately RMB1,142.4 million for the six months ended 30 June 2015. Such increase was mainly due to an increase in GFA delivered.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 1.3% to approximately RMB801.6 million for the six months ended 30 June 2016 from approximately RMB811.8 million for the six months ended 30 June 2015.

For the six months ended 30 June 2016, the Group's gross profit margin was approximately 18.8%, as compared to approximately 41.5% for the corresponding period in 2015 which is due to a change in the portfolio of projects scheduled for delivery during the six months ended 30 June 2016, as compared to the corresponding period of 2015. The delivered projects in 2016 mainly comprise the product lines with rigid demand.

Other income, gain and loss

The Group's other income, gain and loss for the six months ended 30 June 2016 was approximately RMB195.2 million, increased by 155.5% from approximately RMB76.4 million for the six months ended 30 June 2015, which is mainly due to the gain from remeasurement to the fair value of the pre-existing interests in the acquirees held by the Group.

Change in fair value

Change in fair value includes fair value gain of properties held for sale and properties under development for sale upon transfer to investment properties and changes in fair value of investment properties. The change in fair value increased from RMB107.2 million for the six months ended 30 June 2015 to RMB167.7 million for the six months ended 30 June 2016, representing an increase of approximately 56.4%, which was mainly attributable to an increase in the scale of the investment properties held by the Group.

Selling and distribution expenses

The selling and distribution expenses of the Group increased by approximately 26.1% to approximately RMB112.1 million for the six months ended 30 June 2016 from approximately RMB88.9 million for the six months ended 30 June 2015, primarily due to the substantial increase in the pre-sales volume of the Group's properties.

Administrative expenses

The administrative expenses of the Group increased by approximately 12.6% to approximately RMB141.5 million for the six months ended 30 June 2016 from approximately RMB125.7 million for the six months ended 30 June 2015, primarily due to the business expansion of the Group and commencement of operation of new projects, leading to an increase in the management expenses in early stage.

Finance costs

The finance costs of the Group amounted to approximately RMB119.9 million for the six months ended 30 June 2016, representing a slight increase of approximately 1.9% from approximately RMB117.7 million for the six months ended 30 June 2015.

Profit before taxation

The profit before taxation of the Group increased by approximately 23.7% to approximately RMB739.8 million for the six months ended 30 June 2016 from approximately RMB598.2 million for the six months ended 30 June 2015.

Income tax expense

While the profit before taxation of the Group increased by 23.7%, the income tax expense of the Group for the six months ended 30 June 2016 decreased by approximately 19.4% to approximately RMB237.9 million from approximately RMB295.2 million for the six months ended 30 June 2015, primarily due to the lower applicable tax rates of Land Appreciation Tax as a result of the decrease in gross profit margin, and that the gain from remeasurement to fair value of pre-existing interest in acquirees was already net of tax effect and not subject to further income tax.

Profit for the period attributable to owners of the Company

The profit of the Group for the period attributable to owners of the Company increased by approximately 75.8% to approximately RMB499.6 million for the six months ended 30 June 2016 from approximately RMB284.2 million for the six months ended 30 June 2015.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2016, the Group had cash, restricted cash and bank balances of approximately RMB5,714.1 million (31 December 2015: RMB3,575.8 million), representing an increase of approximately 59.8% as compared to that as at 31 December 2015. A healthy cash position was maintained mainly due to the substantial business growth and growth in financing scale.

Borrowings and pledge of the Group's assets

As at 30 June 2016, the Group had total borrowings of approximately RMB8,731.2 million, including bank and other loans of approximately RMB4,885.2 million, senior notes of approximately RMB2,854.5 million and corporate bond of RMB991.5 million. As at 30 June 2016, certain banking and other facilities granted to the Group were secured by the Group's assets, such as investment properties, properties under development for sale, properties held for sale, property, plant and equipment and restricted cash, which had a carrying amount of approximately RMB6,081.4 million (31 December 2015: RMB3,891.8 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 2016 *RMB'000*	31 December 2015 *RMB'000*
Bank and other loans		
Within one year or on demand	**2,402,725**	1,756,687
Over one year and within two years	**1,960,000**	632,000
Over two years and within five years	**522,500**	68,000
Subtotal	**4,885,225**	2,456,687
Senior notes		
Within one year	**1,083,781**	–
Over one year and within two years	**–**	1,076,234
Over two years and within five years	**1,770,669**	1,725,980
	2,854,450	2,802,214
Corporate bond		
Over two years and within five years	**991,477**	–
Total	**8,731,152**	5,258,901
Less:		
Bank balances and cash (including restricted cash)	**5,714,079**	3,575,751
Net debt	**3,017,073**	1,683,150
Total equity	**4,123,352**	3,775,049
Net debt to equity	**73.2%**	44.6%

By type of borrowings and maturity

	30 June 2016 *RMB'000*	31 December 2015 *RMB'000*
Denominated in RMB	**5,909,758**	3,469,284
Denominated in USD	**2,650,460**	1,789,617
Denominated in HKD	**170,934**	–
	8,731,152	5,258,901

Leverage

As at 30 June 2016, the Group recorded net debt to equity ratio of 73.2%. The Group's net current assets (being current assets less current liabilities) increased by approximately 127.0% to approximately RMB4,218.0 million as at 30 June 2016 from approximately RMB1,858.4 million as at 31 December 2015. Its current ratio (being current assets/current liabilities) increased from approximately 1.23 times as at 31 December 2015 to approximately 1.26 times as at 30 June 2016.

Foreign currency risk

Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 30 June 2016, our major non-RMB assets and liabilities are (i) bank deposits and borrowings denominated in Hong Kong dollar and US dollar; and (ii) the senior notes denominated in US 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 Hong Kong dollar and US dollar. We do not have foreign currency hedging policy.

Contingent liabilities

(a) As at 30 June 2016, the Group had contingent liabilities amounting to approximately RMB8,196.2 million (31 December 2015: approximately RMB3,460.0 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 the mortgage payments, the Group will be liable for the payment of outstanding mortgage principals plus accrued interest and the 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.

(b) The Group provided guarantees to bank loans and other borrowings of joint ventures amounted to RMB1,200,000,000 as at 30 June 2016 (31 December 2015: RMB2,620,000,000). At the end of the reporting period date, the Directors do not consider that any claims will be made against the Group under these guarantees. The Group has not recognised any deferred income with respect of these guarantees.

Employees and compensation policy

As at 30 June 2016, the Group had 925 employees (31 December 2015: 915). 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 achieve over 15%–20% internal rate of return, depending on the location and categories of the projects.

MATERIAL ACQUISITIONS AND DISPOSAL OF ASSETS

1. On 8 January 2016, Modern Green Development Co., Ltd. ("Modern Green Development") and Huainan Xinyi Real Estate Development Co., Ltd. (淮南市信誼房地產開發有限責任公司) ("Huainan Xinyi") entered into an equity transfer agreement whereby Modern Green Development agreed to acquire from Huainan Xinyi 49% equity interest in Anhui MOMA Development Co., Ltd. for a consideration of RMB65,000,000.

2. On 15 April 2016, the Company and AVIC Trust Co., Ltd. (中航信托股份有限公司) ("AVIC Trust") entered into an equity transfer agreement whereby the Company agreed to acquire from AVIC Trust 35% equity interest in Nanchang Moma Real Estate Co., Ltd. for a consideration of RMB161,083,555.85.

3. On 29 April 2016, the Company, Great Wall Pan Asia International Investment Co., Limited (長城環亞國際投資有限公司) ("Great Wall") and Modern Land (HKNo.5) Limited entered into a termination agreement to whereby it was agreed that, among other things, the joint venture arrangement between the Company and Great Wall shall be terminated and the Company shall buy back the remaining shareholding in each of Modern Land (HKNo.5) Limited and Modern Land (HKNo. 1) Limited for an aggregate consideration of HK$98.

4. On 30 May 2016, Modern Land Seattle, LLC, Modern Green Land Bellevue LLC and CW Development LLC entered into a limited liability company agreement to form MGCW, LLC with the investment amount to be contributed by Modern Land Seattle, LLC, Modern Green Land Bellevue LLC and CW Development LLC to be US$15.3 million, US$7.2 million and US$7.5 million, respectively.

5. On 20 June 2016, Yuedong Benpao Real Estate (Beijing) Company Limited (躍動奔跑置業(北京)有限公司) ("Yuedong Benpao") and Nanjing Xinhe entered into an equity transfer agreement whereby Yuedong Benpao agreed to acquire from Nanjing Xinhe 100% equity interest in Nanjing Xinlei at the consideration of RMB340 million. On the same date, Yuedong Benpao, Nanjing Xinhe, Nanjing Iron & Steel ("Nanjing Steel") Group Corporation (南京鋼鐵集團有限公司), Wuhan Sanjing Property Development Company Limited (武漢三金房地產開發有限公司) ("Wuhan Sanjing") and Nanjing Xinlei entered into a debt settlement agreement whereby Yuedong Benpao agreed to settle on behalf of Nanjing Xinlei the debt in the aggregate amount of RMB680,503,958.31 owed by Nanjing Xinlei to Nanjing Xinhe, Nanjing Steel and Wuhan Sanjing as at 29 February 2016.

6. On 27 June 2016, Modern Green Development and Shenzhen Pingan Dahua Huitong Wealth Management Company Limited (深圳平安大華匯通財富管理有限公司) ("Pingan Dahua") entered into an equity transfer agreement whereby Modern Green Development agreed to acquire from Pingan Dahua 5% equity interest in Wuhan Modern Green Development Co., Ltd. for a consideration of RMB10,000,000.

PROSPECT

In 2016, the real estate industry is stabilising with the easing policies. As the bursting out of various demands are driving the market to maintain at a high level, the national property sales scale will reach its new historical height. On the demand side, the aggregate demand for China's real estate industry will be influenced by the easing real estate policies. The overall demand throughout the year will reach a new high record leading to a significantly better balance between short-term demand and supply and the more notable features of insufficient supply in over-heated cities. The soaring property prices are expected to hover at high ranges in the second half of 2016, with a slightly higher increase throughout the year as compared to 2015. On the supply side, the short-term inventory pressure has been alleviated and the overall destocking effect has appeared in the first half of 2016. However, it is expected the tightened credit policies will intensify the exposure of the market fluctuation of over-heated cities. While the real estate market has undergone a rapid growth, it is gradually stepping into a stage of continuous differentiation and the divergence of various regions of intra and inter cities is extending.

In the crucial year of driving the structural reform of national economy, the real estate market development is facing fierce challenges. Following the "national greenifying" trend and adhering to its own precise position and resolute focus, the Group is intensively cultivating in the green property sector, increasing investment in the R&D of products continuously, controlling the costs and securing promising sites enthusiastically at the same time, in order to increase value-added utilisation of land sites. The Group is promoting the "green + comfort + energy-saving + full-life cycle with mobile internet" lifestyle, comprising green residences, technological communities, healthy communities, all-age communities and overseas lifestyle communities. As a green property operator, the Group builds a green and healthy real estate ecological industry chain on the basis of the R&D of the green products. It insists in motivating sustainable development with innovation and changes. Being determined to follow the trend of niche market path to act, the Group breaks through the competitive bottleneck by mining of blue and green. The Group 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 shareholders.

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 2016 to 30 June 2016, 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 2016.

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 2016.

DIVIDEND

The Directors do not recommend any dividend for the six months ended 30 June 2016.

CHANGES SINCE 31 DECEMBER 2015

Save as disclosed herein, 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 2015.

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 2016. 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 2016 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 2016 interim report will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

We would like to extend our sincere thanks to our shareholders for their unwavering support and trust, and express our 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, 15 August 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.

* *For identification purposes only*