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**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 2020**

**HIGHLIGHTS**

- In the first half of 2020, the Group achieved contracted sales of approximately RMB14,206.2 million, and the average selling price was approximately RMB10,226 per sq.m..
- Revenue increased to approximately RMB8,710.3 million during the Period, representing an increase of approximately 24.0% as compared to the corresponding period in 2019.
- Gross profit amounted to approximately RMB2,121.1 million in the first half of 2020, representing an increase of approximately 14.0% as compared to the corresponding period in 2019.
- During the Period, gross profit margin amounted to approximately 24.4%.
- During the Period, profit for the period amounted to approximately RMB556.4 million, representing an increase of approximately 4.8% as compared to the corresponding period in 2019.
- The Group's total assets as at 30 June 2020 amounted to approximately RMB72,013.7 million, representing an increase of approximately 5.1% as compared to 31 December 2019.
- As at 30 June 2020, bank balances and cash (including restricted cash) of the Group amounted to approximately RMB11,697.6 million, accounting for approximately 16.2% of the total assets of the Group.
- Basic earnings per share was RMB14.2 cents.
- Proposed interim dividend of HK3.98 cents per share.

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of Modern Land (China) Co., Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2020 (the “**Period**”).

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 2020, 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 2020 — unaudited*

		For the six months ended 30 June	
		2020	2019
	Note	RMB'000	RMB'000
<b>Revenue</b>	3	<b>8,710,301</b>	7,026,870
Cost of sales		<b>(6,589,204)</b>	(5,166,137)
<b>Gross profit</b>		<b>2,121,097</b>	1,860,733
Other income, gains and losses	4	<b>(149,321)</b>	97,281
Recognition of changes in fair value of completed properties held for sale and properties under development for sale upon transfer to investment properties		<b>67,925</b>	241,022
Changes in fair value of investment properties, net		<b>47,685</b>	32,520
Selling and distribution expenses		<b>(206,600)</b>	(259,263)
Administrative expenses		<b>(268,826)</b>	(306,334)
Finance costs	5	<b>(166,573)</b>	(212,048)
Share of profits less losses of joint ventures		<b>(18,028)</b>	(29,088)
Share of profits less losses of associates		<b>(223)</b>	(591)
<b>Profit before taxation</b>		<b>1,427,136</b>	1,424,232
Income tax expense	6	<b>(870,712)</b>	(893,209)
<b>Profit for the period</b>	7	<b>556,424</b>	531,023

		<b>For the six months ended 30 June</b>	
		<b>2020</b>	<b>2019</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive income for the period:</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations, net of nil tax		<u>(10,648)</u>	<u>6,444</u>
<b>Total comprehensive income for the period</b>		<u><b>545,776</b></u>	<u><b>537,467</b></u>
<b>Profit for the period attributable to:</b>			
Owners of the Company		<u>398,136</u>	<u>459,311</u>
Non-controlling interests		<u>158,288</u>	<u>71,712</u>
		<u><b>556,424</b></u>	<u><b>531,023</b></u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<u>387,488</u>	<u>465,755</u>
Non-controlling interests		<u>158,288</u>	<u>71,712</u>
		<u><b>545,776</b></u>	<u><b>537,467</b></u>
<b>Earnings per share, in Renminbi cents:</b>			
Basic	9	<u><b>14.2</b></u>	<u>16.5</u>
Diluted	9	<u><b>14.2</b></u>	<u>16.4</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020 — unaudited

		At 30 June 2020	At 31 December 2019
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>			
Investment properties		2,851,045	2,656,360
Property, plant and equipment		446,526	453,554
Intangible assets		10,991	8,149
Freehold land held for future development		32,988	32,507
Interests in associates		42,607	33,003
Interests in joint ventures	<i>10</i>	2,341,159	2,449,415
Loans to joint ventures	<i>10</i>	5,413,098	5,161,445
Equity investments at fair value through other comprehensive income		44,641	44,641
Deferred tax assets		1,251,363	980,251
		<u>12,434,418</u>	<u>11,819,325</u>
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<b>Current assets</b>			
Properties under development for sale		31,178,718	33,242,482
Completed properties held for sale		5,673,580	3,293,758
Other inventories and contract costs		230,746	158,579
Trade and other receivables, deposits and prepayments	<i>11</i>	10,109,873	7,875,236
Amounts due from related parties		688,770	764,883
Restricted cash		3,856,746	3,523,971
Bank balances and cash		7,840,824	7,858,655
		<u>59,579,257</u>	<u>56,717,564</u>
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		<b>At 30 June 2020</b>	At 31 December 2019
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current liabilities</b>			
Trade and other payables and accrued charges	12	<b>15,902,080</b>	13,398,451
Contract liabilities		<b>16,703,306</b>	20,724,982
Amounts due to related parties		<b>3,912,169</b>	3,516,909
Taxation payable		<b>3,971,343</b>	3,232,194
Bank and other borrowings — due within one year		<b>5,349,149</b>	7,087,864
Corporate bonds — due within one year		<b>130,473</b>	—
Senior notes — due within one year		<b>2,319,893</b>	2,379,120
		<b>48,288,413</b>	50,339,520
<b>Net current assets</b>		<b>11,290,844</b>	6,378,044
<b>Total assets less current liabilities</b>		<b>23,725,262</b>	18,197,369
<b>Capital and reserves</b>			
Share capital		<b>175,693</b>	175,693
Reserves		<b>6,283,141</b>	5,983,938
<b>Equity attributable to owners of the Company</b>		<b>6,458,834</b>	6,159,631
<b>Non-controlling interests</b>		<b>2,731,126</b>	2,444,682
<b>Total equity</b>		<b>9,189,960</b>	8,604,313
<b>Non-current liabilities</b>			
Bank and other borrowings — due after one year		<b>8,363,148</b>	3,700,812
Corporate bonds		<b>934,852</b>	1,022,303
Senior notes — due after one year		<b>4,456,474</b>	4,305,879
Deferred tax liabilities		<b>780,828</b>	564,062
		<b>14,535,302</b>	9,593,056
		<b>23,725,262</b>	18,197,369

# 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 the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRSs.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company and approved for issue by the Board of Directors on 17 August 2020. The interim financial report has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

## 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs for the current accounting period:

- Amendments to IFRS 3, *Definition of a Business*
- Amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*
- Amendments to IAS 1 and IAS 8, *Definition of Material*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this announcement. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3 REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing on (a) sale of properties, (b) property investment, (c) hotel operation, (d) real estate agency services and (e) other 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 President of the Group. The CODM mainly reviews the revenue information on sales of properties from property development, leasing of properties from property investment, hotel operation, real estate agency services and other services. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective types 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.

Disaggregation of revenue from contracts with customers by major products or service lines and by timing of revenue recognition is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sale of properties	<b>8,576,894</b>	6,792,699
Real estate agency services	<b>73,225</b>	167,961
Hotel operation	<b>18,547</b>	33,149
Other services	<b>17,763</b>	4,483
	<b>8,686,429</b>	6,998,292
<b>Revenue from other sources</b>		
Property investment	<b>23,872</b>	28,578
	<b>8,710,301</b>	7,026,870
<b>Disaggregated by timing of revenue recognition</b>		
Point in time	<b>7,473,790</b>	5,952,050
Over time	<b>1,236,511</b>	1,074,820
	<b>8,710,301</b>	7,026,870

The Group's operations are substantially located in the PRC. Therefore, no geographical segment reporting is presented.

#### 4 OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest income	37,597	42,861
Government grants	1,501	457
Net exchange loss	(195,965)	(12,191)
Gain on disposal of an associate ( <i>note</i> )	–	63,733
Gain on disposal of property, plant and equipment	308	29
Others	7,238	2,392
	<u>(149,321)</u>	<u>97,281</u>

*Note:* During the six months ended 30 June 2019, the Group disposed of the interests in an associate for a total consideration of RMB145,745,000, which resulted in a gain of RMB63,733,000.

#### 5 FINANCE COSTS

	For the six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest on bank and other borrowings	(685,234)	(406,810)
Interest expense on senior notes and corporate bond	(557,150)	(456,222)
	<u>(1,242,384)</u>	<u>(863,032)</u>
Less: Amount capitalised in properties under development for sale	1,075,811	650,984
	<u>(166,573)</u>	<u>(212,048)</u>

#### 6 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Current tax		
PRC Corporate Income Tax	(424,621)	(538,339)
Land appreciation tax (“LAT”)	(488,269)	(368,506)
	<u>(912,890)</u>	<u>(906,845)</u>
Deferred tax		
PRC Corporate Income Tax	42,178	13,636
	<u>42,178</u>	<u>13,636</u>
Income tax expense	<u>(870,712)</u>	<u>(893,209)</u>



In accordance with the Corporate 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 regulations of British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions.

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 2020 and 2019.

## 7 PROFIT FOR THE PERIOD

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment recognised in profit or loss	<b>10,472</b>	14,211
Operating lease rentals	<b>12,938</b>	9,847
	<u><u>23,410</u></u>	<u><u>24,058</u></u>

## 8 DIVIDENDS

### (i) Dividends payable to equity shareholders attributable to the interim period

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Declared interim dividend of HK3.98 cents per ordinary share (equivalent to approximately RMB3.56 cents (2019: RMB3.29 cents) per ordinary share)	<b>99,502</b>	91,845
	<u><u>99,502</u></u>	<u><u>91,845</u></u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

### (ii) Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Final dividend in respect of the previous financial year, approved during the following interim period, of HK3.55 cents per share (six months ended 30 June 2019: HK1.98 cents per share)	<b>90,823</b>	48,402
	<u><u>90,823</u></u>	<u><u>48,402</u></u>

## 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:

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Earnings</b>		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u><b>398,136</b></u>	<u>459,311</u>
	<b>For the six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<b>'000</b>	<b>'000</b>
<b>Number of shares (basic)</b>		
Issued ordinary shares at 1 January	<b>2,794,994</b>	2,789,919
Effect of share options exercised	<u>–</u>	<u>471</u>
Weighted average number of ordinary shares at 30 June	<u><b>2,794,994</b></u>	<u>2,790,390</u>
<b>Number of shares (diluted)</b>		
Number of ordinary shares for the purpose of calculating basic earnings per share	<b>2,794,994</b>	2,790,390
Effect of dilutive potential ordinary shares:		
— Share options ( <i>note</i> )	<u><b>756</b></u>	<u>5,001</u>
Number of ordinary shares for the purpose of calculating diluted earnings per share	<u><b>2,795,750</b></u>	<u>2,795,391</u>

*Note:* The computation of the diluted earnings per share for the six months ended 30 June 2020 and 2019 has taken into consideration the weighted average number of 756,000 and 5,001,000 shares deemed to be issued at nil consideration as if all outstanding share options had been exercised.

## 10 INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Cost of investment in joint ventures	2,082,875	2,183,776
Share of post-acquisition gain and other comprehensive income	258,284	265,639
	<u>2,341,159</u>	<u>2,449,415</u>
Loans to joint ventures	5,665,995	5,402,789
Less: share of post-acquisition losses that are in excess of costs of the investments	(252,897)	(241,344)
	<u>5,413,098</u>	<u>5,161,445</u>

Loans to joint ventures are unsecured and expected to be recovered after one year.

## 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 2020 RMB'000	At 31 December 2019 RMB'000
Trade receivables, net of allowance ( <i>note i</i> )	420,704	513,786
Other receivables, net of allowance	6,011,997	4,537,025
Guarantee deposits for housing provident fund loans provided to customers ( <i>note ii</i> )	18,269	18,733
	<u>6,450,970</u>	<u>5,069,544</u>
Financial assets measured at amortised cost	6,450,970	5,069,544
Prepayments to suppliers of construction materials	626,540	362,674
Deposits paid for acquisition of land use rights	740,630	594,134
Prepaid taxes	2,291,733	1,848,884
	<u>10,109,873</u>	<u>7,875,236</u>

## 11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes:

- (i) The following is an ageing analysis of trade receivables based on due date for rental receivables and receivables from properties sold, which approximated the respective revenue recognition dates, at the end of the reporting period:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Less than 1 year	126,337	155,176
1–2 years	289,624	358,610
2–3 years	4,743	–
	<u>420,704</u>	<u>513,786</u>

All of the above trade receivables are overdue rental receivables and receivables from properties sold but not impaired at the end of the reporting period. For the overdue rental receivables, the Group does not hold any collateral over those balances. For receivables from properties sold, the Group holds the title of the property units as collateral over those balances.

- (ii) 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.

## 12 TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Trade and notes payables (note i)	3,108,649	3,239,103
Accrued expenditure on construction	1,974,322	1,636,329
Amount due to non-controlling interests	3,090,727	4,105,167
Accrued interest	214,631	154,730
Accrued payroll	514	48,640
Dividend payable	93,893	2,483
Other payables (note ii)	7,300,572	4,190,580
	<u>15,783,308</u>	<u>13,377,032</u>
Financial liabilities measured at amortised cost	118,772	21,419
Other tax payables	<u>15,902,080</u>	<u>13,398,451</u>

## 12 TRADE AND OTHER PAYABLES AND ACCRUED CHARGES (Continued)

Notes:

- (i) 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, if any.

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

	<b>At 30 June 2020 RMB'000</b>	At 31 December 2019 RMB'000
Less than 1 year	<b>1,857,667</b>	2,454,418
1–2 years	<b>872,826</b>	617,903
2–3 years	<b>378,156</b>	166,782
	<b><u>3,108,649</u></b>	<u>3,239,103</u>

- (ii) Other payables mainly included deposits from customers and cash advanced from potential equity investment partners.

## **CHAIRMAN’S STATEMENT**

Dear Shareholders,

On behalf of the Board, I am pleased to present the business review of the Group for the six months ended 30 June 2020 and its prospects.

### **SALES RESULTS**

For the six months ended 30 June 2020, the Company achieved contracted sales of approximately RMB14.21 billion, of which approximately RMB13.91 billion was from properties and approximately RMB0.29 billion was from car parking spaces. Area of properties under contracted sales was approximately 1,360,574 square metres (“sq.m.”) and the average selling price (“ASP”) per sq.m. was approximately RMB10,226.

### **REVIEW ON THE FIRST HALF OF 2020**

#### **Precisely feeling the pulse of the real estate market to achieve steady development in results performance**

Since the beginning of 2020, the world has come under the blight of the ever-evolving novel coronavirus (COVID-19) pandemic which caused significant impact on the domestic and foreign economies. The confirmation of “Six Stable (六穩)” and “Six Guarantees (六保)” as the fundamental policies has exerted immense pressure on annual growth. The tightening financial environment amid stability has highlighted the liquidity spirals. Adhering to the principle of “houses are for living but not for speculation (房住不炒)”, the real estate industry has entered the era of “Three New (三新)”, namely, New Market (from creating new market space to both exploring new market and developing the existing market), New Value (return of productism and customer value) and New Mode (from scramble for stakes to exquisite operation), and will confront with the cumulative effects of market stratification, demand growth and risk escalation in the near future. Facing the new industry development environment and uncertain market situation, the Company adhered to the established development strategy, improved the process and operation system, modified the investment layout and supply rhythm, adopted innovative marketing strategy, enhanced the product and service ecology and avoided uncertain risks, thus achieving steady development in results performance.

## **Adhering to the region-oriented strategies to realise steady expansion of resource reserves**

In the first half of 2020, the Company adhered to its investment layout principles of exploring the core metropolitan area and focusing on major first-tier and second-tier cities. Through precise analysis and scientific investment, the Company has successfully obtained 8 new projects in Chongqing, Changsha, Xi'an and other cities, with an increased gross floor area (“GFA”) of 1,205,451 sq.m. and an additional value of approximately RMB10.94 billion. Among which, 7 projects are located in cities we already have a presence, and the exploration initiative in the above-mentioned premium cities and regions will be continued. Moreover, the Company will constantly leverage its own advantages as a green and healthy technology brand to further expand the real estate agency service business. Take the entrusted construction business as an example, there were 9 new projects with a contract value of RMB0.39 billion and a contracted GFA of 2,200,000 sq.m. in the first half of 2020, witnessing the continuous improvement of service quality and satisfaction.

## **Maintaining a solid capital structure to ensure adequate provision of capital**

Sustainable development is our constant pursuit. In the face of a stable yet changing financing environment, the Company adhered to a prudent financial strategy and actively integrated its value chain resources to maintain a solid capital structure by continuously adjusting the financing strategies and selecting the optimal financing methods. In the first half of 2020, the Company has received extensive recognition from a wide range of investors with positive ratings on its development prospect due to its sound and effective operation. The Company continued to enlarge its credit facilities, the balance of credit facilities as at 30 June 2020 was RMB109.9 billion. The Company has always maintained a healthy cash position on hand, accounting for over 15% of the total assets. The Company assisted in promoting the state's vision of green finance with full support through the issuance of offshore green bonds with an amount of US\$350 million in the first half of 2020. Facilitated by the synergy of the domestic and foreign capital markets, the Company has ample access to various financing channels which is beneficial to the quality of financing.

## **Focusing on green and healthy technology product to extend the brand influence**

Subsequent to the outbreak of the pandemic, green, health, safety and comfort have become the new rigid demand of the market as well as the new evolution direction of the industry. The Company has constantly strengthened its differentiated advantages in the field of green and healthy technology, and continued to refine its technology, products and services. The Company was awarded 5 new patents in the first half of 2020, accumulating various core green technology patents, which enable our green and healthy products to reach different levels of customers. At the same time, the Company has obtained a total of 8 green certifications. The Company will continue to sharpen its edge in green and healthy construction.

## **OUTLOOK FOR THE SECOND HALF OF 2020**

### **The normalisation of epidemic prevention will become a new basic fact in the second half of 2020**

As the first industry bearing the brunt of the epidemic, real estate enterprises should make all-round coping strategies in the aspects of operation mode, management logic, value chain and industrial elements. We must examine and adapt to this trend with a long-term and development perspective. The Company will proceed to achieve its 2020 strategic business targets from the following four aspects.

#### **Adhering to the strategy of green and healthy development to enhance the differentiated core competitiveness**

The Company will continue to adhere to the green and healthy development strategy, constantly evolve the top 15 technology systems, and continuously iterate the application ecology of all scenarios. By further catering to the core demands of customers in the new era and new generation on the basis of the four standardised product lines and green and healthy complex community, the Company will strive to innovate and make breakthroughs in the dimensions of building technology system, living space combination, energy operation plan, community service ecology and field industry connection, in order to achieve rapid product layout, gradual improvement in quality and effective cost control, empowering enterprises to go beyond the cycle and advance their market position.

#### **Focusing on city-oriented strategy to precisely invest in quality projects**

Adhering to its existing city and region-oriented strategies and strategic investment layout named “5+15+M”, the Company will continue to work on five major megalopolises, namely Jing-Jin-Ji region, Yangtze River Delta region, Guangdong-Hong Kong-Macao Greater Bay Area, Middle Yangtze River Valley region and Cheng-Yu region with particular focus on several provincial capitals or core first-tier and second-tier cities such as Hangzhou, Chongqing, Xi’an, Nanchang and Zhengzhou. Apart from that, the Company keeps abreast of the dynamics of third-tier and fourth-tier cities and capitalizes on the opportunities there that meet its investment criteria, and particularly, secures projects that can materialize large premium, high turnover with fast cash recovery. When it comes to resources acquisition, the Company aims to optimize the utilization of resources and maximize the value of projects so as to facilitate its strategic layout and safeguard its resource backup, by developing locally customized plans, making good use of resources and integrating various strategies such as synergy of different industries, merger and acquisition, tender, auction and listing, projects focusing on minority interests and entrusted construction system.



## **Adopting dual-pronged approach in investment and financing to strengthen the synergic effect arising from industrial chain cooperation**

The Company sees the integration of investment and financing as its long-term strategic goal. During the second half of 2020, the Company will carry out precise analysis on condition for financing policies and follow three approaches as below so as to actively identify opportunities, become more compliant and innovative and cooperate with other counterparts. First, the Company will rationalize its financing channels to fill in its nine cash pools by creating more new and diversified financing means and communicating with various financing partners. Second, the Company will avert its exposure to capital risk by striking a balance among different regional companies, cities and projects with reasonable and scientific allocation and deployment of capital in terms of space and time. Third, the Company should be more cooperative with its counterparts, enhance its corporate creditworthiness and financing capability, as well as engage in co-financing with enterprises along the industrial chain in order to enjoy better mutual support and synergy effect.

## **Enhancing brand building and consolidating its operation of whole-life cycle industrialized communities**

The Company will continue to strive to be a leading operator of “Green Technology + Comfort and Energy-saving + Digital Interconnecting” whole-life cycle industrialized communities in China. Experienced in its core business, exceling in innovation and skillful in service providing, the Company strives to develop whole-life cycle of its construction projects, its customer services and corporate management with green and healthy competitive technologies, futuristic smart AI as well as data-based digital technology, respectively. Moreover, the Company will continue to create a social environment of “MOMΛ Homeland 4+1” with green residential area and the communities of AI technology, health, wholeage and humanities and art to provide all-round, full-cycle and full-ecological services for children, youth, adults, the middle-aged, and the elderly, aiming at realizing the dream of a better life and enhancing the brand value of the Company.

Looking forward, the Company will continue to adhere to its strategic direction in the second half of 2020. Through careful assessment of the situation, the Company will establish its layout and focus on technological innovative products so as to open up a win-win ecosystem and achieve steady growth in the new era, new logic and new cycle of the real estate industry.

Last but not least, on behalf of the Board, I would like to extend sincere thanks to our shareholders for their unwavering support and trust, and I would also like to express deepest gratitude to members of the Board, the management team and all staff of the Group for their dedication and diligence.

**Zhang Lei**  
*Chairman*

17 August 2020

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group's revenue is mainly attributable to the sale of properties, property investment, hotel operation, real estate agency services and other businesses.

#### Sale of Properties

During the Period, the Group's revenue from sale of properties amounted to approximately RMB8,576.9 million, representing an increase of approximately 26.3% as compared to the corresponding period in 2019. The Group delivered 668,144 sq.m. of properties in terms of total GFA and 1,434 units of car parking spaces during the Period. Delivered ASP for properties was RMB12,454 per sq.m. and that for car parking spaces was RMB178,411 per unit for the six months ended 30 June 2020.

**Table 1: Breakdown of revenue from sales of properties (by projects) and car parking spaces of the Group**

Project name	Revenue RMB'000	Six months ended 30 June			2019 Total GFA or car parking space sq.m. or unit	ASP RMB/sq.m. or unit
		2020 Total GFA or car parking space sq.m. or unit	ASP RMB/sq.m. or unit	Revenue RMB'000		
Hanyang Modern Wan Guo Cheng (Wuhan)	-	-	-	1,188,307	82,353	14,429
Huzhou Shang Pin Wan MOMA	69,768	6,377	10,941	-	-	-
Man Tang Yue MOMA (Huizhou)	-	-	-	82,433	8,178	10,079
Man Ting Chun Modern City MOMA (Xiantao)	6,892	1,327	5,194	6,694	1,318	5,081
Man Ting Chun MOMA (Xiantao)	9,279	1,057	8,779	602,694	121,979	4,941
Man Ting Chun MOMA (Zhangjiakou)	10,657	2,070	5,148	3,183	482	6,609
Modern Hong Shan Fu (Fujian)	65,111	12,320	5,285	-	-	-
Modern Jiaxing Man Tang Yue MOMA	286,036	25,824	11,076	-	-	-
Modern Jinjiang Wan Guo Cheng MOMA (Fujian)	2,914,424	269,750	10,804	1,045,860	111,136	9,411
Modern Jinzhong Shang Pin Xue Fu (Shanxi)	4,995	628	7,954	23,340	2,757	8,467
Modern MOMA City of Future (Guizhou)	22,089	2,921	7,562	-	-	-
Modern MOMA Plaza (Taiyuan)	124,078	12,041	10,305	49,145	4,723	10,405
Modern MOMA Yan Hu Cheng (Taiyuan)	2,345	264	8,883	67,425	7,140	9,443
Modern Shang Pin Wan MOMA (Foshan)	15,242	1,006	15,151	231,102	14,461	15,981
Modern Shang Pin Xue Fu (Huzhou)	456,424	49,948	9,138	9,274	1,205	7,693
Modern Su Zhou Fu MOMA	38,129	950	40,136	-	-	-
Modern Wan Guo Fu (Hefei)	1,607,203	75,860	21,186	1,277,202	57,253	22,308
Modern Wan Guo Fu MOMA (Foshan)	1,388,955	60,468	22,970	256,332	10,573	24,244
Modern Wan Guo Fu MOMA (Nanjing)	-	-	-	143,622	3,676	39,071
Modern Zhongrui Wan Guo Fu (Wuhan)	1,227	47	26,106	48,631	1,611	30,192
Modern Zhuzhou Shang Pin Wan MOMA (Hunan)	469,316	53,575	8,760	41,165	5,254	7,836
Shao Quan Hu City of Future (Heifei)	-	-	-	1,083,996	121,020	8,957
Wuqing Modern Shi Guang Li (Tianjin)	-	-	-	475,887	40,104	11,866
Wuxi Chun Feng Hu Shang MOMA (Wuxi)	63,823	5,818	10,970	(867)	(81)	10,685
Yangluo Man Ting Chun MOMA (Wuhan)	619,510	79,924	7,751	32,707	4,602	7,107
Others	145,550	5,969	24,384	61,468	7,624	8,062
<b>Subtotal</b>	<b>8,321,053</b>	<b>668,144</b>	<b>12,454</b>	<b>6,729,600</b>	<b>607,368</b>	<b>11,080</b>
<b>Car parking spaces</b>	<b>255,841</b>	<b>1,434 units</b>	<b>178,411/unit</b>	<b>63,099</b>	<b>611 units</b>	<b>103,272/unit</b>
<b>Total</b>	<b>8,576,894</b>			<b>6,792,699</b>		

## Contracted Sales

During the Period, the Group, its joint ventures and associates achieved contracted sales of approximately RMB14,206.2 million, representing a decrease of approximately 14.8% as compared to the corresponding period in 2019. The Group, its joint ventures and associates sold 1,360,574 sq.m. in total GFA and 2,755 units of car parking spaces, representing a decrease of approximately 13.3% and an increase of approximately 21.5%, respectively, as compared to the corresponding period in 2019.

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

Province/city	Six months ended 30 June					
	2020			2019		
	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
Anhui	1,186,613	137,967	8,601	1,913,426	241,363	7,928
Beijing	1,524,824	33,025	46,172	1,362,127	33,661	40,466
Fujian	100,715	4,314	23,346	47,790	4,515	10,585
Guangdong	30,854	1,822	16,934	279,378	7,711	36,231
Guizhou	144,241	27,952	5,160	90,116	15,835	5,691
Hebei	109,614	14,007	7,826	515,240	45,881	11,230
Henan	917,729	138,343	6,634	–	–	–
Hubei	2,345,993	281,706	8,328	1,506,645	253,258	5,949
Hunan	1,167,889	143,206	8,155	214,818	18,405	11,672
Jiangsu	1,700,708	113,887	14,933	840,704	47,514	17,694
Jiangxi	1,157,659	147,069	7,872	2,543,566	231,109	11,006
Liaoning	2,833	521	5,438	15,611	2,163	7,217
Shaanxi	2,053,246	169,964	12,080	1,685,884	201,810	8,354
Shandong	644,375	65,633	9,818	–	–	–
Shanxi	643,605	60,472	10,643	5,404,324	453,776	11,910
Tianjin	140,009	16,992	8,240	47,285	3,625	13,044
Zhejiang	42,152	3,694	11,411	82,652	7,844	10,537
<b>Properties Sub-total</b>	<b>13,913,059</b>	<b>1,360,574</b>	<b>10,226</b>	<b>16,549,566</b>	<b>1,568,470</b>	<b>10,551</b>
Car parking spaces	293,165	2,755 units	106,412/unit	118,735	2,267 units	52,375/unit
<b>Total</b>	<b>14,206,224</b>			<b>16,668,301</b>		

## **Property Investment, Hotel Operation, Real Estate Agency Services and Other Services**

During the Period, the Group's revenue from property investment decreased by approximately 16.4% to approximately RMB23.9 million from approximately RMB28.6 million for the corresponding period of 2019.

For real estate agency services, leveraging on the unique products, brand recognition, management and credibility advantages supported by our MOMA green-technology products, the Group offers customized and whole-process entrusted development and operation management solutions to our customers. For the six months ended 30 June 2020, the Group's revenue from real estate agency services decreased by approximately 56.4% to approximately RMB73.2 million from approximately RMB168.0 million for the corresponding period of 2019.

Hotel MOMC, a boutique hotel owned and operated by the Group, has established its presence in Beijing and Taiyuan. The revenue from hotel operation for the six months ended 30 June 2020 decreased by approximately 44.1% to approximately RMB18.5 million from approximately RMB33.1 million for the corresponding period of 2019. During the Period, the revenue from other services was approximately RMB17.8 million, representing an increase of approximately 295.6% as compared to that of approximately RMB4.5 million for the corresponding period of 2019.

## Land Bank

As at 30 June 2020, total GFA of land bank in the PRC (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 12,394,462 sq.m..

The 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**

Province/City	As at 30 June 2020	
	Total GFA unsold (sq.m.)	Aggregated GFA sold but undelivered with sales contracts (sq.m.)
Anhui	1,184,495	926,131
Beijing	558,123	195,527
Chongqing	202,143	–
Fujian	129,294	12,270
Guangdong	462,166	28,245
Guizhou	567,829	463,868
Hebei	602,749	352,249
Henan	266,586	155,894
Hubei	2,676,103	1,191,229
Hunan	635,179	157,467
Jiangsu	374,502	196,811
Jiangxi	926,842	523,204
Liaoning	120,013	9,933
Shaanxi	1,255,895	783,023
Shandong	845,852	390,033
Shanghai	17,704	–
Shanxi	1,192,521	951,530
Tianjin	193,660	107,605
Zhejiang	182,806	116,593
Total	<u>12,394,462</u>	<u>6,561,612</u>

## Land Acquisitions in 2020

In 2020, the Group, its joint ventures and associates continued to apply the same conservative and balanced strategy as its general direction towards land acquisitions. During the Period, the Group, its joint ventures and associates purchased a total of 8 new projects with corresponding land parcels or related interests through various channels including government held public tender and integrated primary and secondary development and cooperation with an aggregate GFA of approximately 1,205,451 sq.m..

Project location (province/city)	Number of new projects	Estimated total GFA (sq.m.)
Chongqing	1	202,143
Henan	1	25,705
Hubei	2	272,130
Hunan	2	249,714
Jiangxi	1	211,193
Shaanxi	1	244,566
Total	8	1,205,451

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately 24.0% to approximately RMB8,710.3 million for the six months ended 30 June 2020 from approximately RMB7,026.9 million for the corresponding period of 2019, which was mainly attributable to the increase in area delivered and unit sales price, with a period-on-period increase of approximately RMB1,784.2 million in revenue from sale of properties.

### Cost of sales

The Group's cost of sales amounted to approximately RMB6,589.2 million for the six months ended 30 June 2020, representing an increase of approximately 27.5% as compared to the corresponding period of 2019, which is in line with the increase in revenue.

### Gross profit and gross profit margin

For the six months ended 30 June 2020, the Group's gross profit was approximately RMB2,121.1 million and the gross profit margin was 24.4%, representing a decrease of approximately 2.1 percentage points as compared to the corresponding period of 2019, which was due to the combined effect of different regions and different product lines of the projects recognized in revenue during the Period.

### **Other income, gains and losses**

The Group's other income, gains and losses recorded a net loss of approximately RMB149.3 million during the Period as compared to a net gain of approximately RMB97.3 million for the six months ended 30 June 2019, which was mainly due to net exchange loss of approximately RMB196.0 million.

### **Change in fair value**

The change in fair value decrease by approximately 57.7% to approximately RMB115.6 million for the six months ended 30 June 2020 from approximately RMB273.5 million for the six months ended 30 June 2019, which was mainly due to the decrease in areas of newly recognised leased properties as compared to that of the corresponding period of 2019.

### **Selling and distribution expenses**

The selling and distribution expenses decreased by approximately 20.3% to approximately RMB206.6 million for the six months ended 30 June 2020 from approximately RMB259.3 million for the corresponding period of 2019, primarily due to the optimization of the structure and accounting methods of the Group's sales and distribution expenses. Selling and distribution expenses accounted for approximately 1.5% of the contracted sales of the Group for the Period, which was approximate to that of about 1.6% in the first half of 2019.

### **Administrative expenses**

The administrative expenses of the Group amounted to approximately RMB268.8 million for the six months ended 30 June 2020, representing a decrease of approximately 12.2% as compared to the corresponding period of 2019, primarily due to the Group continued to place strict control to the scale of administrative expenses. The administrative expenses for the Period accounted for approximately 1.9% of contracted sales, which remained stable as compared to that of approximately 1.8% for the corresponding period of 2019.

### **Finance costs**

The finance costs of the Group decreased by approximately 21.4% to approximately RMB166.6 million for the six months ended 30 June 2020 from approximately RMB212.0 million for the six months ended 30 June 2019. Amidst the general rising market interest rates both at home and abroad, the Group's weighted average interest rate of borrowings was approximately 9.97% in the Period, which remained stable as compared to that of 9.90% for the year ended 31 December 2019.

## **Profit before taxation and profit for the period**

The profit before taxation of the Group increased by approximately 0.2% to approximately RMB1,427.1 million for the six months ended 30 June 2020 from approximately RMB1,424.2 million for the six months ended 30 June 2019, and profit for the period increased by approximately 4.8% to approximately RMB556.4 million for the Period from approximately RMB531.0 million for the six months end 30 June 2019, which was mainly due to an increase in profits from sale of properties.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

### **Cash position**

As at 30 June 2020, the Group had cash, restricted cash and bank balances of approximately RMB11,697.6 million, representing an increase of approximately 2.8% as compared to that of approximately RMB11,382.6 million as at 31 December 2019. The cash position remained stable mainly due to the expanding scale of sales during the Period. As at 30 June 2020, the bank balances and cash (including restricted cash) accounted for approximately 16.2% of the total assets, allowing the Group to maintain a healthy cash position.

### **Borrowings and pledge of the Group's assets**

As at 30 June 2020, the Group had aggregate remaining balance of approximately RMB21,554.0 million, including bank and other borrowings of approximately RMB13,712.3 million, senior notes of approximately RMB6,776.4 million and corporate bonds of approximately RMB1,065.3 million, representing an increase of approximately 16.5% as compared to that of approximately RMB18,496.0 million as at 31 December 2019. As at 30 June 2020, 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, completed properties held for sale, property, plant and equipment, equity interests in subsidiaries and bank deposits, which had a carrying amount of approximately RMB21,117.6 million (31 December 2019: RMB20,187.2 million). A majority of the carrying value of the Group's bank loans was denominated in RMB.



## Breakdown of indebtedness

*By type of borrowings and maturity*

	<b>30 June 2020 RMB'000</b>	31 December 2019 RMB'000
<b>Bank and other borrowings</b>		
within one year or on demand	<b>5,349,149</b>	7,087,864
more than one year, but not exceeding two years	<b>5,081,999</b>	2,233,706
more than two years, but not exceeding five years	<b>3,231,649</b>	1,417,106
more than five years	<b>49,500</b>	50,000
<b>Sub-total</b>	<b>13,712,297</b>	10,788,676
<b>Senior notes</b>		
within one year	<b>2,319,893</b>	2,379,120
more than one year, but not exceeding five years	<b>4,456,474</b>	4,305,879
<b>Sub-total</b>	<b>6,776,367</b>	6,684,999
<b>Corporate bonds</b>		
within one year	<b>130,473</b>	–
more than one year, but not exceeding five years	<b>934,852</b>	1,022,303
<b>Sub-total</b>	<b>1,065,325</b>	1,022,303
<b>TOTAL</b>	<b>21,553,989</b>	18,495,978
<b>Less:</b>		
Bank balances and cash (including restricted cash)	<b>11,697,570</b>	11,382,626
<b>Net debt</b>	<b>(9,856,419)</b>	(7,113,352)
<b>Total equity</b>	<b>9,189,960</b>	8,604,313
<b>Net debt to equity</b>	<b>107.3%</b>	82.7%
<b>By current denomination</b>		
— Denominated in RMB	<b>12,200,507</b>	9,755,848
— Denominated in US\$	<b>1,109,091</b>	551,322
— Denominated in HK\$	<b>402,699</b>	481,506
	<b>13,712,297</b>	10,788,676

## **Leverage**

The Group's net gearing ratio increased from approximately 82.7% as at 31 December 2019 to approximately 107.3% as at 30 June 2020. The Group's net current assets (current assets less current liabilities) increased by approximately 77.0% to approximately RMB11,290.8 million as at 30 June 2020 from approximately RMB6,378.0 million as at 31 December 2019; while the current ratio (current assets/current liabilities) increased from approximately 1.13 times as at 31 December 2019 to approximately 1.23 times as at 30 June 2020.

## **Foreign currency risk**

The functional currency of the Company's major subsidiaries is RMB. Most of the transactions are denominated in RMB. Transactions of the Group's foreign operations, such as purchasing land held for future development, and certain expenses incurred are denominated in foreign currencies. As at 30 June 2020, the Group had monetary assets denominated in US dollars and Hong Kong dollars of approximately RMB76.8 million and approximately RMB15.5 million, respectively, as well as liabilities denominated in US dollars and Hong Kong dollars of approximately RMB7,885.5 million and approximately RMB402.7 million, respectively. Those amounts were exposed to foreign currency risk. Considering the actual impacts caused to the Group arising from the market condition and fluctuations of foreign exchange rates during the Period, the Group has currently no foreign currency hedging policy in place yet, but the management will constantly monitor foreign exchange exposure and identify one that will be appropriate to the Group. The Group will consider hedging against any significant foreign currency exposure when necessary.

## **Contingent liabilities**

As at 30 June 2020, the Group had contingent liabilities amounting to approximately RMB15,364.3 million (31 December 2019: approximately RMB13,474.3 million) in relation to guarantees provided to the domestic banks for the 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 purchaser to the bank, and, in such circumstances, the Group will be entitled to take over the legal title and ownership of the relevant property. These guarantees will be released upon the earlier of: (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgaged property and cancellation of mortgage registration.

## **Employees and compensation policy**

As at 30 June 2020, the Group had 2,293 employees (31 December 2019: 2,038). 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. 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 the finance and operation teams in the first week of every month to discuss the cash situation and indebtedness situation. In addition, the Board office circulates monthly capital market reports to the Board members so that the Board can assess equity/debt financing opportunities. At project level, all projects are expected to achieve 15% to 20% internal rate of return, depending on the location and categories of the projects.

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

On 24 June 2020, Nanchang Xinjian Modern Real Estate Development Co., Ltd. (“**Nanchang Xinjian**”), an indirect wholly-owned subsidiary of the Company, Jiangsu Zhentou Industrial Co., Ltd. (“**Jiangsu Zhentou**”) and Lianyungang Tianxingjian Real Estate Development Co., Ltd. (the “**Target Company**”) entered into a joint development agreement, pursuant to which Nanchang Xinjian agreed to cooperate with Jiangsu Zhentou in joint development of a real estate development project of three parcels of land located at Lianyun District, Lianyungang City, Jiangsu Province, the PRC with an aggregate site area of approximately 429,087.3 sq.m. and acquire 51% equity interest in the Target Company from Jiangsu Zhentou and repay the secured debts as at the date of the said joint development agreement at an aggregate consideration of RMB783,000,000. For details, please refer to the announcement of the Company dated 24 June 2020.

Save as above, the Group did not have any other material acquisition and disposal of subsidiaries, associates and joint ventures during the Period.

## **PROSPECT**

Looking forward to the second half of 2020, the global economy will continue to be filled with uncertainties under the shadow of COVID-19 pandemic. Nevertheless, the Group will adhere to the core competitiveness of its green and healthy strategy, continuously improve its products and expand its scale of performance, and will also achieve precise investment through diversified investment and financing strategies with risk control measures. At the same time, the Group will consolidate its operation of whole-life cycle industrialized communities and continuously enhance its brand value, striving to become a leading green technology city operator in China. The Group will continue to exert its core competitiveness to ensure the achievement of its 2020 strategic business goals.

## **COMPLIANCE WITH APPENDIX 16 TO THE LISTING RULES**

According to paragraph 40 of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), save as disclosed herein and in the interim report for the Period to be published, the Company confirmed that the current company information in relation to those matters set out in paragraph 32 of Appendix 16 to the Listing Rules has not changed materially from the information disclosed in the Company’s 2019 Annual Report.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

For the six months ended 30 June 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **INTERIM DIVIDEND**

The Board declared payment of an interim dividend for the six months ended 30 June 2020 of HK3.98 cents per share. The said interim dividend will be paid on or about Friday, 30 October 2020 to shareholders of the Company whose names appear on the register of members of the Company on Friday, 16 October 2020.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 14 October 2020 to Friday, 16 October 2020 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 13 October 2020.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) comprises four independent non-executive Directors who together have substantial experience in the fields of auditing, legal, business, accounting, corporate internal control and regulatory affairs.

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 2020 and considered that the interim results have been prepared in accordance with the applicable accounting standards and requirements and have made appropriate disclosures accordingly.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to maintaining high standards of corporate governance. The Company complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2020.

## **UPDATED INFORMATION OF DIRECTOR PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES**

Mr. Chen Zhiwei, a non-executive Director, has been appointed as a deputy general manager of China Cinda (HK) Asset Management Co., Limited and an executive Director of Zhongchang International Holdings Group Limited (stock code: 859) since May 2020.

Save as disclosed above, after all reasonable inquiries, the Board is not aware of any information required to be disclosed pursuant to Rules 13.51B(1) of the Listing Rules during the Period.

## **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 to govern securities transactions by Directors. Further to the specific enquiries made by the Company to the Directors, all Directors have confirmed their compliance with the Model Code for the six months ended 30 June 2020.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This 2020 interim results announcement of the Company is published on the website of the Company at [www.modernland.hk](http://www.modernland.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2020 interim report of the Company will be available on the websites of the Stock Exchange and the Company, and will be despatched to the shareholders of the Company in due course.

By order of the Board  
**Modern Land (China) Co., Limited**  
**Zhang Peng**  
*President and Executive Director*

Hong Kong, 17 August 2020

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