

Seek Opportunities in a Changing Environment and Business Growth with a Focus on Stability

Modern Land (China) Co., Ltd. 2020 Interim Results Presentation

健康建筑 绿色家园 城市向美

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PART 1

Financial Overview

Improved Performance and Robust Financial Position

Increase in Revenue



Revenue
+24.0% YoY

Stable Growth in Earnings



Core Earnings
+26.9% YoY

Abundant Land Reserve



Value of
c.RMB250 billion

Strong Cash Position



Total Cash
c. RMB11.7 billion

Financial Robustness



Proportion of
Short-Term Debt
Decreased to
36.2%

Acceleration in sales and sufficient land reserves

- Target full-year contracted sales are **RMB42 billion** with forecast annual growth of **16%**
- 20201H contracted sales amounted to c. **RMB14.2 billion**
- Land reserve acquired in 20201H valued at c. **RMB11 billion**, including **71%** in tier-1 and tier-2 cities
- Land reserve with affirmed ownership valued at c. **RMB150 billion** as of June 30, 2020

Expanded scale and financial robustness

- Total assets increased by **5.1%** YoY to c. **RMB72.01 billion**
- Net assets increased by **6.8%** YoY to **RMB9.19 billion**
- Bank balance and cash was c. **RMB11.7 billion**
- Proportion of short-term debt decreased to **36.2%**



Stable earnings growth

- Revenue increased by **24.0%** YoY to c. **RMB8.71 billion**
- Gross profit increased **14.0%** YoY to c. **RMB2.12 billion**
- Management fee as % of revenue decreased to **5.5%**, by **250bps** YoY
- Core earnings increased by **26.9%** YoY to **RMB2.53 billion**

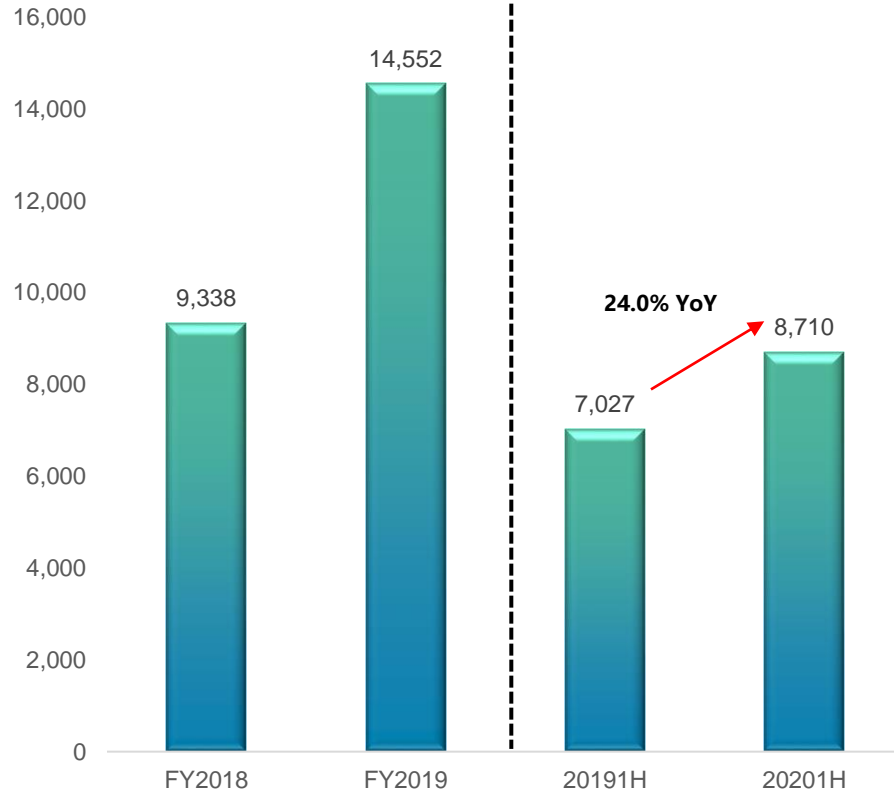
Green finance and diversified channels

- We rendered full support for the national vision of green finance and issued overseas green bonds of **US\$600 million**
- Completed **RMB620 million** domestic offering of ABS backed by accounts receivables in respect of the balance payment of properties
- Domestic bank credit lines exceeded **RMB122 billion**, with undrawn balance of c. **RMB109.9 billion**
- We succeeded in accessing both domestic and overseas capital markets, safeguarding smooth financing channels

Unit: RMB million	20201H	20191H	YoY changes
Revenue	8,710	7,027	24.0%
Gross profit	2,121	1,861	14.0%
Core earnings	2,532	1,996	26.9%
Net profit	556	531	4.8%
Unit: RMB million	2020.6.30	2019.12.31	YoY changes
Total assets	72,014	68,537	5.1%
Total equity	9,190	8,604	6.8%
Bank balance and cash	11,698	11,383	2.8%
Proportion of short-term debt	36.2%	51.2%	-15.0pps

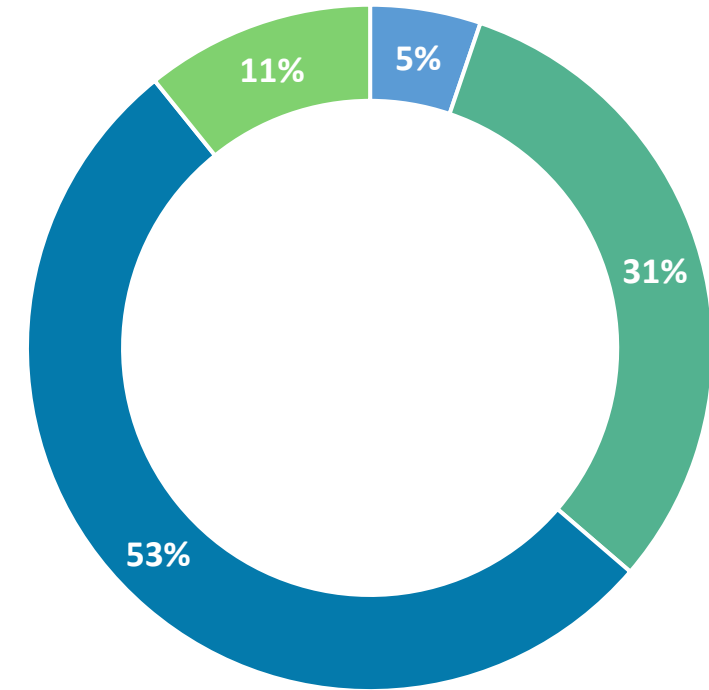
Significantly Improved Capability of Locking in Revenue

Recognized Revenue (RMB million)



Recognized revenue in 20201H was **RMB8.71 billion, + 24.0%** YoY

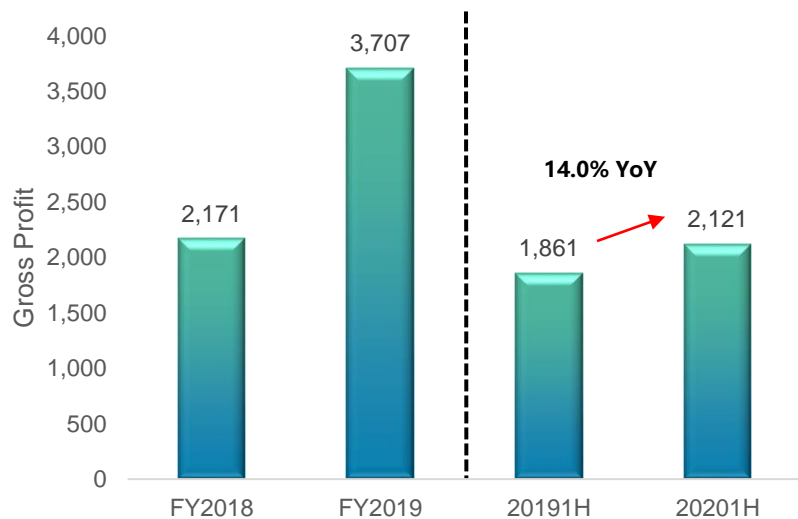
Revenue from Properties by Region in 20201H



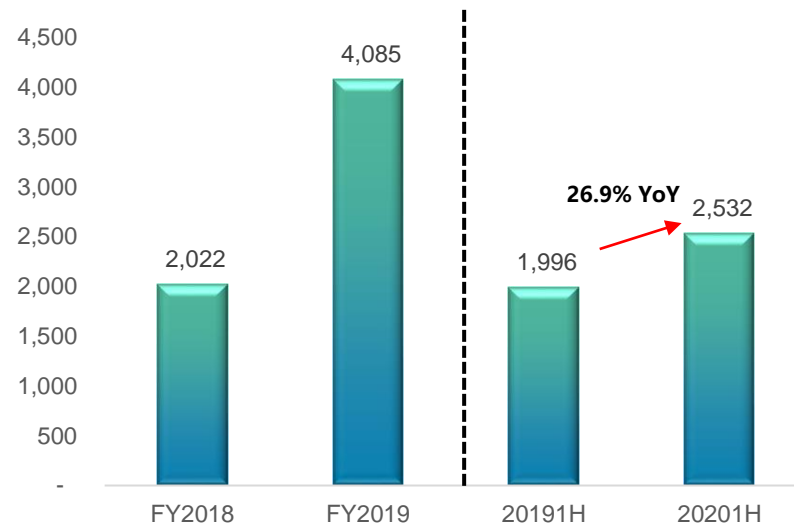
■ North China
 ■ East China
 ■ South China
 ■ Central China

Continuously Improved Profitability

Gross Profit (RMB million)



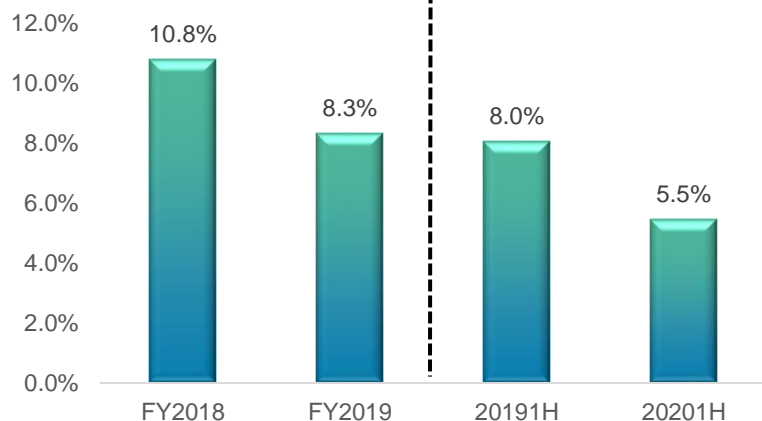
Core Earnings (RMB million)



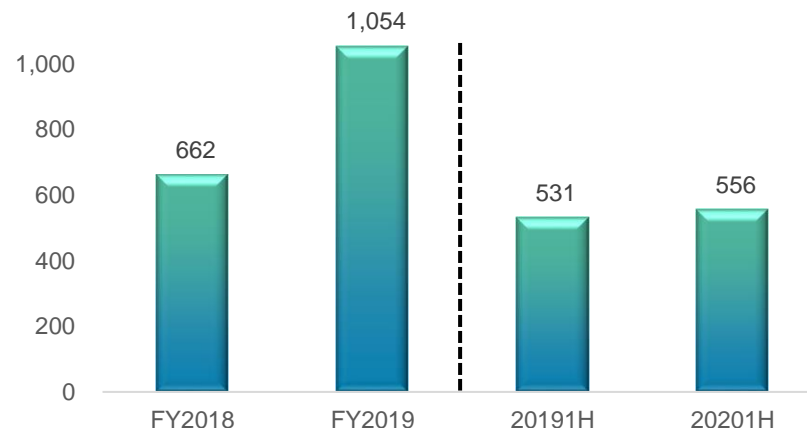
□ Gross profit increased by 14.0% YoY to c. RMB2.12 billion

□ Core earnings increased by 26.9% YoY to c. RMB2.53 billion

Management fee as % of Revenue

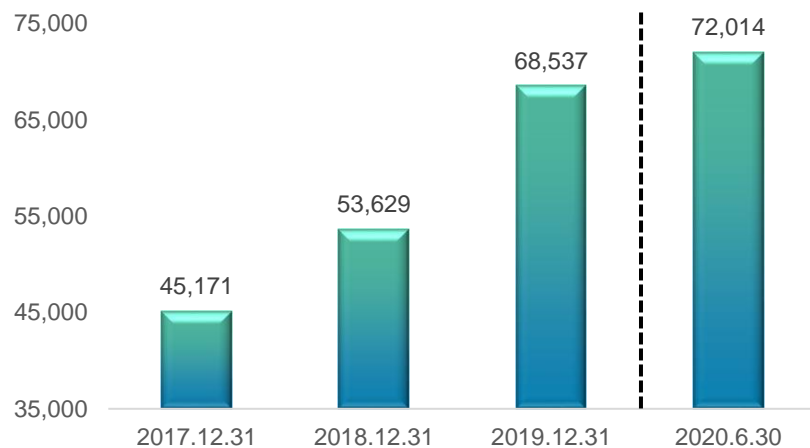


Net Profit (RMB million)

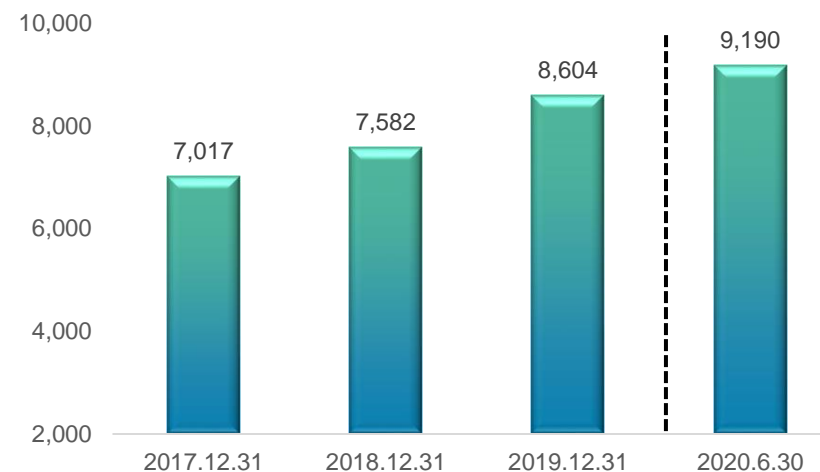


□ Management fee as % of revenue decreased to 5.5%, down 250bps YoY as a result of effective cost control

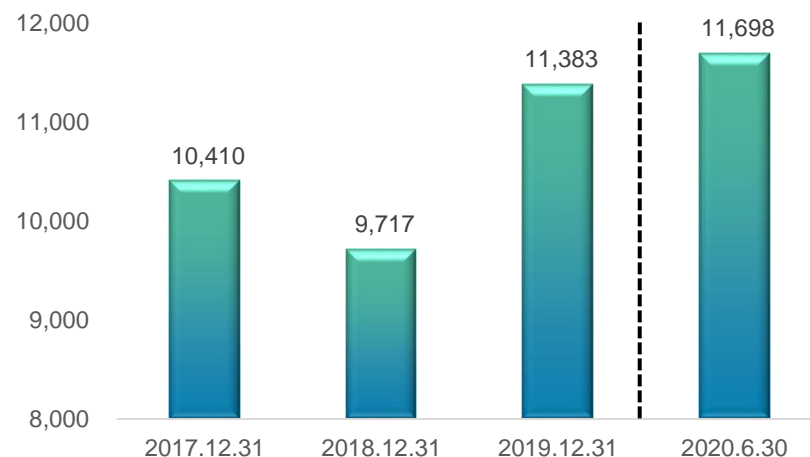
Total Assets (RMB million)



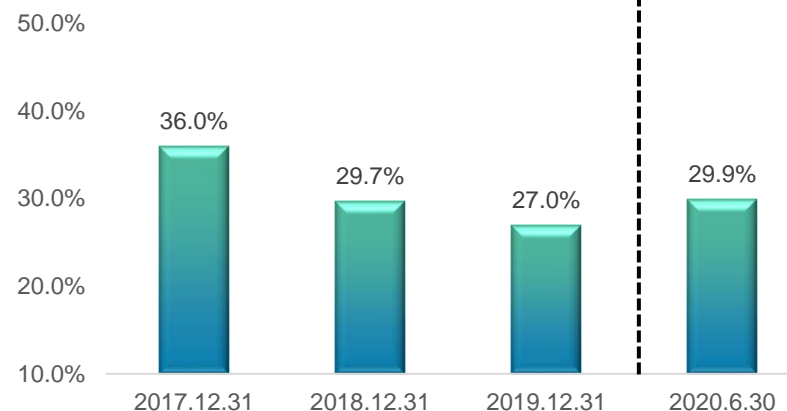
Total Equity (RMB million)



Bank Balance and Cash (RMB million)



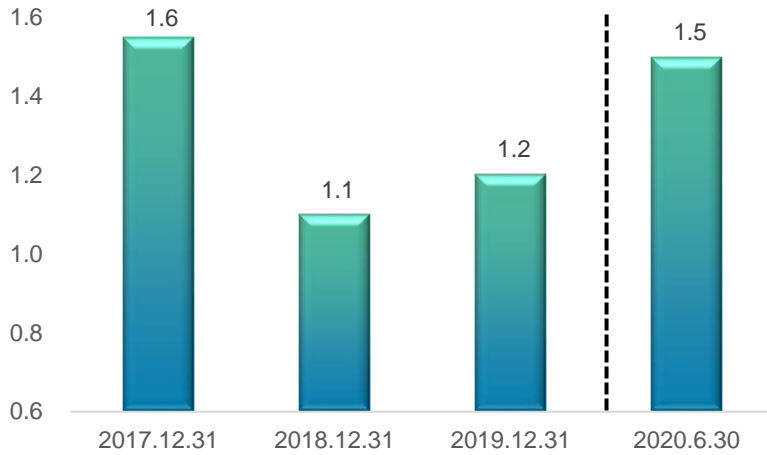
Interest-Bearing Debt as % of Total Assets



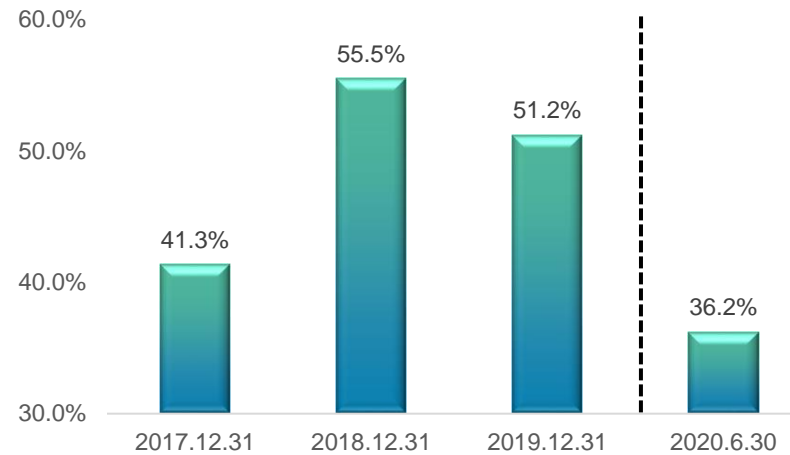
- ▣ Total assets increased by 5.1% to c. RMB72.01 billion. Total equity increased by 6.8% to c. RMB9.19 billion
- ▣ The Company always maintained a steady cash in hand. Cash in hand was c. RMB11.7 billion
- ▣ Interest-bearing debt as % of total assets stabilized

Robust Debt Structure and Stable Financing Cost

Cash / Short-Term Debt Ratio

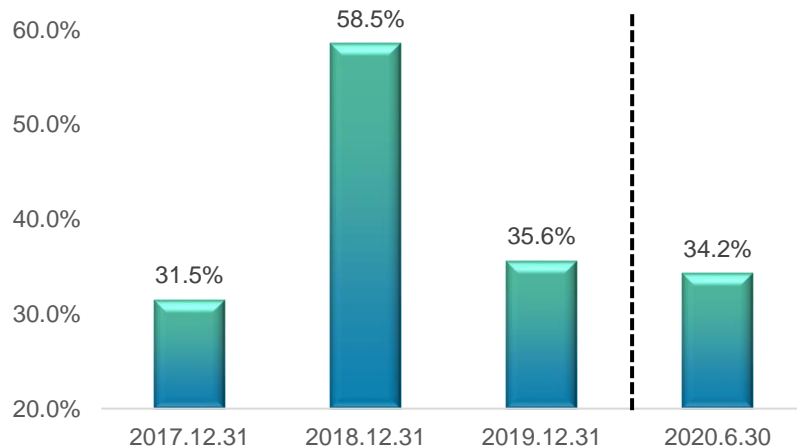


Proportion of Short-Term Debt



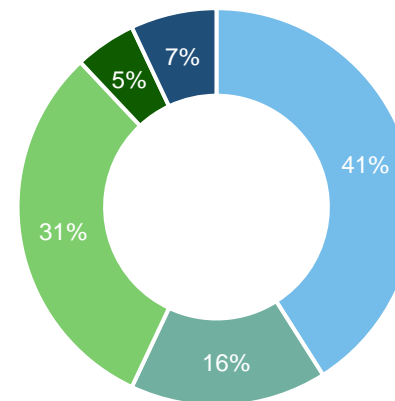
- With diverse financing channels, cash / short-term debt ratio improved to 1.5x, providing strong capital support to the Company's development
- The Company maintained both trust financing and bank borrowings. Credit status of the Company was widely recognized by investors

Proportion of Overseas Short-Term Green Bonds



Debt Structure by Type

- Domestic bank and other borrowings
- Domestic trust loans
- Overseas green bond
- Domestic corporate bond
- Overseas bank and other borrowings



- Financial position strengthened as debt structure further improved with proportion of short-term debt dropping sharply to 36.2% and proportion of overseas short-term debt further dropped to 34.2% and overseas USD bonds achieved lower coupon and longer maturity

PART 2

Performance Highlight



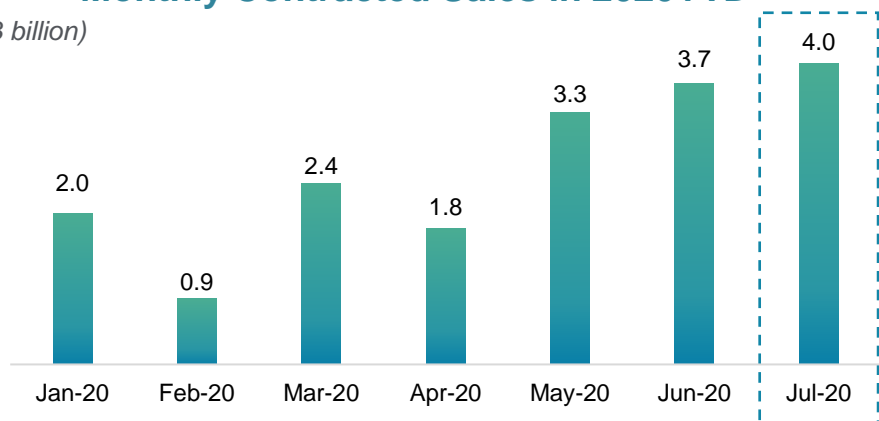
Seeking Opportunities in a Changing Environment - Achieving Promising Growth

20201H

- Contracted sales: Contracted sales and GFA under contracted sales amounted to **RMB14.21 billion** and **1.36 million** sq.m. respectively, with sales in tier-1 and tier-2 cities contributing more to overall performance.
- Sales picked up quickly after impact of COVID-19 started to fade and annual growth of contracted sales in 2020 will be well supported if the coronavirus doesn't rebound in 20202H.

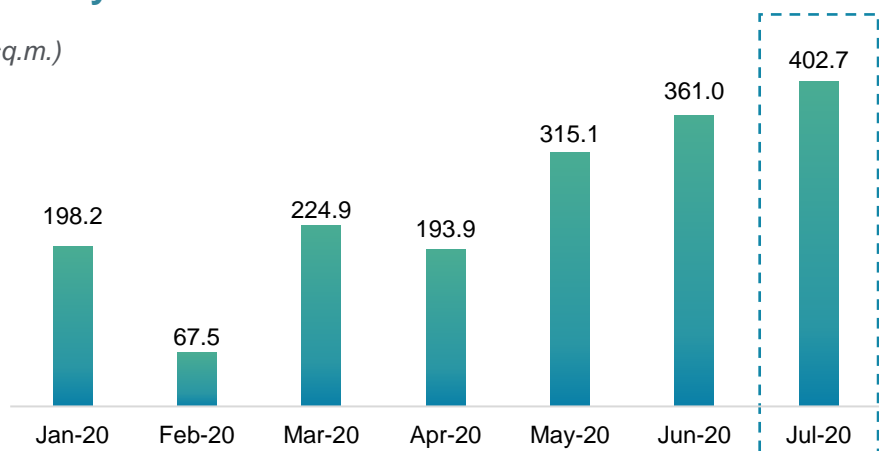
Monthly Contracted Sales in 2020YTD

(Unit: RMB billion)

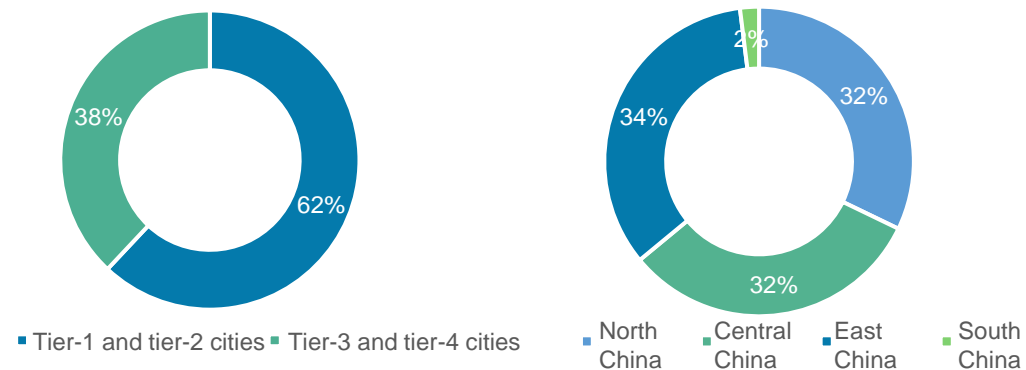


Monthly GFA under Contracted Sales in 2020YTD

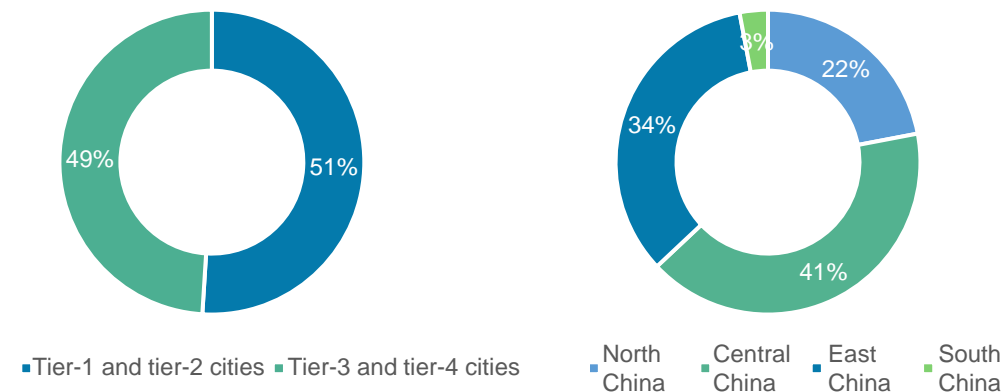
(Unit: '000 sq.m.)



Breakdown of 20201H Contracted Sales



Breakdown of 20201H GFA under Contracted Sales

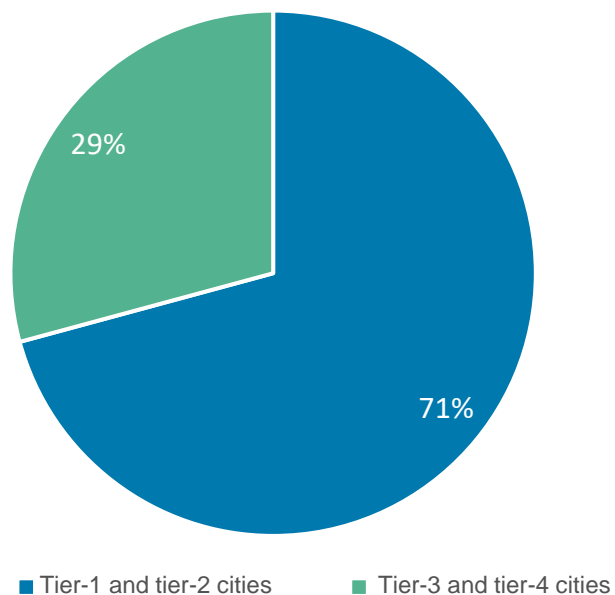


Stable Development - Selective Investment & Expansion

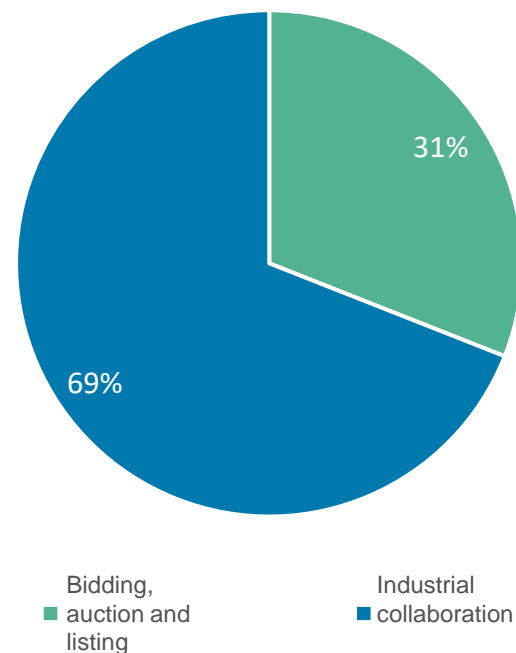
20201H

- Invested and expanded in core cities including **Changsha, Xi'an and Chongqing** through industrial collaboration and other methods and acquired new land reserve of **RMB10.938** billion, including **71%** in tier-1 and tier-2 cities. Among different land acquisition methods, industrial collaboration accounted for **69%**.

Percentage of Reserve Value of Projects Acquired in 20201H by City Tier



Percentage of Reserve Value of Projects Acquired in 20201H by Acquisition Method



20201H

□ The Company had **60** major projects available for sale and completed **43** centralized launches. The overall annual selling rate was about **70%**, the same as last year.

Project Name	Launch Date	Units Marketed	Monthly Selling Rate
Modern Yue MOMA, Fuzhou, Jiangxi	June, 2020	196	99%
Tonghui Modern Yue MOMA	June, 2020	162	96%
Modern Gaoling Shang Pin Wan MOMA, Shaanxi	April, 2020	132	96%
Modern Guang Ming Gong Yuan Yue, Changzhou	June, 2020	228	89%
Jiaotou Man Ting Chun MOMA, Xiantao	June, 2020	338	88%
Modern City MOMA, Wuhan	June, 2020	84	83%
.....			



Modern Gaoling Shang Pin Wan MOMA, Xi'an, Shaanxi

Mostly sold out within the first month



Modern Guang Ming Gong Yuan Yue, Changzhou

90% monthly selling rate!



Tonghui Modern Yue MOMA, Qingdao

Mostly sold out within the first month



Modern Yue MOMA, Fuzhou, Jiangxi

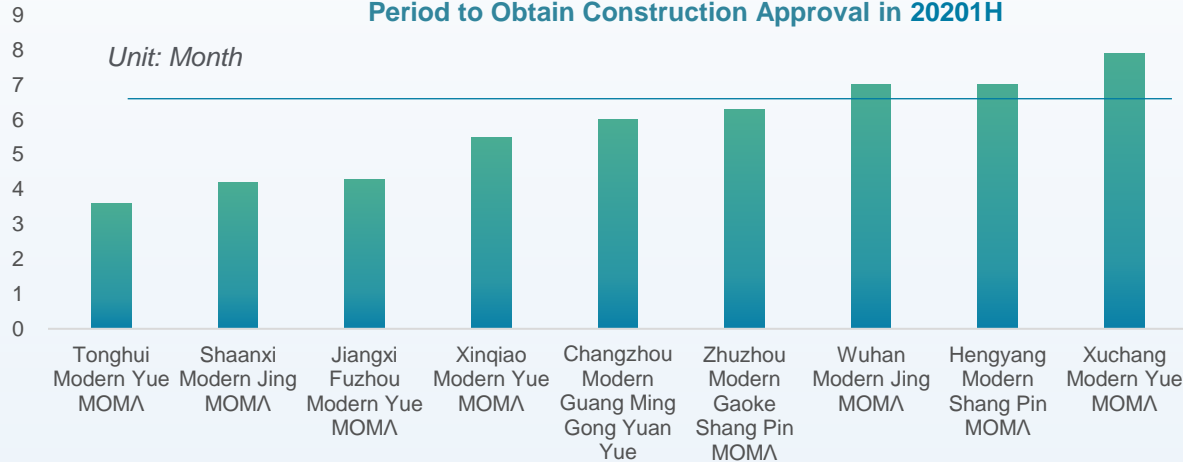
All sold out within the first month

Quickly Resuming Business - High Turnover

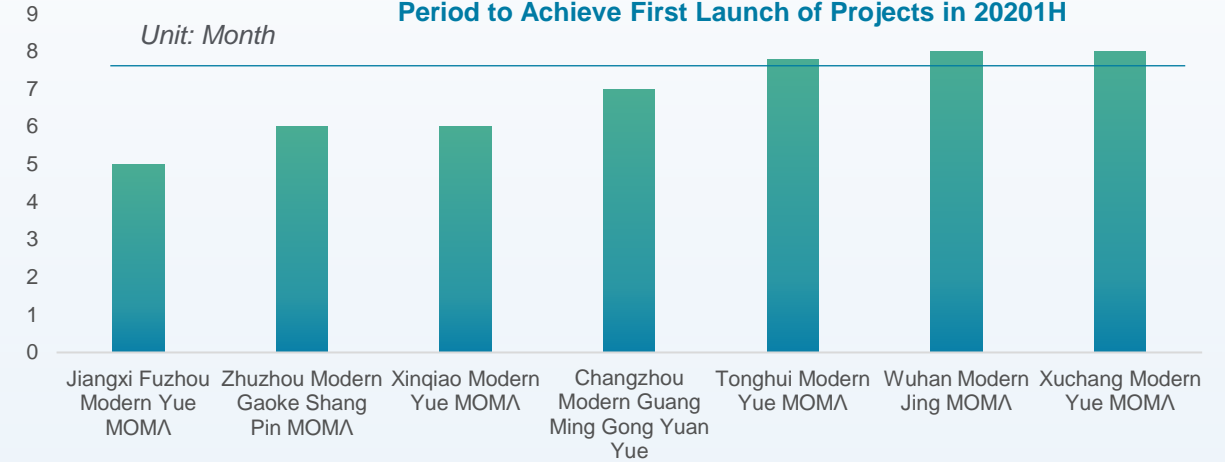
20201H

- Modern Land has been able to resume work through efficient remote working during the epidemic. By designing, purchasing and developing in advance, the company has managed to minimize the impact of the shut down during the epidemic, leading to only **~45 days** delay of various projects on average.
- As a result of the epidemic, average period to obtain construction approval and achieve first launch stood at **5.8 months** and **6.8 months** respectively, which was in line with the “**6867810**” principle. Despite the epidemic, **Fuzhou Modern Yue MOMA**, **Zhuzhou Modern Gaoke Shang Pin MOMA** and **Xinqiao Modern Yue MOMA** managed to achieve first launch within **6 months**.

Period to Obtain Construction Approval in 20201H



Period to Achieve First Launch of Projects in 20201H



Jiangxi Fuzhou Modern Yue MOMA

Obtained construction approval in 128 days

Achieved first launch in 152 days



Xinqiao Modern Yue MOMA

Obtained construction approval in 165 days

Achieved first launch in 179 days



Zhuzhou Modern Gaoke Shang Pin MOMA

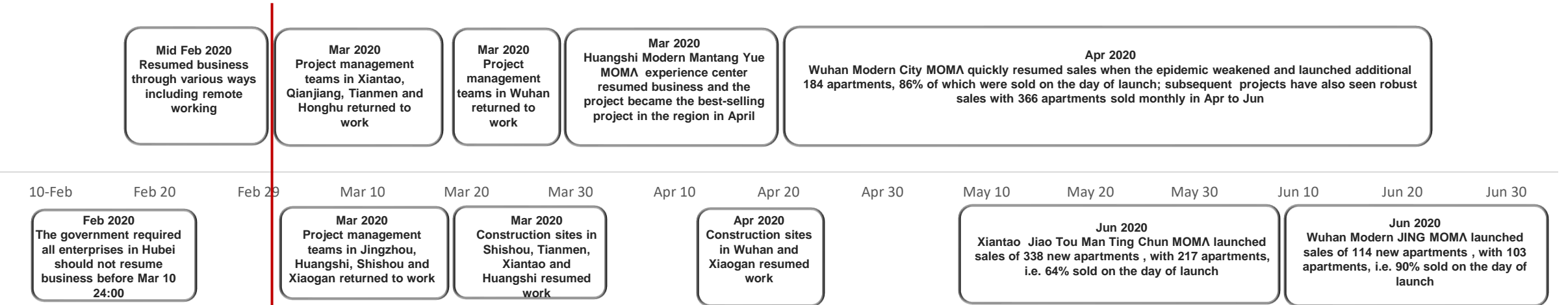
Obtained construction approval in 163 days

Achieved first launch in 187 days

Surviving the Epidemic with Tenacity - Achieving Breakthrough in Selling Rate

Resumed in Hubei quickly after the epidemic

- The company quickly resumed the projects in Hubei Province after the epidemic: In mid-February, the company resumed work in various forms such as remote working. In March, projects in various regions of Hubei Province officially resumed work, and the experience center resumed business. After Q2, the market demand in Hubei picked up rapidly, and the sales of each project increased significantly.



Wuhan Modern City MOMA

Intensively marketing leading to thousands of units sold out in 3 months



Hubei Modern Huangshi Man Tang Yue MOMA

Resumed business in March and became the best-selling project in April



Wuhan Modern Jing MOMA

60%+ apartments sold out during the first day of launch



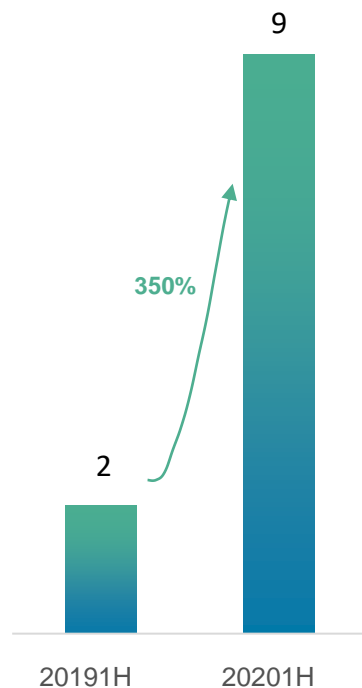
Xiantao Jiao Tou Man Ting Chun MOMA

Green Project Management - Steady Growth in Scale

20201H

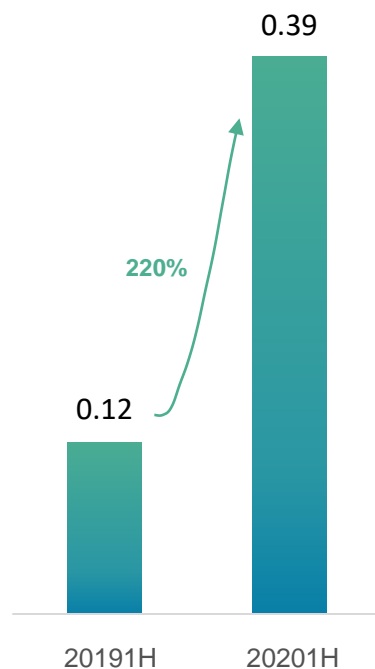
- Newly added **9** new high-quality construction projects; with the additional contract value of project management amounting to **RMB390 million**, additional GFA under project management reaching **2.2 million sq.m.**, additional land bank of project management reaching **RMB10.8 billion**, net margin achieving **60%**.

Number of Additional Managed Projects



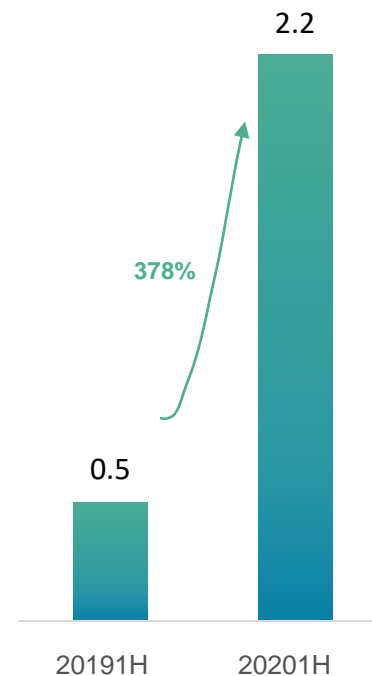
Total Additional Contract Value of Project Management

(Unit: RMB billion)



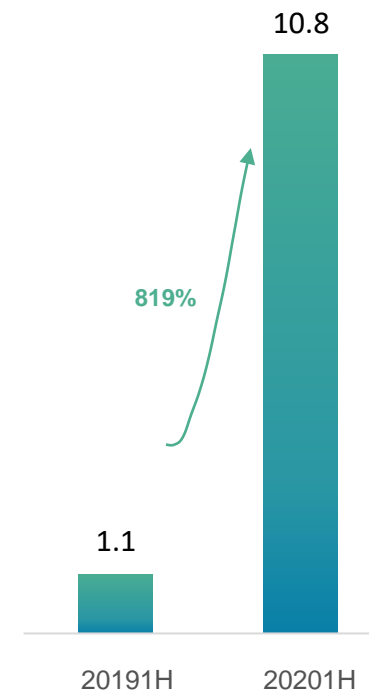
Total Additional GFA under Project Management

(Unit: million sq.m.)



Additional Land Bank of Project Management

(Unit: RMB billion)

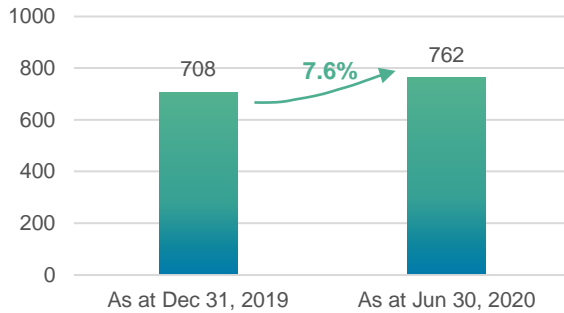


Note: Entrusted construction fee is paid in installments and on dates as set out in the agreement.

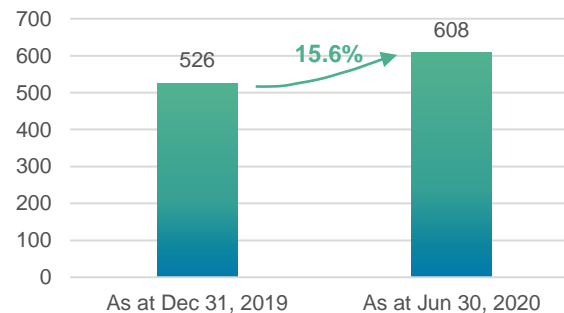
2020 1H

- Area with green building certification has grown by **540,000 sq.m.**, including **2** Green Building Design Label (3-star rating) awards, **1** Green Building Operation Label (3-star rating) award. As at today, Modern Land has obtained **5** Green Building Operation Label (3-star rating) awards, maintaining a leading position in the industry; the number of green residences nationwide has increased by **3** to **25** in total, with newly added GFA area of **820,000 sq.m.**.
- Obtained **5** core green technology patents in 2020 and a total of **52** green core technology patents have been obtained so far.

Total GFA with Green Building Certification



Total GFA of Green Residences



Building Design Label (3-Star Rating)



Details of Green Certifications Obtained in 2020 1H

Project	Stars
Suzhou Modern Dahu Shang Pin MOMA	★★ design
Tongzhou Modern Wan Guo Fu MOMA 1-3#, 5-6# and underground parking projects	★★★ design
Tongzhou Modern Wan Guo Fu MOMA—Building & Art Museum	★★★ design
Changzhou Modern Guang Ming Gong Yuan Yue 1-15# building	★ design
Hefei Modern Wan Guo Fu 1-18# building	★★★ operation
Wuhan Modern Jing MOMA	Green residence
Wuhan Modern City MOMA	Green residence
Jiangxi Fuzhou Modern Yue MOMA	Green residence

Modern Land conducted **1** "Green and Healthy Homes" national survey and **2** "Green and Healthy Community Cloud" releases. In order to create eternal harmony in life, Modern Land has upgraded the **Eternity IV Residential Environment System to the Harmony IV Community Ecosystem** and established additional green and healthy communities in even more cities through our three healthy lines of defense (community, neighborhood, construction) and our warm, profound, comprehensive, and accurate property management services.

3 healthy lines of defenses and **5 distinctive property management services** for safeguarding home

Eternity IV and Harmony IV product concepts for eternal harmony in your life



Feb. 28 MOMA "Green and Healthy Community Cloud" release



Mar. 20 Eternal harmony in life MOMA green and healthy community product and service cloud launch

	当代MOMA MODERNFU MOMA	当代府MOMA MODERNFU MOMA	当代阅MOMA MODERNYUE MOMA	当代城MOMA MODERNCHENG MOMA
	Top Green Technology Product Lines	High-end Green Technology Product Lines	Quality Green Technology Product Lines	Multifunctional Green Technology Market Product Lines
Community Healthy	AI technology community Worry-free community lobby Private housekeeper Community doctor	Surveillance without blind spots Fitness "health circle" River of Life health management	Planned use for during and after the pandemic Sunny lawn Sharing BOX inside community Convenient logistics	All kinds of supporting facilities Sustainable eco-community Integration with surrounding natural environment Availability of regional public lawns
Neighborhood Healthy	Across site zero-contact access Building air quality management No-disturbance neighborhood units Lobby services	Across site zero-contact access Healthy air system Underground garage with natural lighting Healthy water supply and drainage system	Zero-contact passages inside community Garbage sorting and concealing Disinfection at public areas Body temperature monitoring	Efficient slow-driving streets system Separate lanes for vehicles and pedestrians inside compound Planned use for during and after the pandemic Separable and mergeable compounds
Construction Healthy	Lockable vestibule 10 major technology systems Panoramic wide windows Constantly clean indoor spaces	Homes with no bounds Clean/dirt separation Sterilization system Healthy kitchen and bathroom	Stand-alone vestibule Modifiable home layout Healthy kitchen and bathroom	Stand-alone vestibule Modifiable home layout Healthy kitchen and bathroom

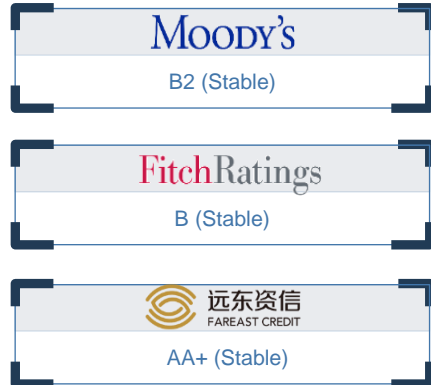
Capital Recognition - Stable Ratings

- Stocks: received Buy recommendation of **Guotai Junan Securities** and other well-known institutions. Bonds: received the recommendation of **Deutsche Bank, HSBC and Standard Chartered**. Both domestic and international ratings are stable.
- Received additional **9.5 billion** in strategic credit. Cumulative total credit received from banks amounted to **122 billion**, with **109.9 billion** still to be withdrawn.
- As of July 2020, issued USD **600 million** green senior notes in total and completed redemption of USD **300 million** ahead of maturity. In August 2020, the company successfully issued the debut balance payment-backed ABS offering of **RMB620 million**. Financing costs were reduced through simultaneous leveraging of onshore and offshore financing channels.

Buy Recommendation from Multiple Brokers



Stable Domestic and International Ratings



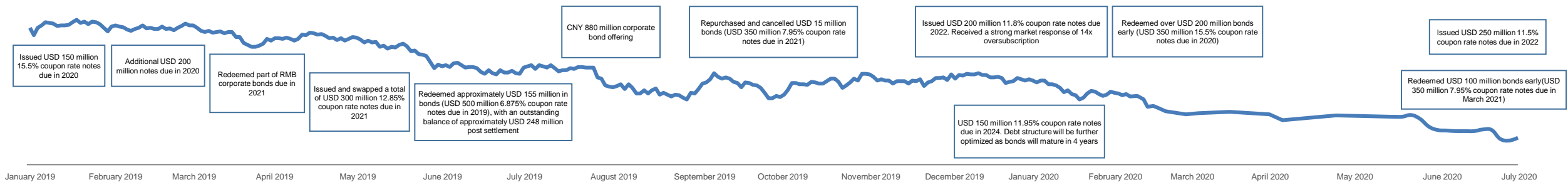
Strategic Partnership Agreement with Chang'an Trust



Three Green Senior Notes Debut CNY 620 Million Balance Payment-backed ABS Issuance

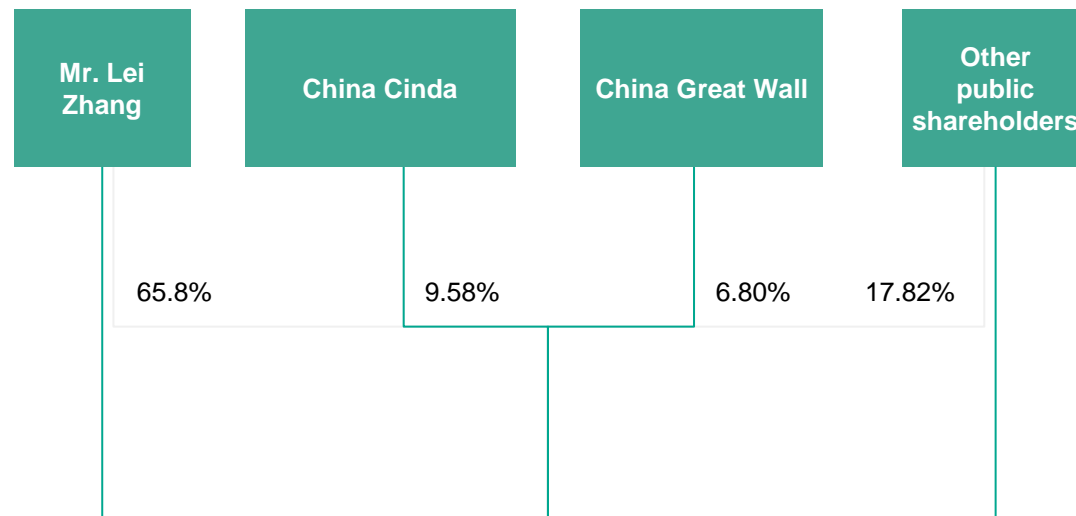


Continuous Optimization of Debt Structure



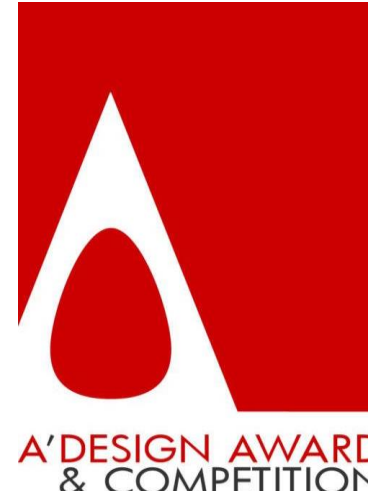


As of June 30, 2020



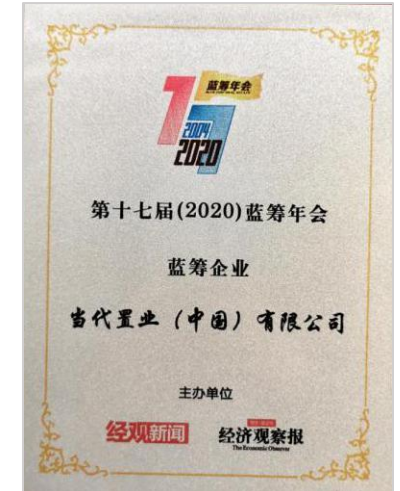
The Green Effect - Brand Acceleration

□ In 2020, the company won **over 50** awards and has gained social recognition for stability, business development, green concepts, technology and operations. Awards such as the 2020 **Top 5** Innovative Real Estate Companies in China, the **Top 10** Real Estate Companies for Development & Operational Efficiency in China, the 2020 **Top 100** Chinese Real Estate Companies by Comprehensive Strength. Ranking **59th** among the 2020 Top 100 Listed Real Estate Companies in China, **10th** among the 2020 Top 100 Listed Real Estate Companies in China in Growth & Development Ability, and awarded Excellent Green Technology-Oriented Real Estate Operations.



2020中国房地产代建管理卓越榜TOP10
观点指数研究院发布

排名	企业名称
1	绿城房地产建设管理集团有限公司
2	河南中原建业城市发展有限公司
3	上海朗诗建筑科技有限公司
4	金地集团开发管理公司
5	当代绿建有限公司
6	四川蓝光发展股份有限公司
7	雅居乐房地产建设管理集团有限公司
8	保利里城有限公司
9	万科企业股份有限公司
10	浙江蓝绿双城科技集团有限公司



PART 3

Future Outlook



Precise Assessment - Far Reaching Stability

Outlook for 20202H

- Foreign economies saw significant recession due to the pandemic and their recoveries in 3Q will be notably mixed while the Chinese domestic economy will mainly rely on internal circulation to pick up steadily.
- With the tone of slight tightening under prudent monetary policy being set, targeted easing will be implemented on the real economy. However, capital inflow to the real estate sector will still be strictly controlled.
- Adhering to the positioning of "avoiding housing speculation", the real estate sector will maintain its momentum of further progress on solid growth and overall, demonstrate its characteristic of **"solid growth in the long term and mixed trends in the short term"**.

Macroeconomy



Global: Recession and mixed recovery
Domestic: Steady pick-up underpinned by domestic demand

Financial Environment



Stability and slight tightening
Targeted easing

State of Industry



No housing speculation
Stable growth progress

Solid growth in the long term
(avoid housing speculation maintain solid growth in the long run)

Mixed trends in the short term
(market segmentation, demand upgrades and sharp increase in risk)

Coordinated Efforts in Expansion of Investment Targets - Well-crafted Schedule of Housing Supply

20202H Strategy

“Optimizing” Investments



Focus on deep penetration
Apply appropriate policies
to each region

“Expanding” Land Reserves



Focus on core regions
Deeply lock in targets

Setting “Higher” Standards



Set uniform standards
Upgrade customer
experience

“Stabilizing” Housing Supply

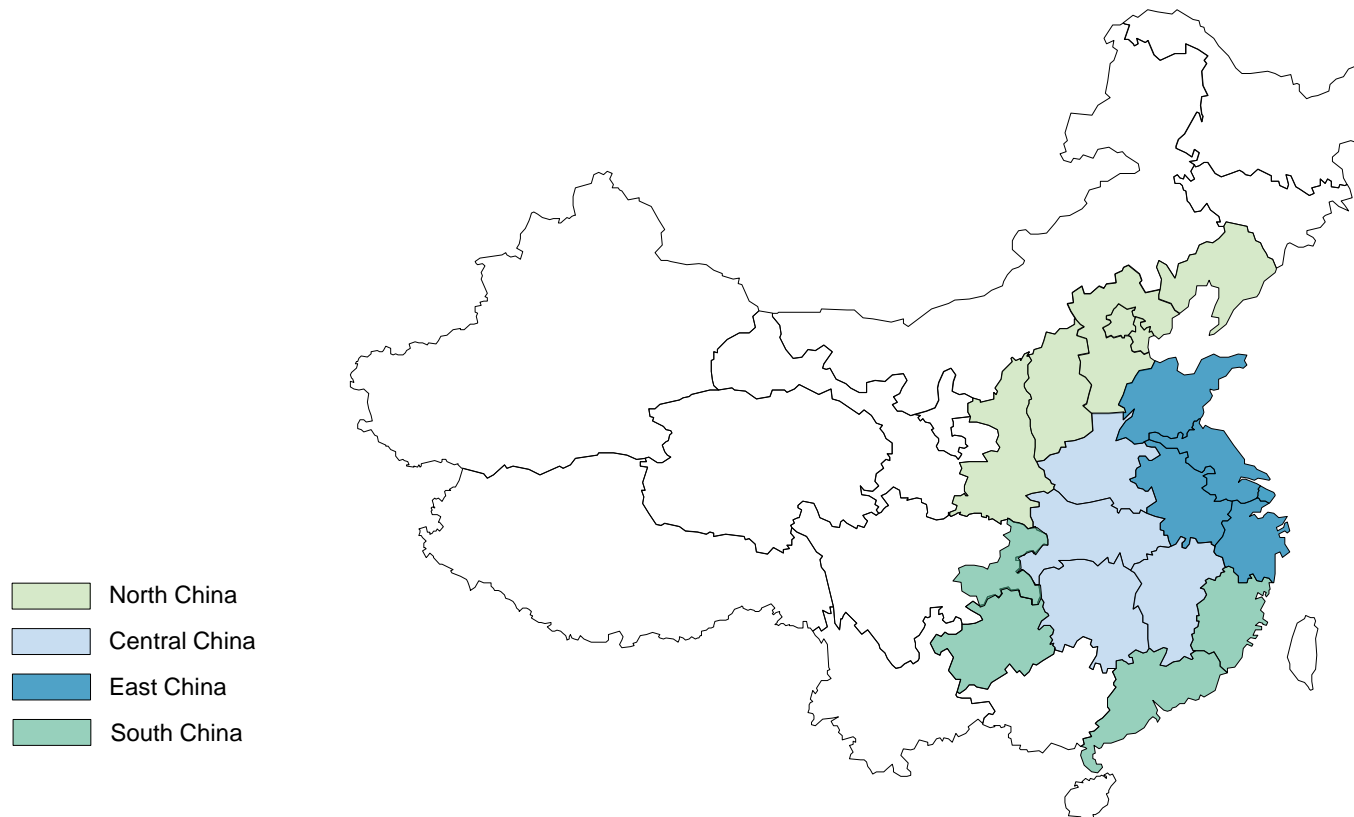


Plan developments
scientifically
Stabilize housing supply

Optimized Investment Strategy

- Region Specific Investment Policies

- ❑ Modern Land adheres to its “5+15+M” strategy for investment presence, with a focus on leading tier-1 & tier-2 cities.
- ❑ Refine investment model and clearly define Modern Land’s contribution into and acquisition approaches of different types of properties; customize unique investment policies for different regions based on the characteristics of the local real estate markets.
- ❑ Continue to diversify the land acquisition method by strengthening the **collaboration of industries** while paying attention to the traditional ways of bidding and M&A.



Note: The “5+15+M” strategy for investment presence is as follows:

- **5** – Five Megaregions, namely, the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-HK-Macao Greater Bay, the Middle Yangtze River, and the Chengdu-Chongqing City Cluster
- **15** – Fifteen provincial capitals or leading 2nd-tier cities, including Xi’an, Wuhan, Qingdao, Changsha, Chongqing, Chengdu, Foshan, Hefei, Ningbo, Shijiazhuang, Nanchang, Guiyang, Zhengzhou, Taiyuan and Nanning
- **M** – Cities that have the potential to be ranked in the Company’s list of qualified investment destinations

Interacted Internal + External Development - Industrial Synergy

- With a focus on synergetic growth, Modern Land has gradually built a system for interacted internal + external industrial development, by leveraging **40+ internally incubated brands** and **300+ external brands gathering around Modern MOMA projects**. Land acquisition through industrial collaborative can optimize costs, lock in revenue in advance, and accelerate turnover.

Modern Land's Key Expansion Model – To Acquire High-Quality Land Plots by Leveraging All Resources to Achieve Industry Synergy



Excellent Investment Expansion - Industrial Synergy

- Modern Land has acquired **multiple** high-quality projects situated in tier-1 & tier-2 cities, e.g., **Chongqing, Changsha, Xi'an**, etc., through industrial collaboration in 2020H1. These projects are featured by excellent locations, low costs, and readiness for fast development and sales



Chongqing Modern Chun Feng Yin Yue MOMA

Partner: CCTID

Unit land price: **RMB1,600** / sq.m.

Location: Fuling, Chongqing

- **Excellent location:** Alongside the Yangtze River and the Wujiang River with first-line river view, located on the opposite bank of the downtown area of the Fuling District
- **Low land costs:** A total of 14 transactions of residential land were made in the past three years in the nearby region, with an average unit land price of c. RMB 3,123 per sq.m.
- **Favorable cooperation model:** Modern Land can adopt the progressive development model by leveraging property sales income generated from the Phase I project. Thus, its shareholders do not have to provide additional funding
- **Matching Demands for Cooperation:**
 Modern Land - Expanding into Chongqing, locking in projects with low prices, develop on a rolling basis, acquire in succession, and to contribute cash flow to the Group.
 Industrial partner - looking for property developers with well-recognized brands and green technologies, in order to improve the image and reputation of the projects.

June 2019

November 2019

January 2020

March 2020

August 2020

Reached a cooperation intention with the industry partner and completed the internal project acquisition audit meeting

Defined the conditions of the project listing and signed the formal cooperation agreement

Signed a confirmation of the deal

Signed the land transfer contract

Designed and developed in advance, started construction once got the land, and opened the experience center ahead of schedule

Excellent Investment Expansion - Industrial Synergy

- Modern Land has acquired **multiple** high-quality projects situated in tier-1 & tier-2 cities, e.g., **Chongqing, Changsha, Xi'an**, etc., through industrial collaboration in 2020H. These projects are featured by excellent locations, low costs, and readiness for fast development and sales



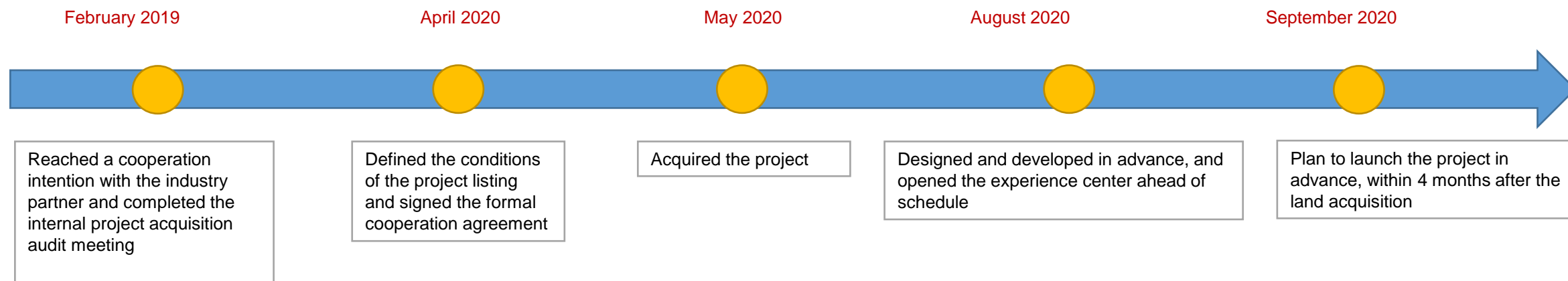
Xianyang Guorun Modern Jing MOMA

Partner: Guorun Electronic Industry Zone

Unit land price: **RMB2,485** / sq.m.

Location: Xianyang, Shaanxi

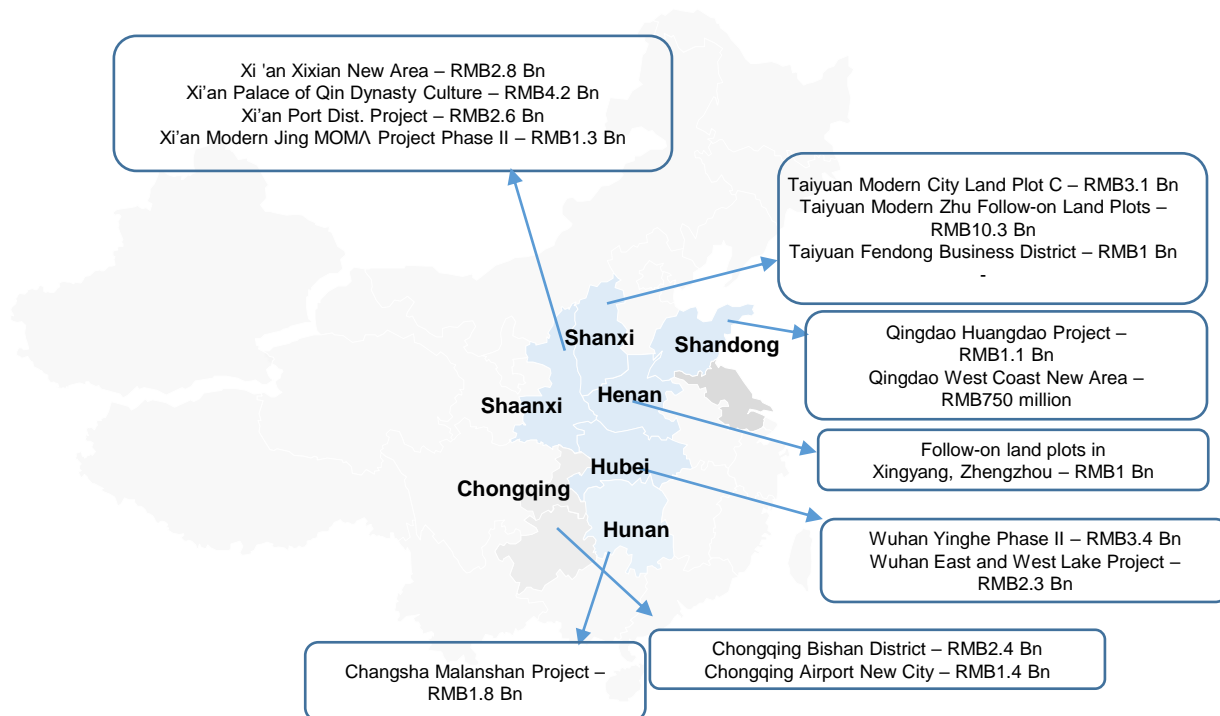
- **Excellent location:** Adjacent to the Wanda Business Zone in downtown Xianyang, and only 1 km to the Xianyang high-speed railway station
- **Low land costs:** Another land plot within 5km of the Xianyang Guorun Modern MOMA was sold in July 2020 at a unit land price of RMB 2,940 per sq.m.
- **Favorable cooperation model:** Modern Land has brought in external partners to jointly fund this project, so as to reduce its own capital contribution
- **Matching Demands for Cooperation:**
 - Modern Land - Expand into Xianyang by cooperating with local property developers, and to acquire residential lands.
 - Industrial partner - looking to work on joint projects with well-known developers in order to increase product margin and maximize profit.



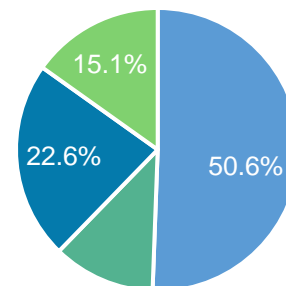
Land Reserve Expansion - Abundant and of High-quality

- **Deeply lock up projects:** as of June 30, 2020, the value of deeply locked-up land reached c.**RMB100 Bn**, among which located in first-and second-tier cities accounts for **78.4%**.
- **Sufficient land reserve:** as of June 30, 2020, the value of land bank with affirmed ownership reached c.**RMB150 Bn**, among which land located in first-and second-tier cities accounts for **70.9%**.

Locked-up Land Reserves in 2020 Valued c. RMB100 Billion

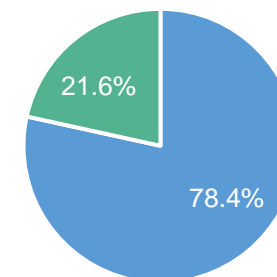


Breakdown of the Value of Deeply Locked-up Projects by Region

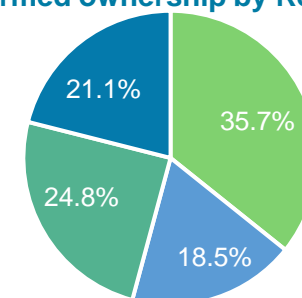


■ North China ■ Central China ■ East China ■ South China ■ Tier-1 and tier-2 cities ■ Tier-3 and tier-4 cities

Breakdown of the Value of Deeply Locked-up Projects by City Tier

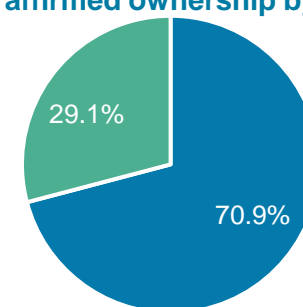


Breakdown of the Value of Land Bank with affirmed ownership by Region



■ North China ■ Central China ■ East China ■ South China ■ Tier-1 and tier-2 cities ■ Tier-3 and tier-4 cities

Breakdown of the Value of Land Bank with affirmed ownership by City Tier



- Customer Experience Upgrade

- ❑ **Building standardized experience center:** ensure "reasonable replication" + "continuous iteration" under the requirements of "high turnover" + "product upgrade".
- ❑ **Creating Internet-famous experience center:** "integrated design" of theme, form, elements and experience, comprehensively upgrade customer experience.

Experience Center 2.0



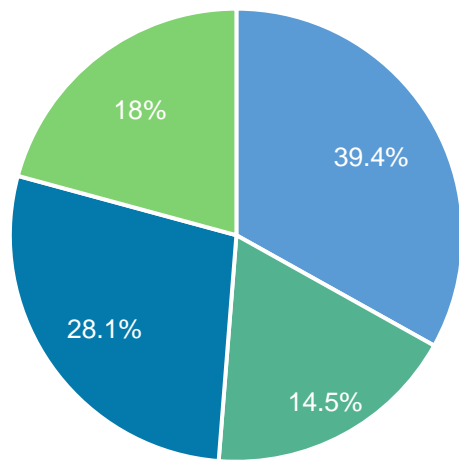
Experience Center Plus



Stable Supply - Synergetic Arrangement

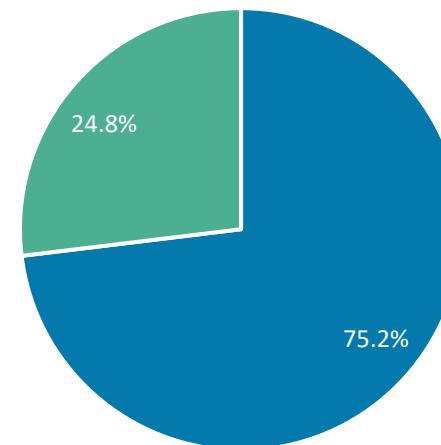
- **Stable pace of marketing:** the total value of projects to be marketed in August to December 2020 is expected to reach **RMB43.7 Bn**, among which projects located in first-and second-tier cities account for **75.2%**, mainly concentrated in core cities like **Xi'an, Changsha, Wuhan**, etc.

Value of Projects to be Marketed in 2020H, by Region



■ North China ■ South China ■ Central China ■ East China

Value of Projects to be Marketed in 2020H, by City Tier



■ Tier-1 and tier-2 cities ■ Tier-3 and tier-4 cities



Being a Humble Participant - Improving through Steady Growth

RMB 42 billion

Annual Sales Target

1.4 million sq.m.

**Anticipated Area of
Completion**

Promising Future