



原綠當代 綻藍生活

2018 Interim Result Announcement

5th
週年慶



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PART 1
2018 Interim Results Review

2018 Interim Results Highlights

- Strong sales performance with a sharp increase of 47.8%
- Accurate judgment on land acquisition
- High-quality land bank

- Financial stability
- Weighted average cost of borrowing reduces to 7.6%
- Net debt ratio reduces to 80.1%



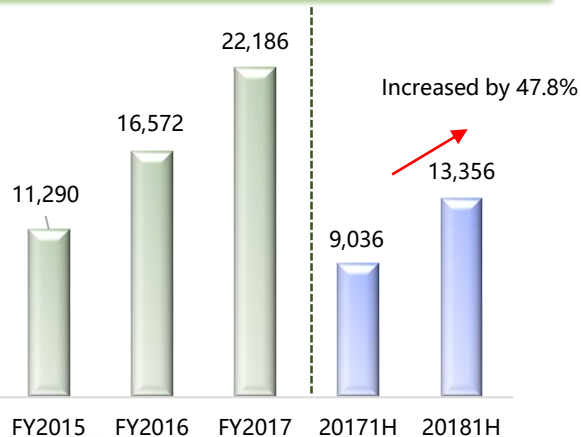
- Total asset continues to increase to RMB 47.8 billion
- Net cash flow from operating activities increase sharply

- Flexible adjustment of development strategy
- Forward-looking layout transformation

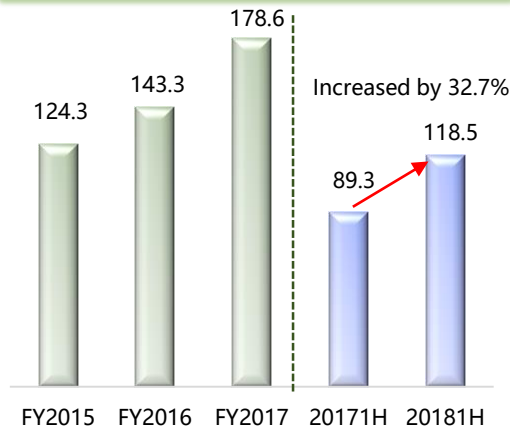
Strong sales performance, increased by approximately 47.8% YOY

In the first half of 2018, the Group achieved a major breakthrough in sales performance. Contracted sales increased largely by approximately 47.8% compared to the corresponding period in 2017, reaching a record high. The average selling price increased by 13.2% to RMB 11,155 per sq.m.. The outstanding performance benefits from the precise strategic layout, quick turnover rate and differentiated core competitiveness of products of the Company.

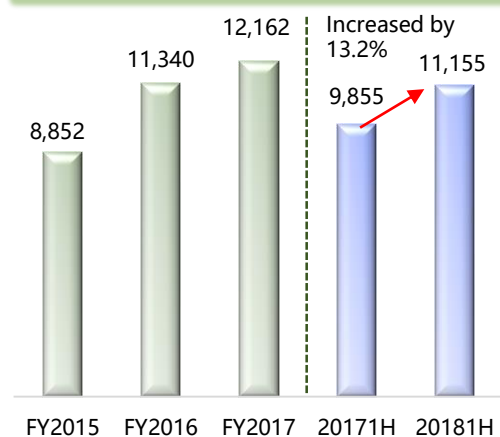
Contracted sales
(RMB: million)



Gross floor area
(10,000 sq.m.)

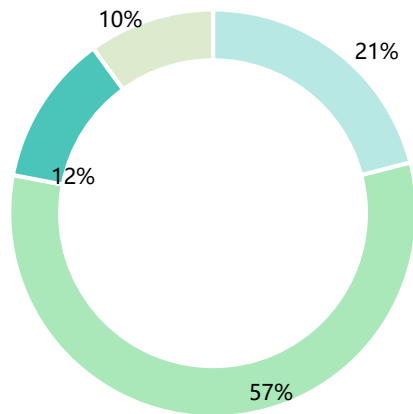


Average selling price
(RMB)



The effect of regional layout strategy is coming around

Contracted sales in the first half of 2018 by region



Bohai economic circle

Yangtze River Economic Zone

Guangdong-Hong Kong-Macau Greater Bay Area

West-Straits Economic Area

Notes:

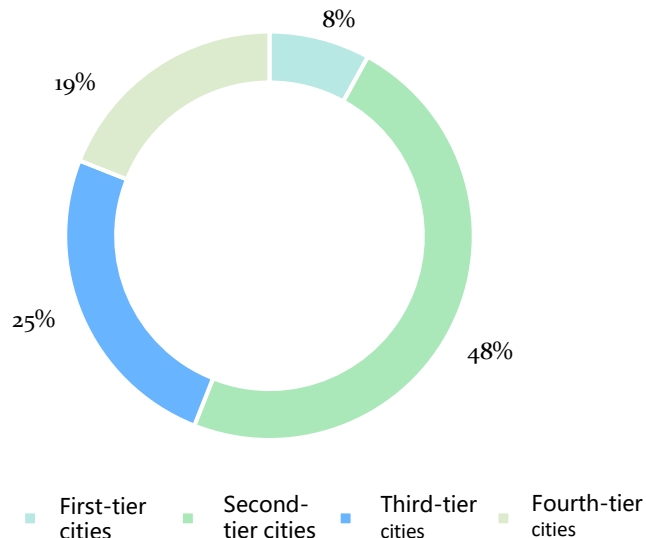
Bohai economic circle:

Beijing, Zhangjiakou, Dongdaihe, Taiyuan
Hefei, Jiaxing, Suzhou, Wuhan, Changsha, etc.

Yangtze River Economic Zone:
Guangdong-Hong Kong-Macau Greater Bay Area:

Foshan, Huizhou
Jinjiang

West-Straits Economic Area:



First-tier cities

Second-tier cities

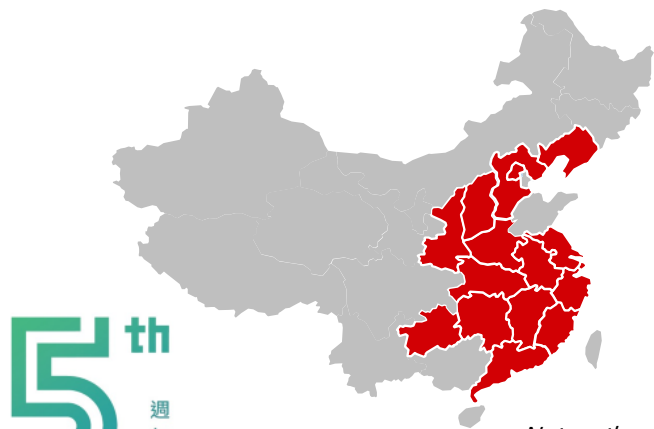
Third-tier cities

Fourth-tier cities

Contracted sales amount in the first half of 2018 by amount, concentrate on second- and third-tier cities, accounting for more than 70%.

Expanding land bank, the value of newly acquired land reaches RMB 13.5 billion

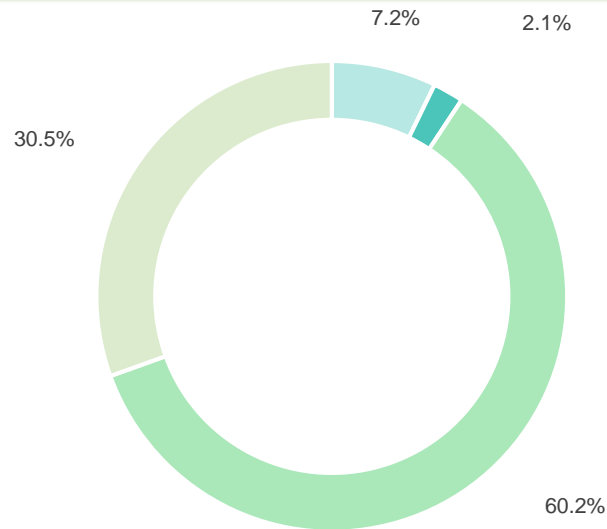
- ❏ In the first half of 2018, total 13 new lands are added, with a capacity of 1.52 million sq.m., corresponding to a value of 13.5 billion.
- ❏ The average land acquisition cost is RMB 2,001 per sq.m..
- ❏ The land acquisition area is mainly concentrated in the core city within a 2-hour economic circle, with convenient transportation, high economic level, high rigidity demand, and reasonable land price.



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Note: the red highlight is the area that the Group has entered

GFA of new land acquisition in the first half of 2018 by area

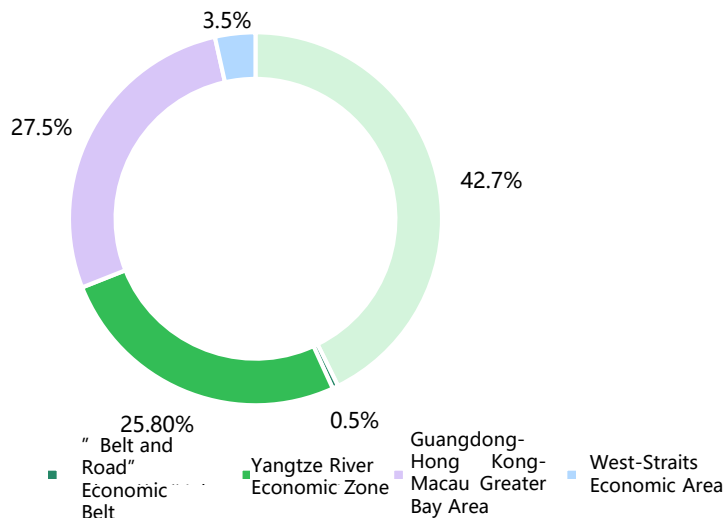


- Bohai economic circle
- "Belt and Road" economic belt
- Yangtze River economic zone
- West-Straits economic area

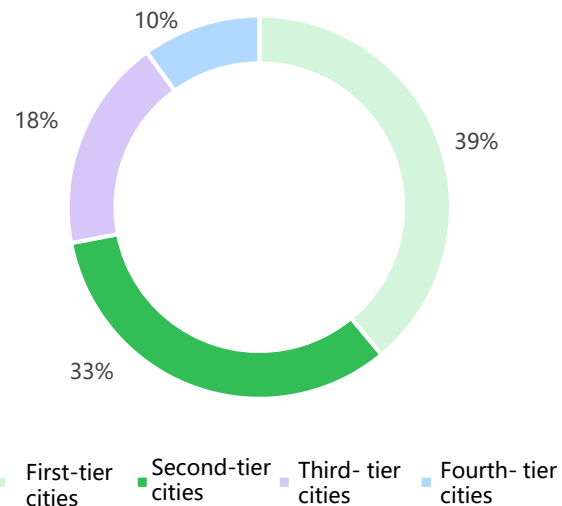
Gradually replace the single urban layout model with a reasonable regional layout

As of June 30, 2018, the Group's land reserve reached to 7.37 million sq.m., corresponding to a value of 111 billion. Classified by the value of the land, the first-tier cities account for 39%, second-tier account for 50%. The reasonable layout can effectively defend the policy risks caused by the single region.

GFA of land bank by area



Land bank by value



Notes:

Bohai economic circle:

"Belt and Road" economic belt:

Yangtze River Economic Zone:

Guangdong-Hong Kong-Macau

Greater Bay Area:

West-Straits Economic Area:

Beijing, Zhangjiakou, Dongdaihe, Taiyuan

Xi'an

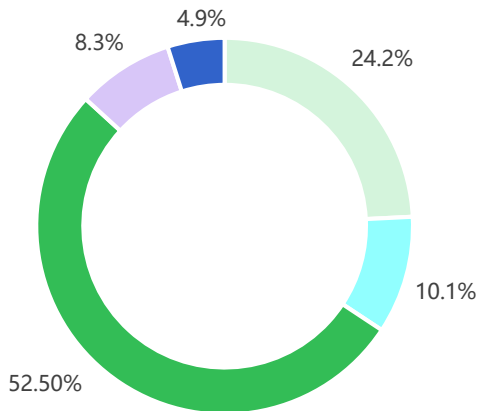
Shanghai, Nanjing, Wuxi, Hefei, Wuhan, Changsha, etc.

Guangzhou, Foshan, Huizhou

Jinjiang, Fuzhou, etc.

Stock is sufficient, Reaches RMB 32.6 billion in the second half of the year

Saleable resources in 2018 by region



Bohai Economic Circle

"Belt and Road" Economic Belt

Yangtze River Economic Zone

Guangdong-Hong Kong-Macau Greater Bay Area

West-Straits Economic Area



Notes:

Bohai economic circle:

"Belt and Road" economic belt:

Yangtze River Economic Zone:

Changsha, etc.

Guangdong-Hong Kong-Macau

Greater Bay Area: Guangzhou, Foshan, Huizhou

West-Straits Economic Area:

Beijing, Zhangjiakou, Dongdaihe, Taiyuan
Xi'an
Shanghai, Nanjing, Wuxi, Hefei, Wuhan,

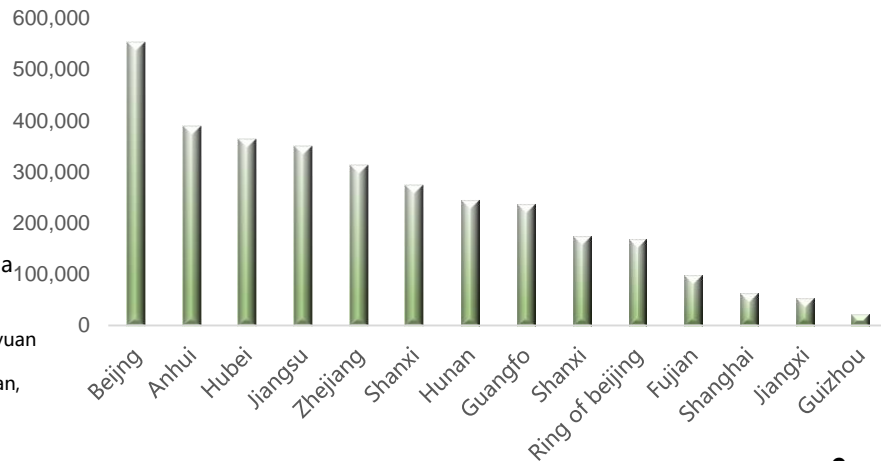
Jinjiang, Fuzhou, etc.

✓ The saleable resource is about 46 billion, of which the saleable resources in the second half of 2018 is 32.6 billion. The sufficient land bank supports the target of 32 billion contracted sales for the whole year.

✓ Among them, Beijing, Anhui, Hubei, Jiangsu and Zhejiang will be the main provinces for sale in the second half of the year.

The saleable resources in the second half of 2018 by province

Unit: RMB 10,000



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PART 2

Financial performance

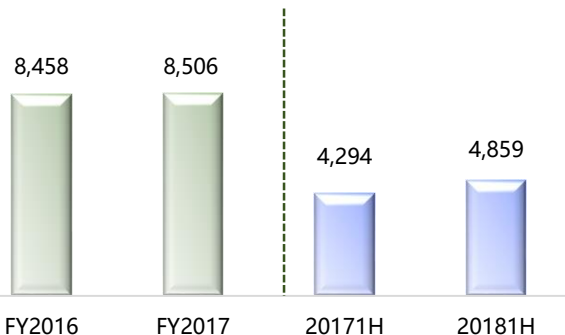
2018 interim results summary

RMB (million)	2017.6.30	2018.6.30	Change
Contracted sales	9,036	13,357	+47.8%
Revenue	4,294	4,859	+13.2%
Gross profit margin	20.7%	19.5%	-1.2pp
Net profit (excluding exchange differences)	512	452	-11.7%
Net cash flow from operating activities	-3,389	1,892	155.9%
RMB (million)	2017.12.31	2018.6.30	Change
Total asset	45,171	47,772	+5.8%
Total equity	7,016	7,359	+4.9%
Bank balance and cash in hand	10,410	9,257	-11.1%
Weighted average finance cost	7.7%	7.6%	-0.1pp
Net debt ratio	83.1%	80.1%	-3.0pp

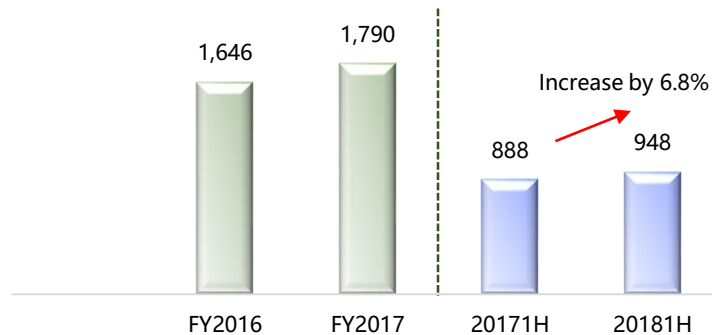


Recognized revenue and gross profit increase

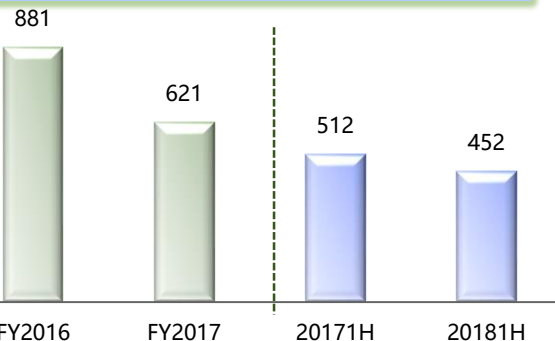
Revenue (RMB: million)



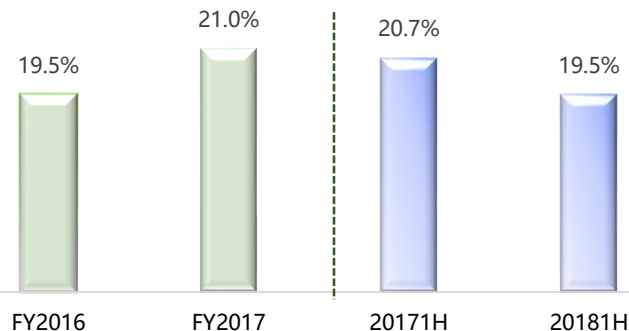
Gross profit (RMB: million)



Net profit (excluding exchange differences) (RMB: million)

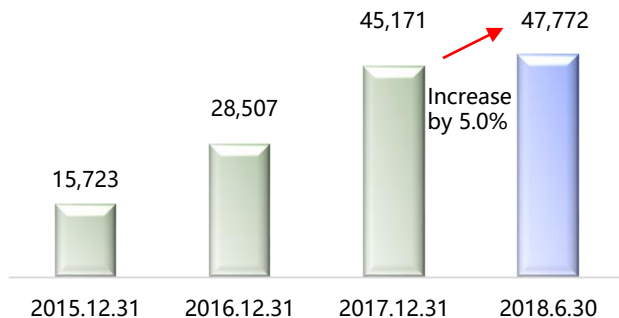


Gross profit margin

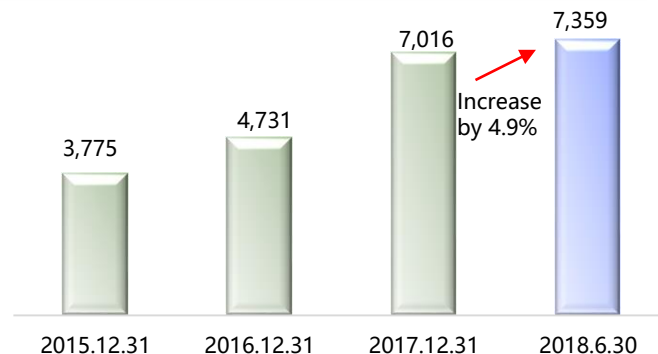


Strong asset and anti-risk capability

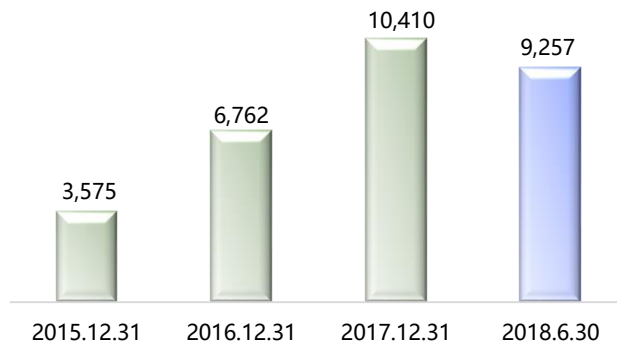
Total asset (RMB: million)



Total equity (RMB: million)

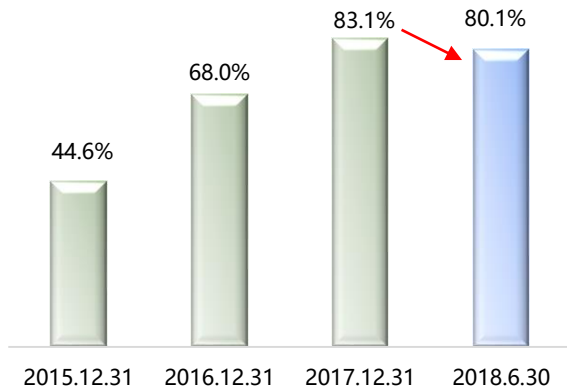


Bank balance and cash (RMB: million)

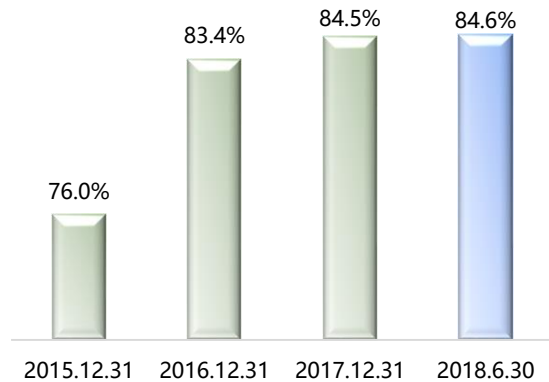


The debt structure has been effectively adjusted

Net debt ratio



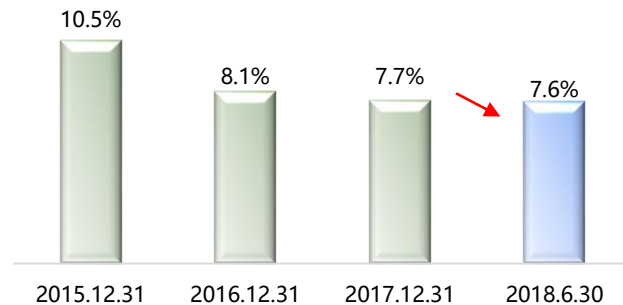
Debt to asset



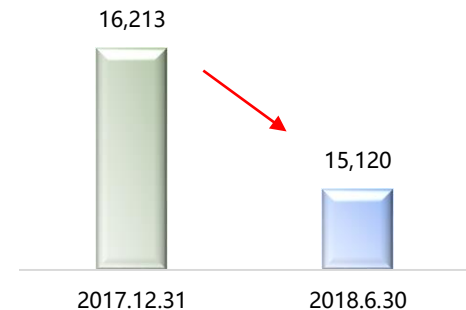
Debt structure tends to be reasonable

Financing cost reduced

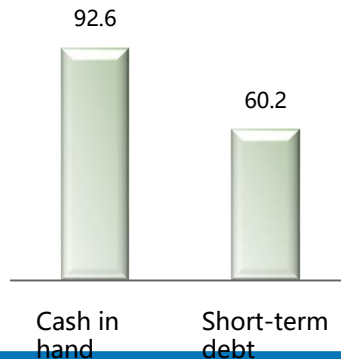
Weighted average cost of borrowing



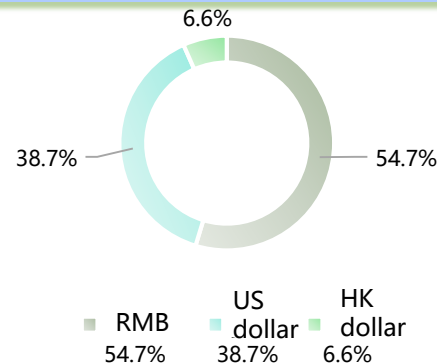
Total borrowing (RMB: million)



Cash in hand and short-term debt (RMB: million)



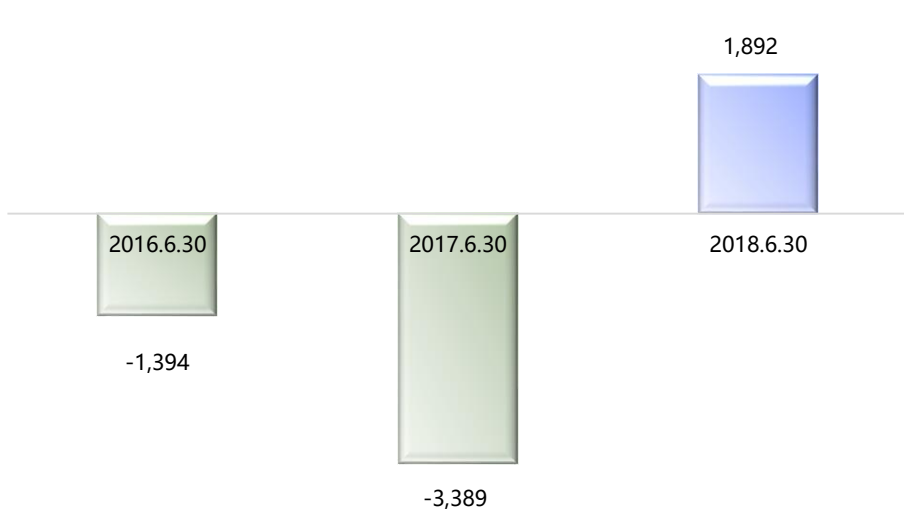
Liability structure categorized by currency



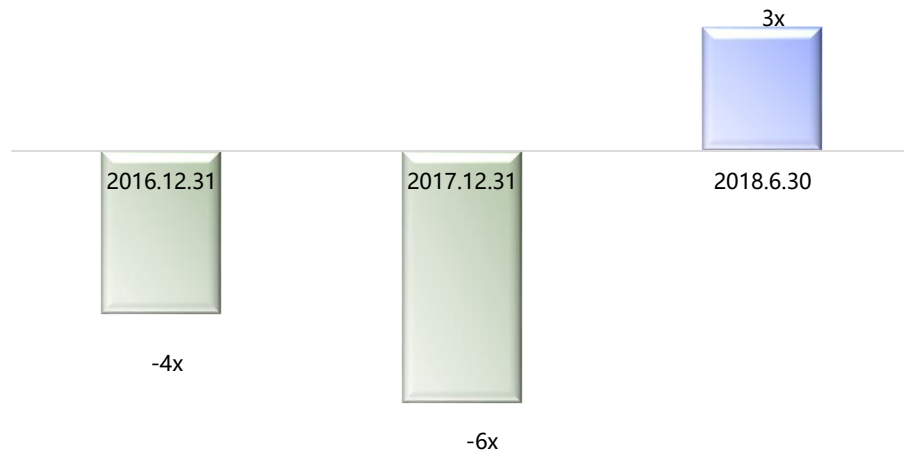
- Diversified financing channels, and the weighted average cost of borrowing falls to 7.6%, providing strong financial support for the Group's business development.
- Total borrowings fall to RMB 15.15 billion, of which bank and other borrowings fall to RMB 8.634 billion (RMB 10.519 at the end of 2017), which is controlled within a reasonable range.
- The proportion of 1-year debt falls to 39.70% (41.33% at the end of 2017), low short-term repayment pressure
- Cash in hand covers 1.5 times of short-term debt.

Healthy cash flow structure, net cash flow from operating activities increases significantly

Net cash flow from operating activities



Net cash flow from operating activities/Interest expense



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PART 3 Future Prospect

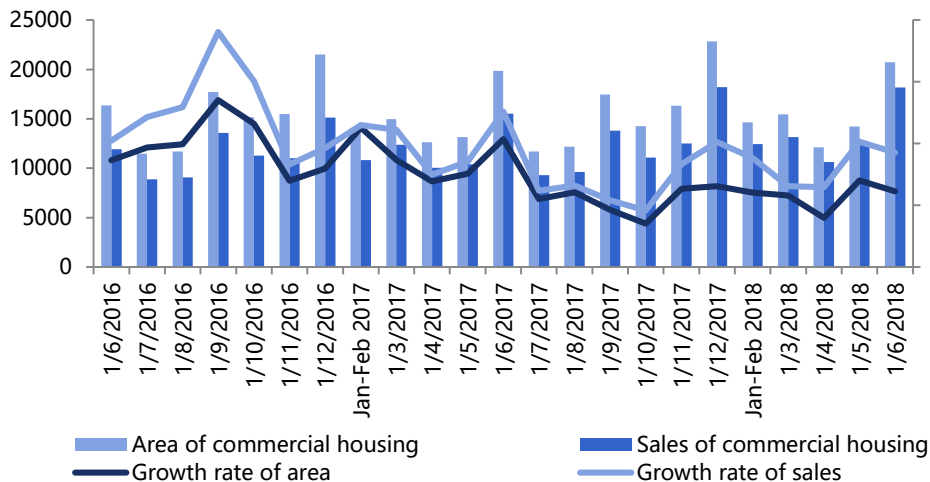
The main tone of the regulation on the real estate market remains unchanged, emphasizing on stabilizing prices and leverage

Regulation: continue to adhere to the city's policy, the tone of the policy changes from curbing the excessive rise to curbing the rise, the possibility of a monetary policy turning to a extremely neutral bias is not large in the short term.

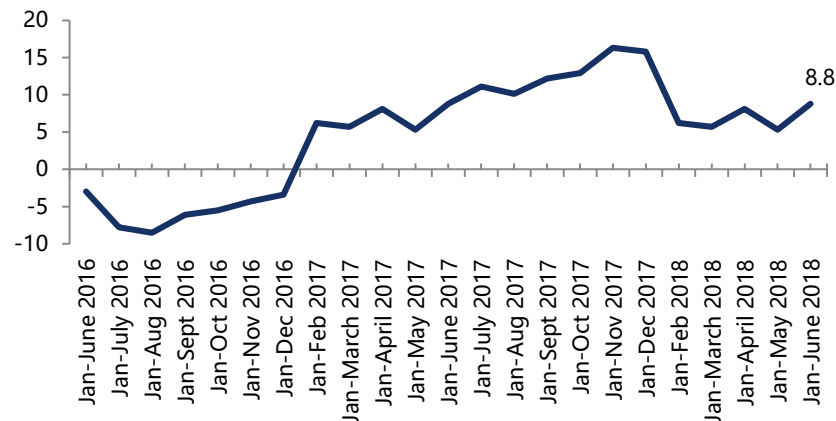
Market: it is expected that the transaction volume of real estate domestically in 2018 remains high. The first- and second- tier cities will further differentiate from third- and fourth- tier cities. The periodic effect of the property market has been lengthened by policies and regulations. The market transaction volume of some third- and fourth- tier cities will slow down caused by the excessive demand in the previous period.

Industry: in recent months, the land acquisition area of the development enterprises has rebounded. However, with the tightening of financing channels, the developers will gradually control the land investment in the future., some enterprises will speed up the cash collection to ensure that cash flow becomes the industry consensus. The concentration of the industry is gradually increasing, and the sales of commercial housing in China is expected to maintain a certain upward trend.

Sales of commercial housing monthly and its growth trend





Monthly growth rate of land acquisition area of national real estate development enterprises (%)



Exploring Green Technology, continuous product leadership

Use unique technology products to continually build differential apartments

 Do its utmost to meet residents' needs for comfortable environment

 Be energy-conserving.

Optimal temperature
(always maintained at 20-26°C)

Optimal humidity
(relative humidity of 30-70%)

Quiet environment
(<35-40dB)

Fresh air change rate
(0.5-0.8 time/hour)

• Exterior Insulation System



• Energy Conservation and Smart Home System



• Geothermal Heat Pump System



• Roof Radiant Heating and Cooling System



• Fresh Air Ventilation System









• Optimized Water Processing System

Combine three standard product lines for different functions and high efficiency





Residential product lines to meet the ultimate needs of high-end market




-  Wan Guo Cheng MOMA
-  Wan Guo Fu MOMA

-  Advanced comprehensive energy-conserving technology
-  Best design with highest comfortability; perfect example of environment-friendly lifestyle
-  Constant temperature and humidity and stable supply of fresh air with quiet environments
-  Primarily distributed across Beijing, Taiyuan, Changsha, Suzhou, Hefei and Nanjing





Residential product lines to meet medium to high-end market's needs for better environment




-  Shang Pin Ge MOMA
-  Shang Pin Wan MOMA

-  Shang Pin Ge MOMA: Adjustable temperature+air purification+water purification
-  Shang Pin Wan MOMA: cool summer and warm winter+air purification
-  Primarily distributed across Beijing, Changsha, Wuhan and Hefei



Residential product lines to meet mass market's rigid demands

-  Man Tang Yue MOMA
-  Man Ting Chun MOMA

-  Man Tang Yue MOMA: Passive energy conservation+green living environment
-  Man Ting Chun MOMA: Passive energy conservation+air purification+green living environment
-  Primarily distributed across Nanchang, Changsha, Jiujiang, Xiantao, Wuhan and Huizhou



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Brand upgrade – “Green ” honor

In the first half of 2018, the company, the Company was consecutively awarded as **China Model Green Property Developers in Operation (ranking No.1)** and **2018 China Specialized Real Estate Company — Renovation Real Estate**. The important honors were that the “MOMA Building & Arts Museum” became the **first museum project which passed AH international certification across the globe**; Modern MOMA (Beijing) obtained the first **“WELL Building Three-Star Certification”** for residential; Modern Wan Guo Fu MOMA (Nanjing) won **Three Star Green Building Label — Design**; Modern Wan Guo Cheng MOMA (Wuhan) and Yangluo Modern Man Ting Chun MOMA (Wuhan) won **Two Star Green Building Label — Design**; 4 projects won the title of **Green Residences**, namely, Hanyang Modern Wan Guo Cheng MOMA (Wuhan), Yangluo Modern Man Ting Chun MOMA (Wuhan), Modern Man Tang Yue MOMA (Jingzhou) and Modern Shang Pin Wan MOMA (Zhuzhou).



“MOMA Building & Arts Museum” became the first museum project which passed AH international certification across the globe



Modern MOMA (Beijing) obtained the first “WELL Building Three-Star Certification” for residential



Awarded as China Model Green Property Developers in Operation (ranking No.1)



2018 Top 100

“China Real Estate Enterprises”, “China Real Estate Enterprises TOP10 Financing Capability, TOP 10 Growth Enterprise”, “2018China Specialized Real Estate Company — Renovation Real Estate.”



“2018 Top 100 ”、“Stable Operation Top 5”



“Wan Guo Cheng MOMA (Wuhan) ” “Modern Man Ting Chun MOMA (Wuhan) ”

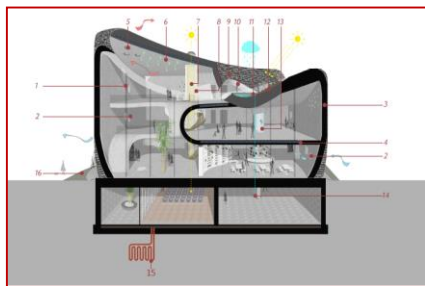
“Modern Man Tang Yue MOMA (Jingzhou) ” “Modern Shang Pin Wan MOMA (Zhuzhou).”

Deepening the practice of zero-energy consumption, Leading the frontier of housing in China

Tongzhou Wan Guo Cheng Project was awarded the world's first "Active House International Certification" museum project.

In line with Modern Land's green and energy-conserving development principle, the project is positioned as China's first modern architecture museum featuring "passive technology with super-low energy consumption + architectural arts + cultural communication", gaining momentum for building products which consume zero energy.

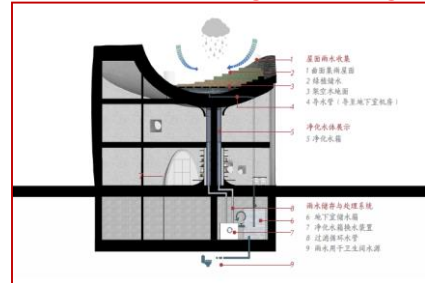
Overall energy strategy



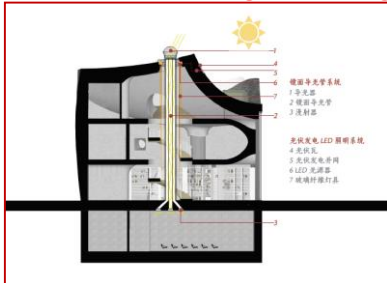
Integrated floor system



Water Cavity Ecological Strategy

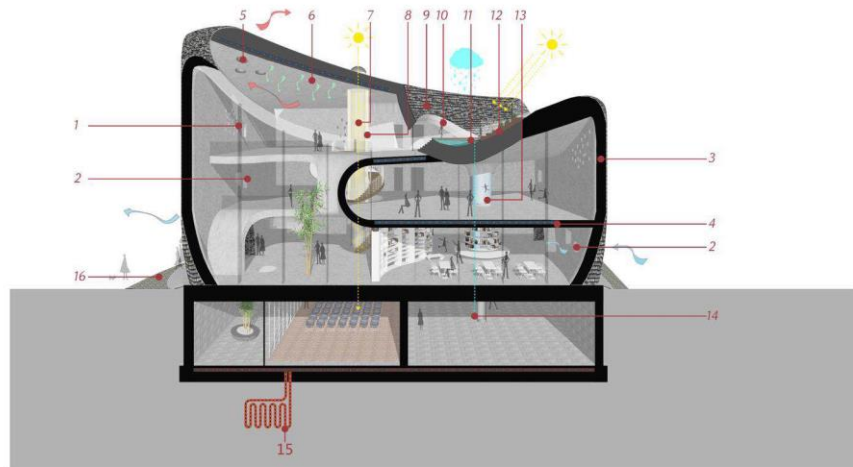


Optical Cavity Ecological Strategy



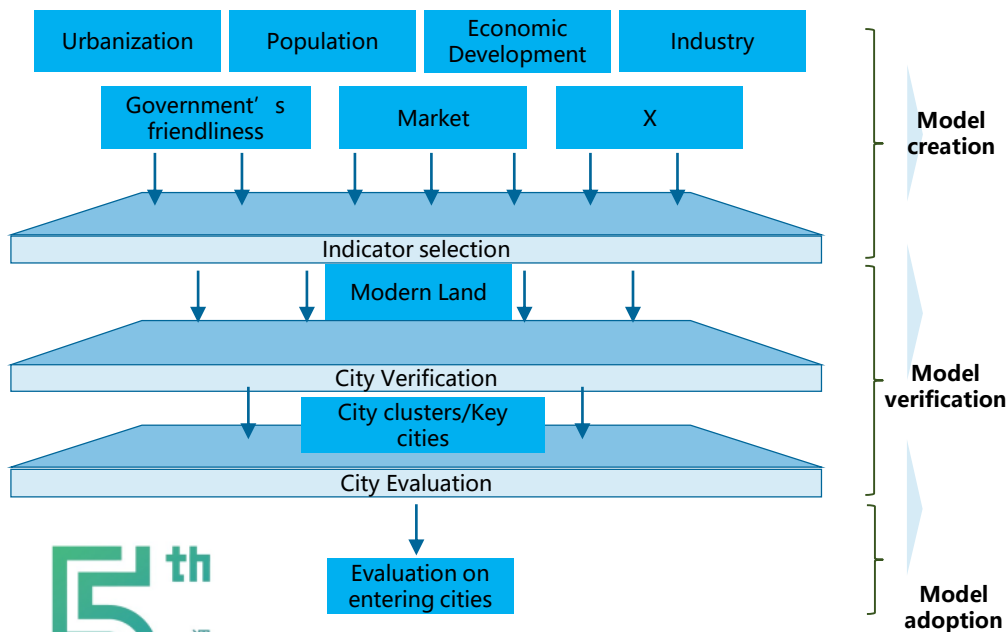
整体能源策略

- | | | | |
|-------------|-----------------|---------|--------------|
| 1 高保温性能玻璃幕墙 | 5 热压通风 | 9 光伏瓦 | 13 室内水体景观系统 |
| 2 门窗对流通风 | 6 新风除湿静压箱 | 10 自然采光 | 14 雨水储存与净化系统 |
| 3 高保温性能外墙 | 7 自然光导光管系统 | 11 屋顶平台 | 15 地源热泵 |
| 4 毛细管辐射制冷制热 | 8 光伏发电 LED 照明系统 | 12 雨水花园 | 16 植草砖雨水收集系统 |



“3+13+M” investment layout, focus on regional penetration of key area

Upholding the “3+13+M” development strategy, Modern Land conducted in-depth data analysis on 116 major cities across China for the creation of a model used to illustrate the feasibility to enter cities. Based on this model, Modern Land selects quality lands rigorously to intensify its presence in the Beijing-Tianjin-Hubei cluster, Yangtze River Delta and Greater Bay Area.



Investment strategy	Yangtze River Economic Belt	Guangdong-Hong Kong-Macau Greater Bay Area	Bohai economic circle	“ Belt and Road” economic belt	Others
Strategic deep	Shanghai and Shanghai-surrounded area, Hangzhou, Nanjing, Suzhou, Ningbo, Wuxi, Hefei, Wuhan, Changsha, Nanchang, Chengyu	Guangzhou, Shenzhen, Foshan, Dongguan, Huizhou	Beijing, Tianjin	Xi'an	Zhengzhou, Taiyuan
Prior entrance	Jiaying, Zhenjiang, Changzhou, Shaoxing, Yangzhou, Wuhu, Huzhou, Xuzhou, Nantong, Taizhou, Huai'an, Hangzhou, Huanggang, Xiantao, Ganzhou	Zhuhai, Zhongshan, Shantou	Baoding, Shijiazhuang, Langfang, Shandong urban agglomeration	-	Domestic top 100 counties
Selected entrance	Lianyungang, Huainan, Ma On Shan, Fuyang, Xuzhou, Suqian, Lu'an, Mianyang, Nantong, Dazhou	Zhaoqing, Zhanjiang, Qingyuan, Jiangmen	Beijing-surrounded area, Zhangjiakou, Cangzhou, Country of Tangshan close to Beijing	-	-

Recognized by capital market, expanding strategic credit of 20 billion RMB

Modern Land obtained strategic credit in sum of RMB**20** billion in the first half of 2018.

Several securities companies are bullish on the future development of Modern Land due to its increasing revenue scale.



3 May 2018
Rating: **BUY**
Target price: 1.93 HKD



国
泰
君
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GUOTAI JUNAN SECURITIES

8 May 2018
Rating: **BUY**
Target price: 1.98 HKD



23 May 2018
Rating: **STRONG BUY**
Target price: 2.30 HKD



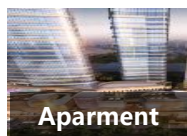
Seven Business Formats



3 product lines
6 product series



3 product lines
5 product series



1 product line
3 product series



3 product lines
6 product series



3 product lines
1 product series



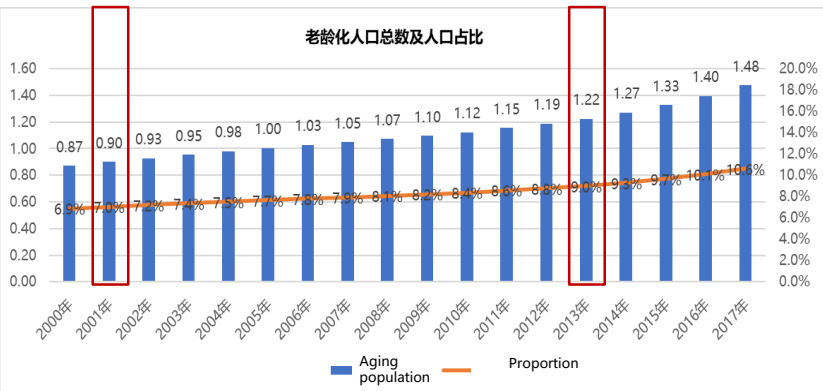
1 product line
3 product series



1 product line
1 product series

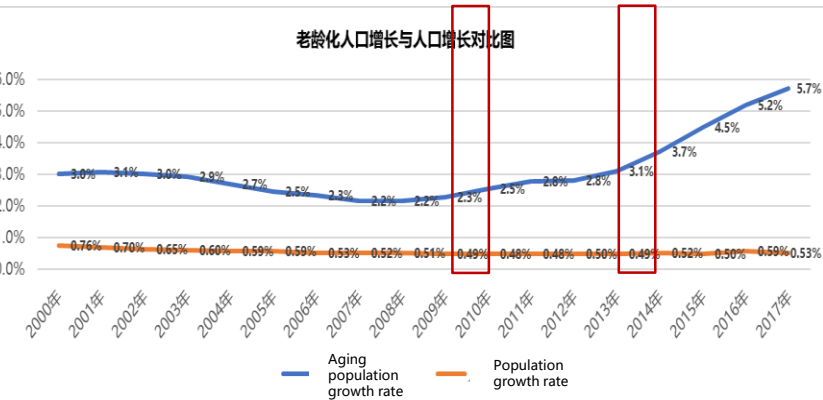
The Group creates different industrial formats based on customer education scenarios, retirement scenarios, shopping scenarios, and residential scenarios to meet customer needs.

Innovation on industry, expansion into Elderly Care Market



Elderly care strategy: The MOMC Whole Lifecycle Elderly Care Model is an advanced elderly care model in the North America, from which Modern Land took reference to create the branded product lines for elderly care featuring Whole Lifecycle Elderly Care+Global Elderly Care+Liveable Nursing Home+Smart Service for Elderly. Modern Land has brought these technologies and processes to China, and established an elderly care model to provide new experience to seniors through integrating medical and nursing services.

Latest Development: In April 2018, Modern Land (U.S.) and Watermark Retirement Communities Inc. entered into a joint investment cooperation framework agreement in relation to the Modern Green Houston MOMC Phase III Elderly Hotel. Leveraging the successful business model and practical experience of Watermark, together with the full life-cycle development concept of Modern Land, both parties intent to commence broad and comprehensive cooperation in the U.S. and Chinese retirement industry. In July 2018, Modern Land and Taiping Life Insurance signed a strategic cooperation agreement with an intention to push ahead with the cooperation in elderly care area in China. The Beijing Yunjing Project and Jiuhuashan Town Project will be those pilot projects of the elderly care business.



Speed up operations, high- speed capital turnover

Modern Land is operating efficiently with face-paced growth. Its 6867810 rule has been upgraded to 456 rule.

Constructions commenced within six months:

Project	Acquisition Date	Product Line	Construction Permit Obtained
Huzhou Shang Pin Xue Fu	2018-1-7	Category I Product Line	Within 4 months
Jaixing Man Tang Yue	2018-1-18	Category I Product Line	Within 5 months

Launched within eight months:

Project	Acquisition Date	Product Line	Sales Launched
Huzhou Shang Pin Xue Fu	2018-1-7	Category I Product Line	Within 5 months
Zhuzhou Shang Pin Wan	2017-7-28	Category I Product Line	Within 6 months

Meeting up "678" rule:

Project	Launching Date	Phase	Selling Rate After One Week	Selling Rate After One Month
Zhuzhou Shang Pin Wan	2018-1-28	Phase 1	81%	93%
Huzhou Shang Pin Xue Fu	2018-6-27	Phase 1	100%	100%
Huizhou Shang Pin Wan	2018-4-22	Phase 1	79%	95%
Shanxi Modern Plaza	2018-6-22	Phase 1	90%	100%



Project acquisition/bid invitation, auction or listing on 7 January 2018

- Obtained Letter of Reply for the project and commenced brand promotion in May
- Locked in customers and sold out apartments in June

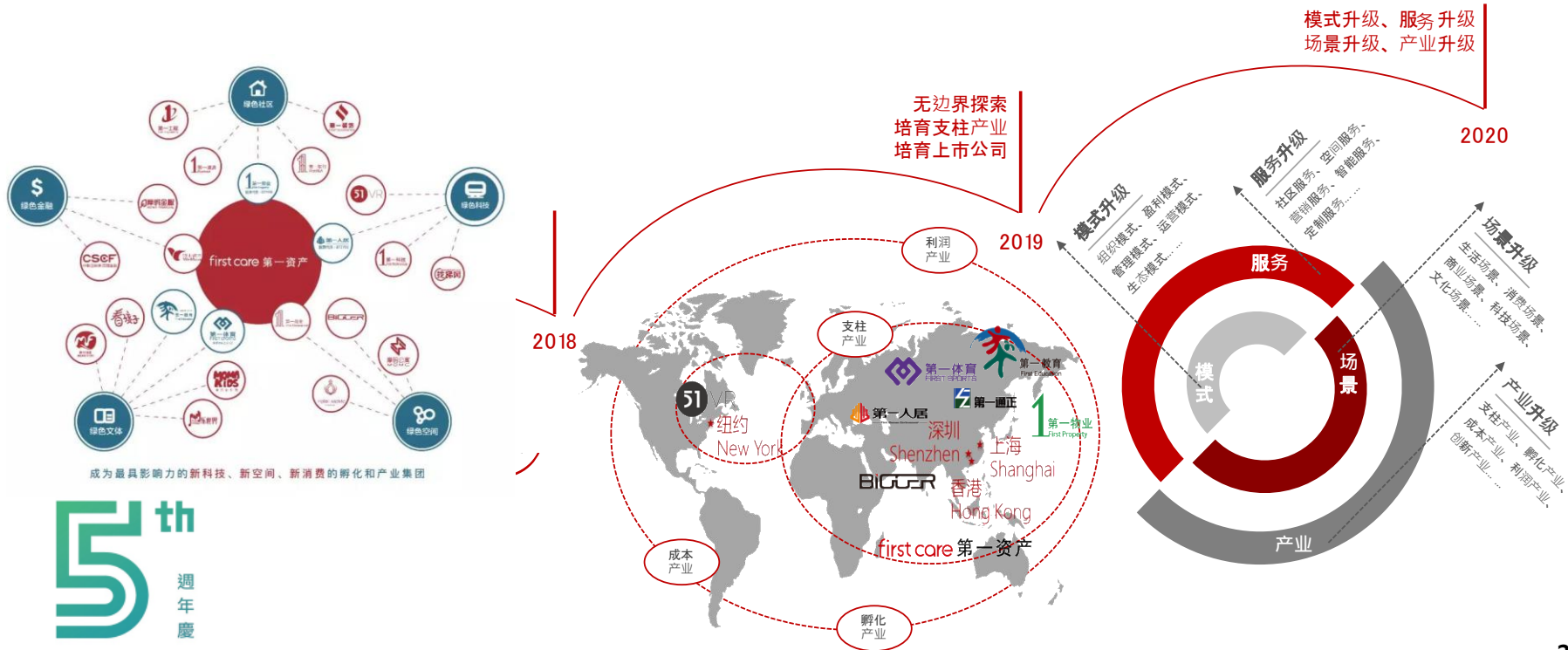
Obtained construction planning permit, construction permit and presale permit within 25 days.

Acquired project in 57 days

Launched for sale in 168 days

Development of the whole industry value chain, providing a green lifestyle

Modern Land focuses on the development of the entire industry value chain and aims to provide customers with a healthy and comfortable green lifestyle. The First Renju listed on the NEEQ successfully, a community-operated affiliates in the green recreation & sports, green office, green space, has a significant impact on product premiums and brand gains.





The land acquisition expenditure is kept around 40% of the cash collection



The performance in 2019 and 2020 is expected to increase, the gross profit margin is expected to reach 25% and the net profit margin is expected to 10%



The growth of sales and scale will increase steadily

PART 4
Appendix

4

Land Acquired Between January and June 2018

No.	City	Project	Acquisition Date	Acquisition Method	Total GFA (sqm)	Price (RMB10,000)	Floor Price (RMB/m ²)	Estimated Value (RMB10,000)
1	Xiantao	Zisong Land	2018.1.8	Asset acquisition	300,138	22,300	743	150,069
2	Huzhou	Land No.69	2018.1.7	Equity cooperation	223,850	61,903	3,506	201,320
3	Huzhou	Land No. 57	2018.1.7	Equity cooperation	71,447	22,145	4,600	67,780
4	Jiaxing	Haihang Land in Jiaxinggang Area	2018.1.18	Equity cooperation	55,027	30,000	5,452	83,062
5	Xingyi	Nahui River Project	2018.1.22	Bid invitation, auction or listing	174,000	13,600	784	102,616
6	Xi' an	Chang' an Yufeng Garden Project	2018.1.22	Equity cooperation	35,400	18,720	8,537	123,174
7	Chizhou	Jiuhuashan Lianhua Town	2018.1.29	Bid invitation, auction or listing	48,477	7,051	1,455	59,523

Land Acquired Between January and June 2018

No.	City	Project	Acquisition Date	Acquisition Method	Total GFA (sqm)	Price (RMB10,000)	Floor Price (RMB/m ²)	Estimated Value (RMB10,000)
8	Huzhou	Land No. 2018-4	2018.2.7	Bid invitation, auction or listing	42,883	14,200	3,311	55,823
9	Jinzhong	Huadu Land in Yuci District	2018.2.13	Bid invitation, auction or listing	231,726	52,138	2,251	219,391
10	Zhangjiakou	Zhangjiakou Flour Mill Project	2018.3.15	Primary and secondary joint development	121,909	70,186	5,757	169,050
11	Tianmen	Tianmen Yujiang Huafu Project	2018.4.22	Legal auction	103,418	5,269	387	49,809
12	Shishi	Jipeng Yajuyuan Project	2018.4.20	Equity acquisition	198,000	2,448	1,236	11,882
13	Fuzhou	Zhongde Football Town in Lianjiang County, Fuzhou	2018.5.16	Bid invitation, auction or listing	88,257	20,600	2,334	55,552
Total:					1,694,532	340,560	3,104 (average, calculated based on GFA)	1,349,051