

Green Development Contributes to Robust Growth

— 2019 Interim Result
Announcement —

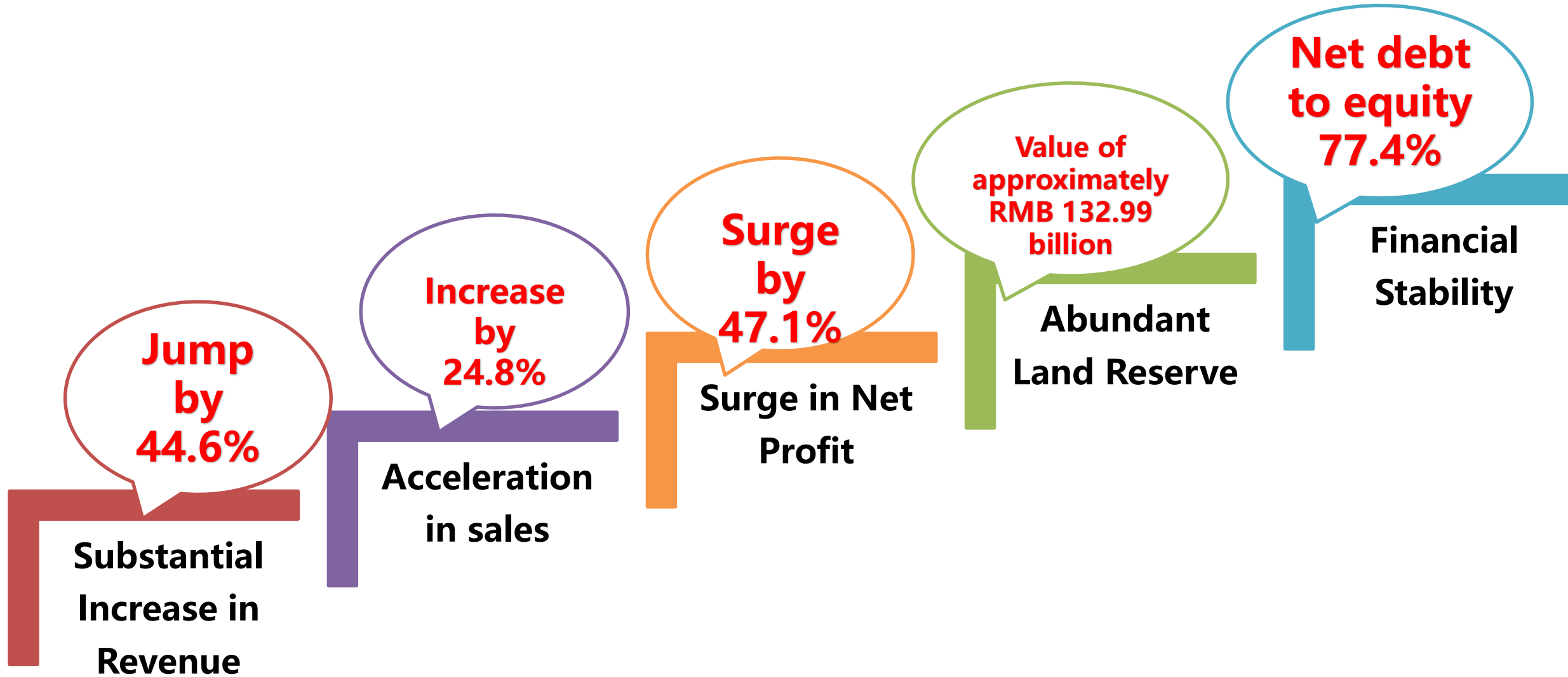


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①

Financial Overview





- Contracted sales amounted to RMB16.67 billion, a **rise of 24.8% YoY**
- Total GFA under contracted sales was 1,568,470sq.m., **an increase of 32.4%**
- Urban development was in steady progress and balance was struck between profit and speed
- The value of new land reserve for the first half of the year was approximately **RMB16.51 billion**
- As of 30 June, the value of land reserve was approximately **RMB132.99 billion**

Acceleration in Sales
Sufficient land reserves



- Revenue **increased by 44.6%** to RMB7,030 million
- Gross profit increased to RMB1,860 million, while the gross profit margin **increased to 26.5%**
- EBITDA margin **increased to 28.4%**
- Profit margin before tax **increased to 20.3%**
- Net profit to RMB 530 million **increased by 47.1%**

Significant improvement in profit mix
Significant increase in profitability



- Total assets **increased by 6.7%** to RMB57.2 billion
- Net assets **increased by 5.7%** to RMB 8.01 billion
- Debt structure was improved, while net debt to equity ratio continued to drop
- Bank balance and cash as a percentage of total assets was maintained at **above 15%**
- EBITDA interest Coverage ratio **improved to 2.3X**

Continuously expanded scale
Sound financial policy



- We rendered full support for the national vision of green finance and issued overseas green bonds of over US\$500 million
- Domestic banking institutions granted facilities over **RMB101.25 billion** in total with the unutilized facilities of approximately RMB 82.05 billion
- We linked between domestic and overseas capital markets, safeguarding smooth financing channels

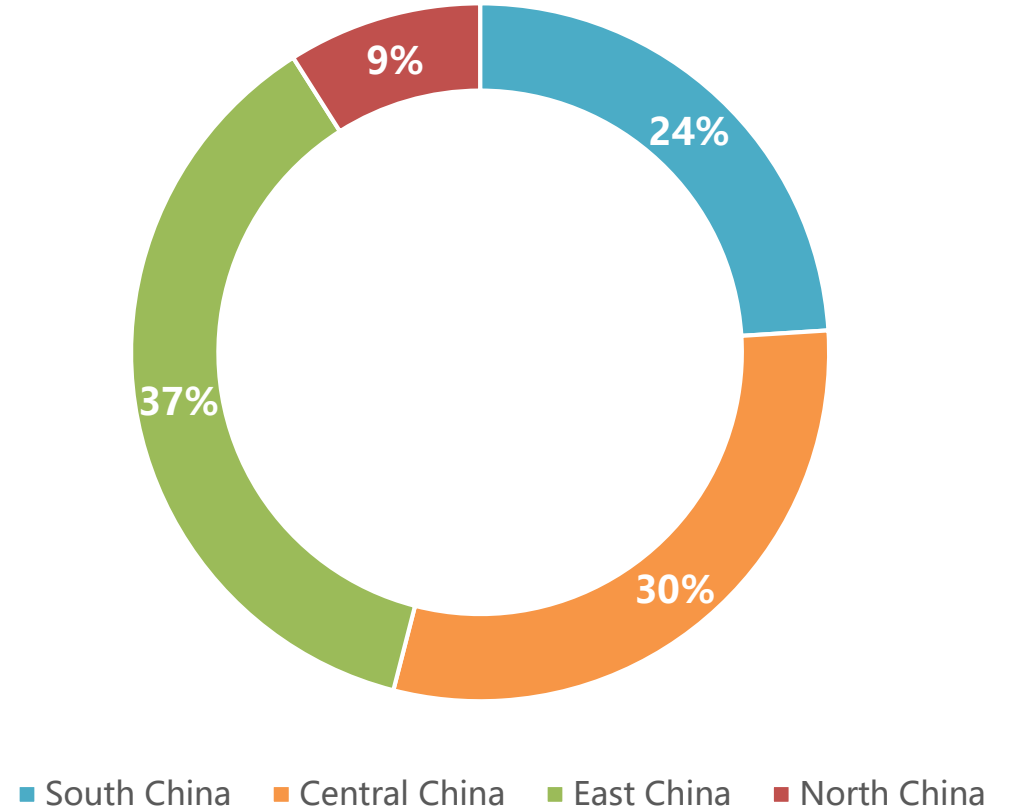
Green Finance
Diverse Channels

Unit: RMB million	20191H	20181H	YoY Changes
Revenue	7,027	4,859	44.6%
Gross profit	1,861	948	96.3%
Gross profit margin	26.5%	19.5%	+7.0pps
Profit before tax	1,424	662	115.0%
Net profit	531	361	47.1%
Profit attributable to shareholders	459	291	57.8%
Earnings per share (RMB Cents)	16.5	10.5	57.1%
Unit: RMB million	2019.6.30	2018.12.31	YoY Changes
Total assets	57,218	53,629	6.7%
Total equity	8,012	7,582	5.7%
Bank balance and cash	10,381	9,717	6.8%
Net debt to equity	77.4%	81.9%	-4.5pps

Recognized Revenue (RMB million)

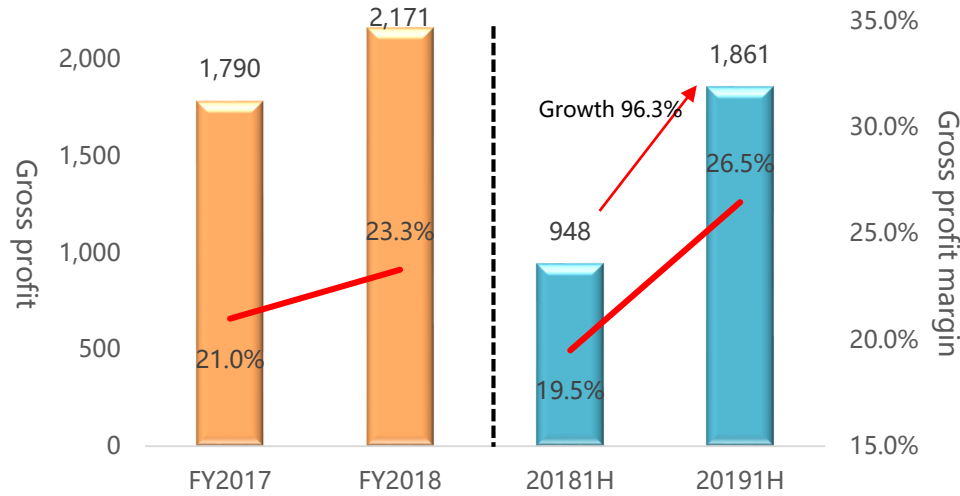


Percentage of revenue from Properties & Parking Spaces by Regions for the first half of 2019

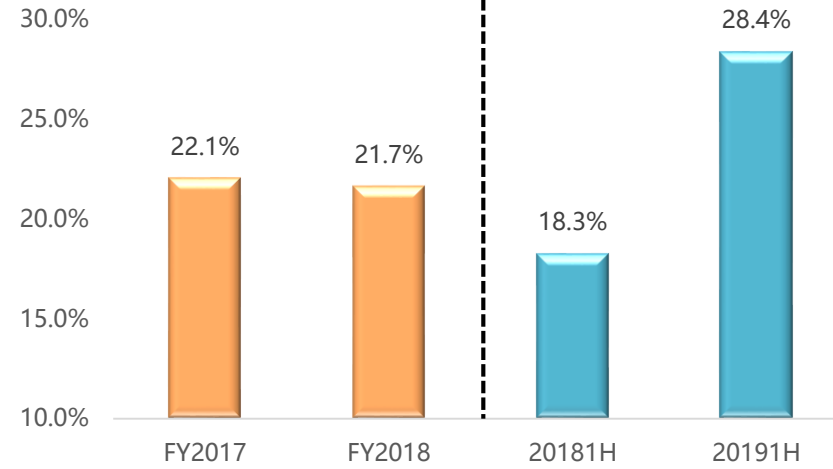


In the first half of 2019, the recognized revenue amounted to **RMB7.03 billion, a substantial increase of 44.6% YoY**

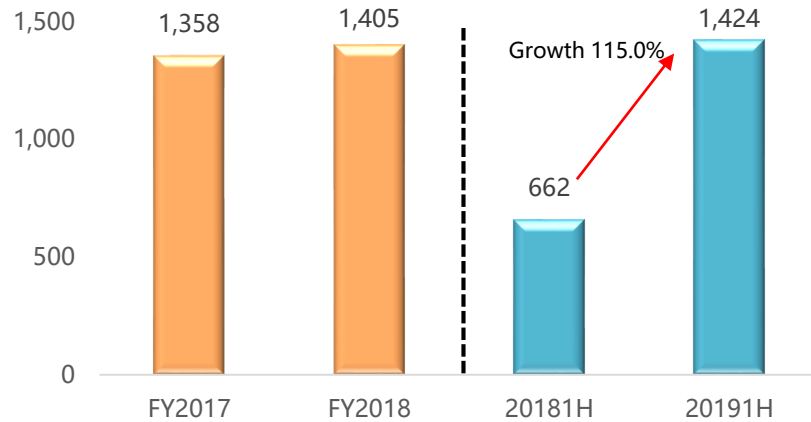
Gross profit (RMB million) and gross profit margin



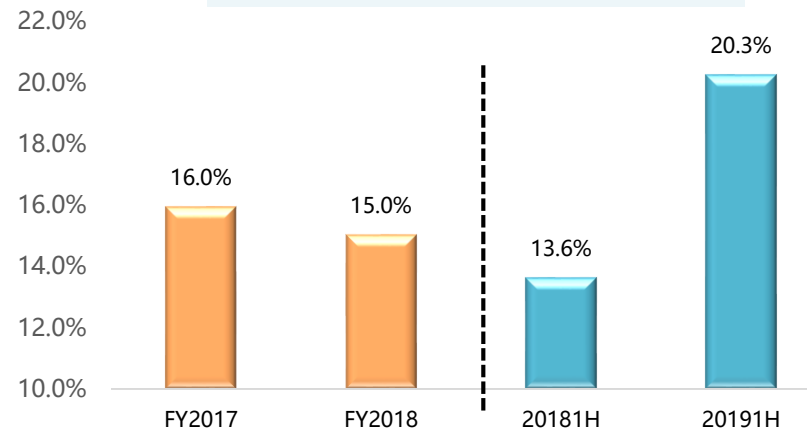
EBITDA margin



Profit before tax (RMB million)

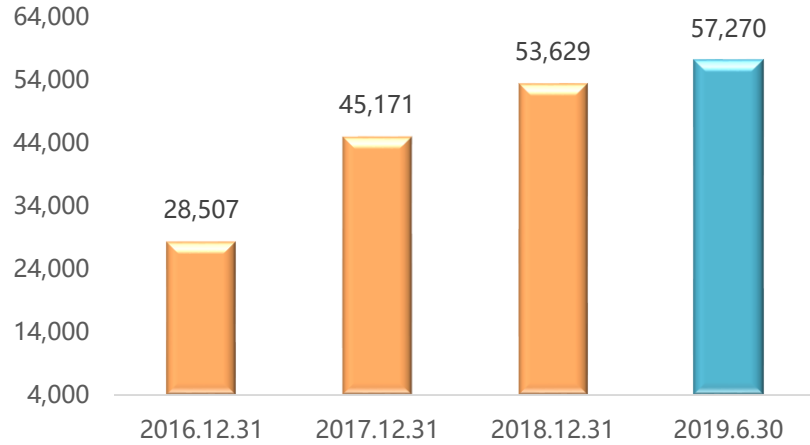


Profit margin before tax

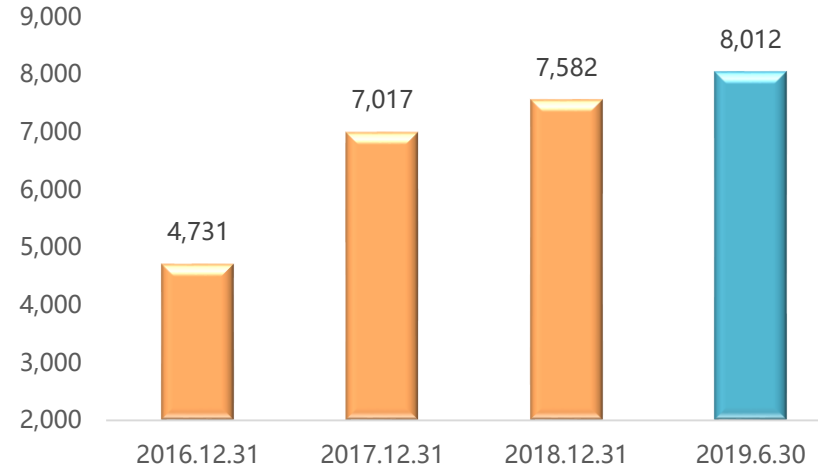


- Gross profit increased to RMB1.86 billion, while gross profit margin increased to 26.5%
- EBITDA margin increased to 28.4%
- Profit margin before tax increased to over 20%

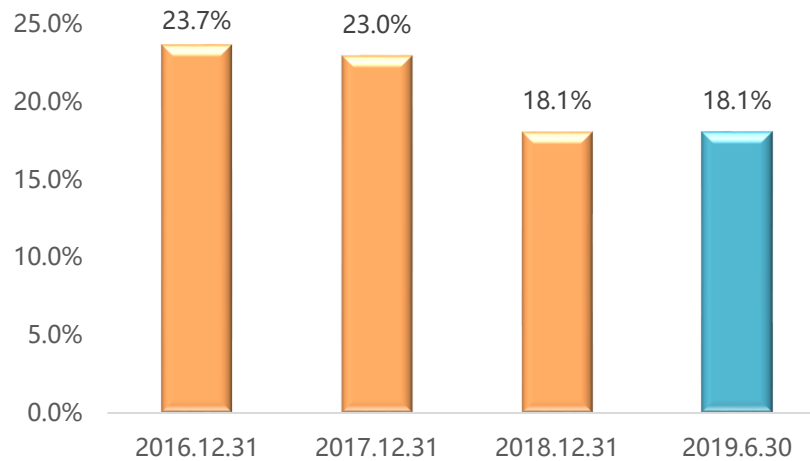
Total Assets (RMB million)



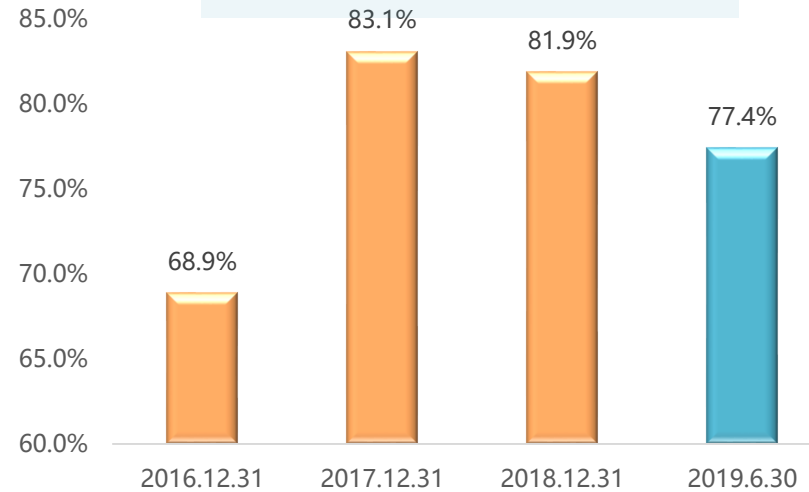
Total Equity (RMB million)



Bank Balance & Cash as a Percentage of Total Assets

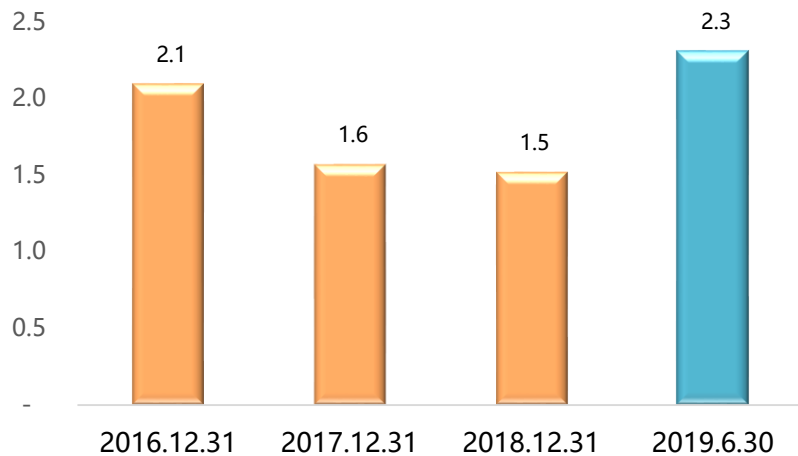


Net Debt to Equity Ratio

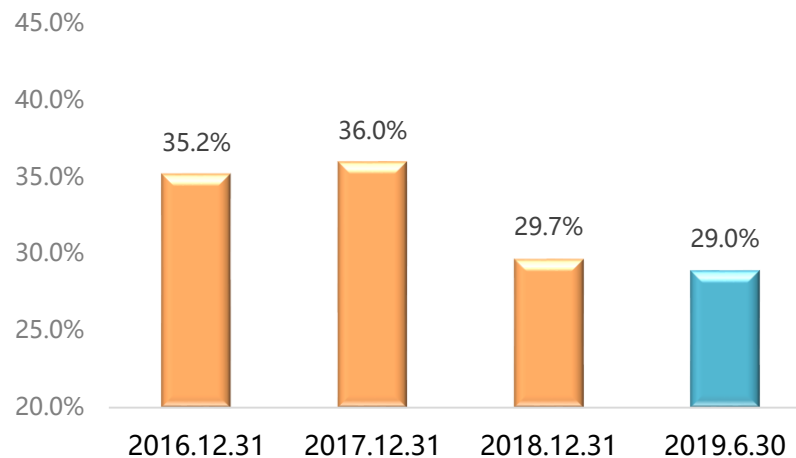


- Total assets grew 6.7% to RMB57.2 billion. Total equity grew 5.7% to RMB8.01 billion.
- The Company always maintained a steady cash in hand, cash on hand as a percentage of total assets was above 15%.
- Net debt to equity ratio decreased steadily.

EBITDA Interest Coverage Ratio



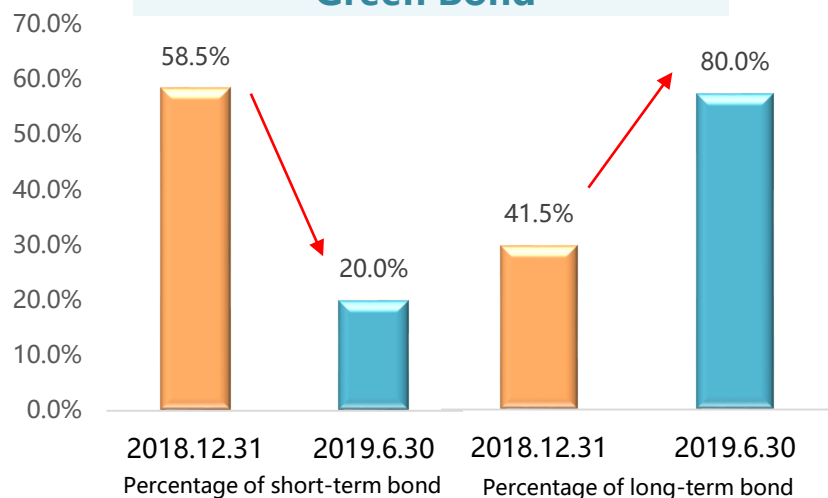
Interest-bearing Debt as a Percentage of Total Assets



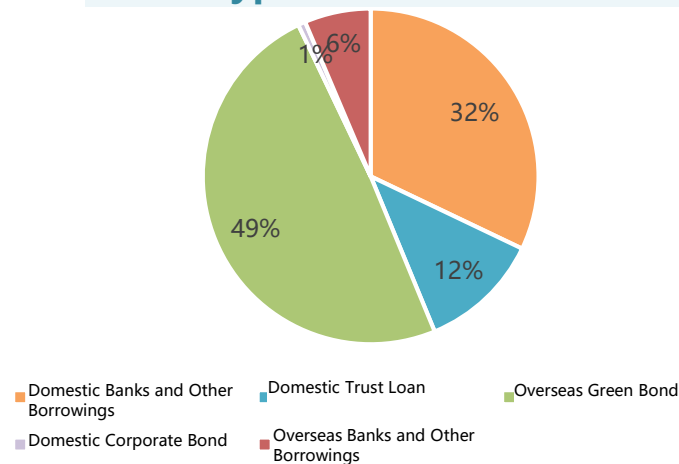
➤ With diverse financing channels, EBITDA interest coverage ratio improved to 2.3x, providing strong capital support to the Company's business development.

➤ The Company maintained both credit loans and bank borrowings. Credit status of the Company was widely recognized by investors.

Maturity of Overseas Green Bond



Debt Structure by Types of Liabilities



➤ Interest-bearing debt as a percentage of total assets continued to decrease.

➤ The percentage of overseas short-term bonds fell sharply to 20.0%, and the financial position became more robust.

➤ Weighted average financing costs maintained at 9.76%

②

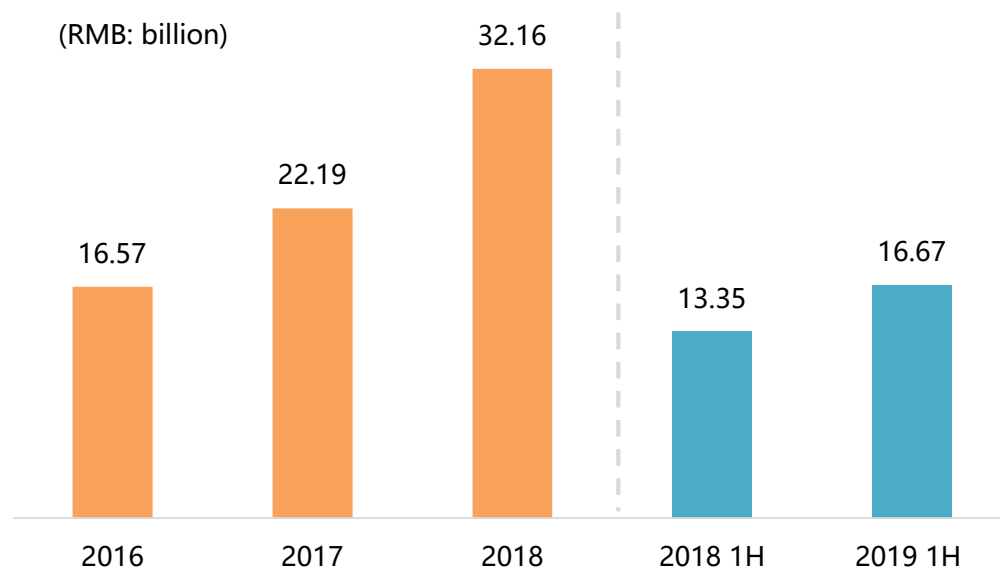
Financial Highlights



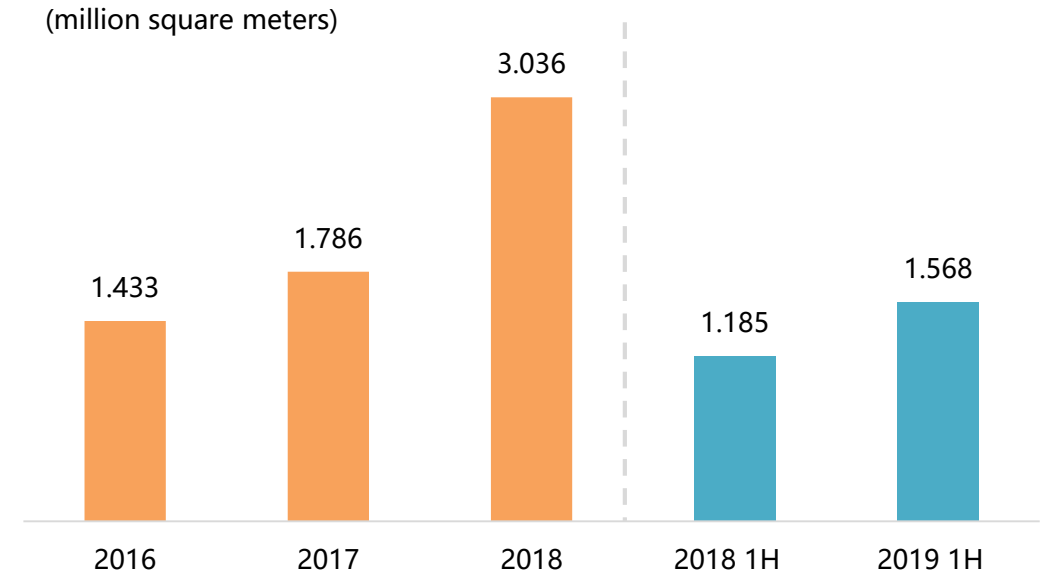
2019 1H

- **Contracted sales:** contracted sales recorded **RMB16.67 billion, an increase of 24.8%.**
- **The GFA under contracted sales:** the GFA under contracted sales recorded **RMB1.568 million square meters, an increase of 32.4%.**
- **The collection of receivables of property sales:** the collection of receivables of property sales recorded **RMB15.53 billion, and the overall collection rate reached over 90%.**

Contracted sales:



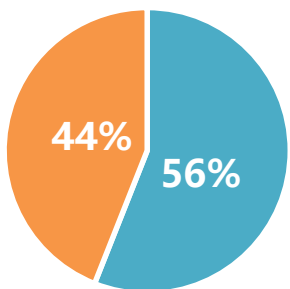
GFA under contracted sales



2019 1H

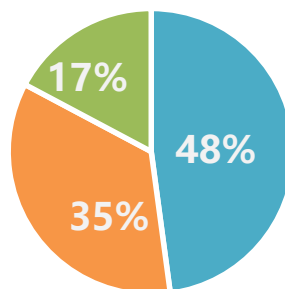
- Sufficient land reserves:** the deep-root in the region presented positive effect and the value of new land reserve was **RMB16.51 billion**, of which the first- and second-tier cities accounted for **56%**. As of June 30, the value of the land reserve was approximately **RMB132.99 billion**, which were distributed in the key deep-root second-tier cities including Wuhan, Nanchang and Hefei, and selected third- and fourth-tier cities such as Fuyang and Jinjiang. The value of the quasi-contracted projects was approximately **RMB32.94 billion**, of which the first- and second-tier cities accounted for **71%**, which are all located in the key deep-root areas.
- Reasonable distribution of product lines, striking a balance between profit and speed:** among the newly-acquired projects, the value of category 1 products accounted for **48%**, category 2 products accounted for **35%** and category 3 products accounted for **17%**.

Percentage of the value of projects acquired in the first half of 2019 by Tiers of City



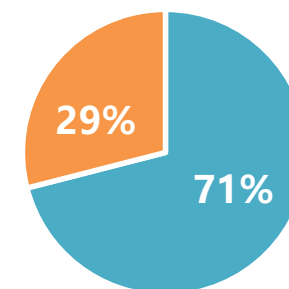
- First-and Second-tier Cities
- Third-and Fourth-tier Cities

Percentage of the value of projects acquired in the first half of 2019 by Types of Products



- Category 1 Products
- Category 2 Products
- Category 3 Products

Percentage of the value of projects contracted in the first half of 2019 by Tiers of City



- First-and Second-tier Cities
- Third-and Fourth-tier Cities

2019 1H

- 43 major projects were available for sale, with **142 concentrated sales launches**, among which 7 were first launches.
- Overall selling rate** was **64%**(as of June 30).

Selling Rate of Projects

Type	Name of Project	Date of Launch	Number of Units Available for Sale	Monthly Selling Rate
First launch	Modern City (Taiyuan)	2019/1	456	91.08%
	Modern Bin Jiang Shang Pin MOMA (Nanchang)	2019/5	404	96.50%
	Modern City MOMA (Linqun)	2019/3	293	86.04%
	Shishou Xian Yang Fu MOMA (Hubei)	2019/5	201	93.53%
Successive launch	Modern Jiabao Park•YUE MOMA (Shaanxi)	2019/2	423	83.90%
	Modern Gaoling Shang Pin Wan MOMA (Shaanxi)	2019/4	386	100%
.....				

Scene of Launch Date of Some Projects

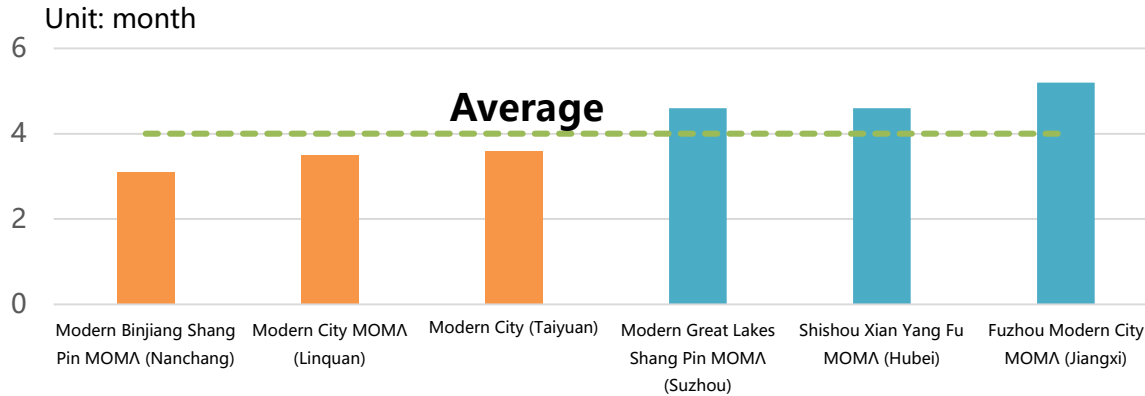


Note: The overall selling rate of the projects is based on the data as of June 30, 2019.

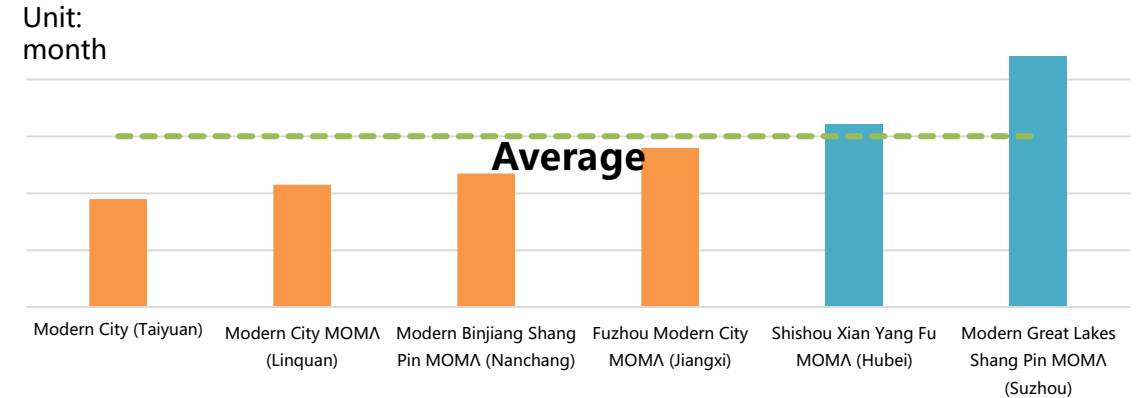
2019 1H

- **The construction commencement period was significantly shortened:** a total of 7 projects were commenced construction for the first time, with an average construction commencement period of 4 months, representing a year-on-year shortening of 4 months.
- **The launching period was effectively shortened:** a total of 7 projects were launched for the first time, with an average launching period of 6 months, representing a year-on-year shortening of 3 months.

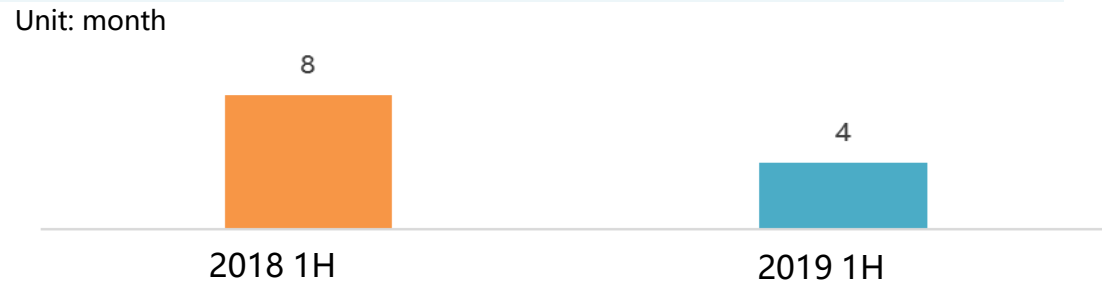
Standard period of construction commencement of projects for the first time for the first half of 2019



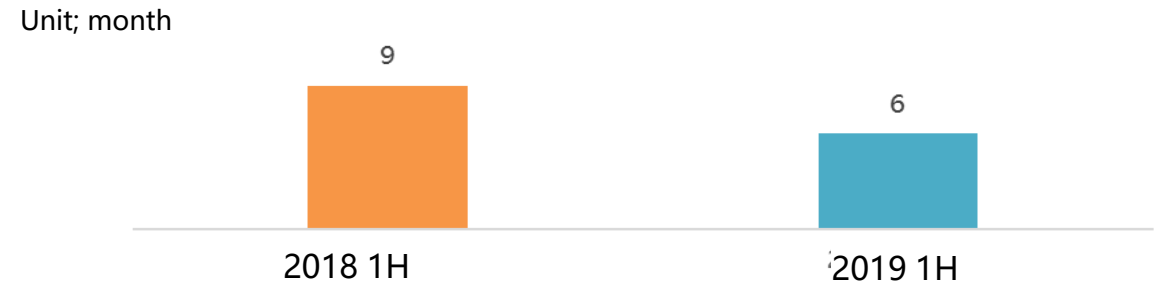
Standard period of projects launching for the first time for the first half of 2019



Comparison of standard period of construction commencement for the first time for the first half of year

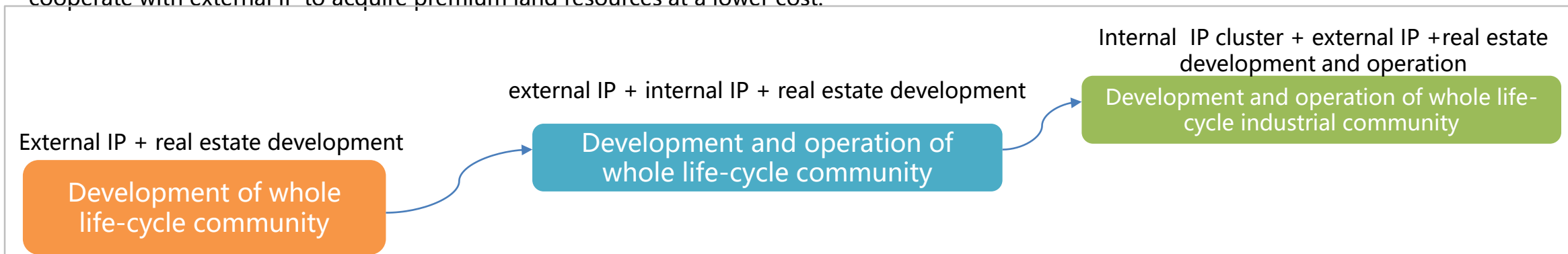


Comparison of standard period of projects launching for the first time for the first half of year



2019 1H

- **Three steps for development and operation of whole life-cycle industrial community:** first step, cooperate between external IP + real estate development to build community; second step, build internal IP to achieve the development and operation of whole life-cycle community; third step, form an IP cluster to integrate internal and external IP to achieve the development and operation of whole life-cycle industrial community.
- We acquired lands for the industrial collaboration in two cities. Yinghe Modern City MOMA (Wuhan) and Modern City MOMA (Linqun) projects cooperate with external IP to acquire premium land resources at a lower cost.



Modern City MOMA (Linqun)

Industrial IP:
shopping mall

Site area: 284 acres
 Capacity Building Area:
 approximately 393,000 sq.m.

Yinghe Modern City MOMA (Wuhan)

Industrial IP:
high-tech industry

Site area: 209 acres
 Capacity Building Area:
 approximately 284,000 sq.m.

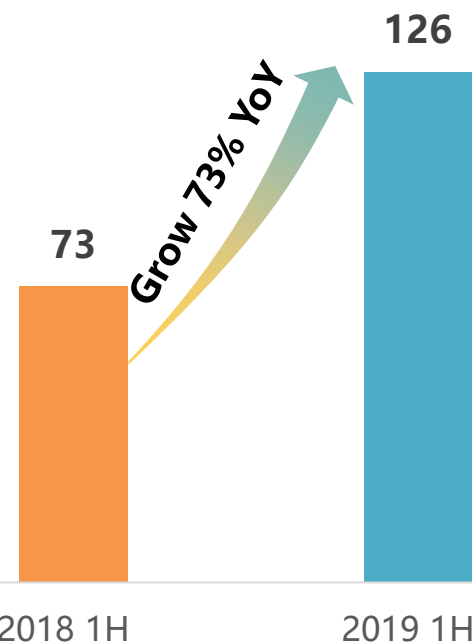


2019 1H

- Expansion of the entrusted construction business:** the contract value of new and contracted entrusted construction projects amounted to RMB126 million (up 73% YoY), the saleable value was RMB4.40 billion (up 201% YoY), and GFA under entrusted construction was 499,000 square meters (up 148% YoY).

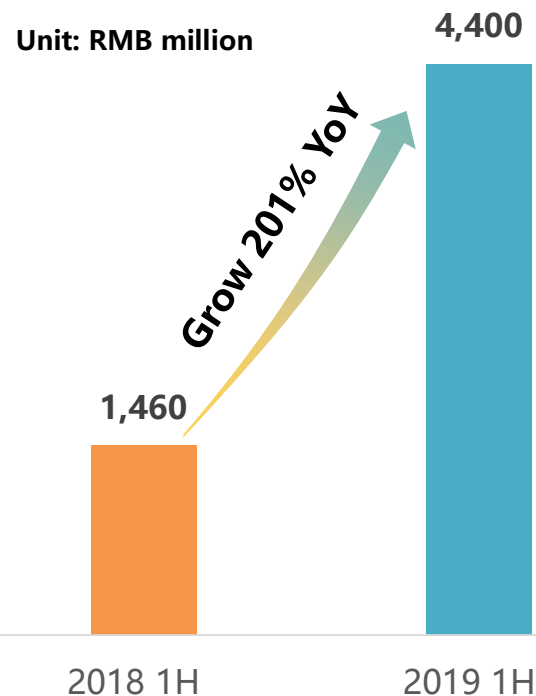
Contract value of entrusted construction projects contract

Unit: RMB million



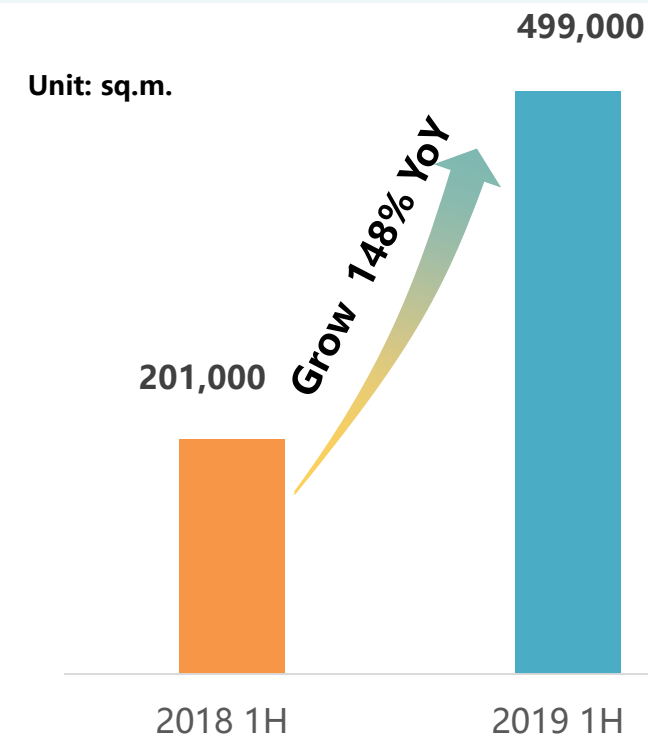
Value of entrusted construction projects available for sale

Unit: RMB million



Areas under entrusted construction and management of entrusted construction projects

Unit: sq.m.



- Continue to practice the green technology concept:** 6 new green community certifications were obtained in the first half of 2019, with a total of 20 communities with **green community certification**, which accounted for nearly 60% of projects with such certification across the country; 2 new patents registered; Xishan Shang Pin Wan was awarded **Green community, The 100-year residence and residential performance 3A certification**; the Zero energy consumption prefabricated building **“Dinosaur No. 3”** officially launched, and was granted the international active building technology innovation award; Wan Guo Cheng MOMA (Tongzhou) and Wan guo Fu MOMA(Foshan) were awarded WELL Platinum and Gold certification respectively; 5 projects were awarded two-star design certification and 1 project awarded one-star design certification, with a total of 10 projects certified as **three-star Green Building**.
- Well recognized products in the market:** the project products achieve premium and are recognized by the market.

Modern Shang Pin Wan MOMA(Beijing) was awarded Green community, The 100-year residence and residential performance 3A certification



Zero energy consumption prefabricated building “Dinosaur No. 3” officially launched



Green Certification Obtained by Modern Land in 2019

Project	Star
Huier Man Tan Yue MOMA/Building 12 ground retail floor B1/B2	★Design
Modern Shang Pin Xue Fu (Huzhou)	★★Design
Modern MOMA City of Future Phrase I (Guizhou)	★★Design
Modern Jiaxing Man Tang Yue MOMA	★★Design
Modern Jinjiang Wan Guo Cheng MOMA Phrase III(Fujian)	★★Design
Yuanzhu MOMA Phrase II Building 1-7 (Zhangjiakou)	★★Design
Fuzhou Modern City MOMA (Jiangxi)	Green Community
Modern Jiabao Park•YUE MOMA (Shaanxi)	Green Community
Modern Xishan Shang Pin Wan MOMA (Beijing)	Green Community
Shishou Xian Yang Fu MOMA (Hubei)	Green Community
Modern Shang Pin Wan (Huzhou)	Green Community
Yuanzhu MOMA Phrase II (Zhangjiakou)	Green Community



Wan Guo Cheng MOMA (Tongzhou) awarded WELL Platinum pre-certification



Wan guo Fu MOMA(Foshan) awarded WELL Gold certification

Market Recognition of Projects

Name of project	Average price (RMB/sq.m.)	Average price of competing products nearby (RMB/sq.m.)	Monthly selling (unit)
Modern Jinjiang Wan Guo Cheng MOMA (Fujian)	12600	11700	100
Shishou Xian Yang Fu MOMA (Hubei)	4957 (roughcast)	Fine decoration: 5600 Roughcast: 4340	174

- **Improved brand recognition:** In 2019, it has won **73 awards**, including 17 Green Real Estate Operation Awards, 4 Finance Awards and 17 Green Certificates. Also, it won the **1st place in 2019 China Green Property Operation Exemplar** for the fourth time, and was awarded one of **Top 5 Most Innovative China Real Estate Listed Companies in 2019 by China Real Estate Association**, one of **Top 30 China Green Real Estate Companies** and other awards.
- **Highly recognized by capital markets:** It was granted credit of RMB101.25 billion in aggregate by 3 new financial institutions, and as of the first half of 2019, its outstanding credit facilities amounted to RMB82.06 billion.
- **Issue of new bonds and lower costs:** As at 23 July 2019, Modern Land completed the issue of corporate bonds. **The issue size is RMB880 million and the coupon rate is 7.8%**, with a term of 3 years (2+1). Modern Land continues to open domestic and overseas financing channels, optimize the debt structure, and further reduce financing costs.

Continuous improvement of brand recognition

Improved recognition by capital markets



- Continued to participate in social charitable activities and offered help to over 4500 left-behind children for four consecutive years.
- Organized and participated in green charity activities nationwide, focusing on left-behind children's growth, social environmental protection, supporting agriculture and poverty alleviation, and taking the initiative to undertake social responsibility.

MO MA March 2019



We offered care and supplies for primary schools and local left-behind children.



MO MA May 2019

We entered into the countryside to support agriculture and poverty alleviation, donating building materials for the villagers.



MO MA March 2019



We entered into the mountains, picking up hundreds of kilograms of littering garbage, and returning green to the mountains.



MO MA June 2019

We organized education charity events to sponsor a number of underprivileged families.

③

Future Development



Macro

- Shifting from quantitative change to qualitative change
- Facing economic pressure in the second half of the year
- Stability is key tone in the market

Leading by advantages of product



Regulation

- Reiterating that housing is for living instead of vicious speculation
- differential policy in local cities
- maintaining more stringent policy

Grasping city opportunities



Finance

- Strengthening regulation on financing
- property companies face tightening capital, narrowing financing channels and rising pressure of cost

Expanding financing channels



Supply and demand

- Land finance transformation & the emerging nature of land resources release
- Incremental housing → stock housing
- Increase in the proportion of rental housing and home with joint property rights
- New tax system

Grasping new opportunities



Enterprise

- Intensified differentiation
- differential competition
- Deepening and expansion of product advantages

Ecological, professional, and high quality development

Focus on city clusters



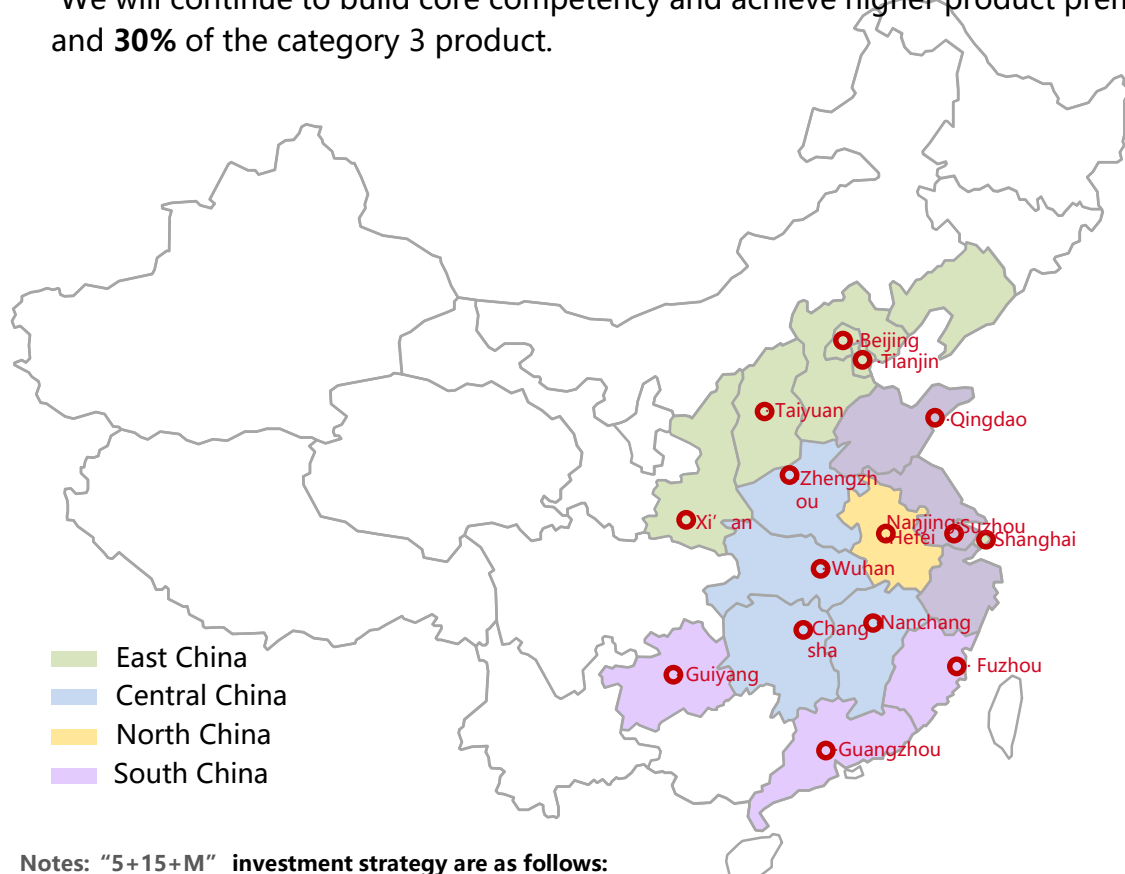
Upgrade on product lines



Strengthen construction control



- In 2019, adhering to **5+15+M** investment strategy, the Company will continue to develop its presence in five major city clusters, namely Beijing-Tianjin-Hebei City Cluster, Yangtze River Delta City Cluster, Guangdong-Hong Kong-Macau Greater Bay Area City Cluster, Yangtze River (Middle Reaches) City Cluster and Chengdu-Chongqing City Cluster; keep an eye on 15 provincial capital cities or 2nd tier cities with high quality such as Xi'an, Guiyang, Nanchang and Zhengzhou, and opportunistically enter 3rd and 4th tier cities which satisfy Modern Land's investment standard for new cities.
- We will continue to build core competency and achieve higher product premiums, aiming to achieve **50%** of the category 1 product, **20%** of the category 2 product, and **30%** of the category 3 product.



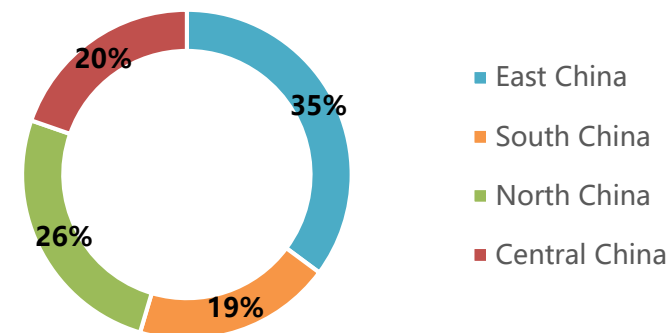
Notes: "5+15+M" investment strategy are as follows:

Five major city clusters: Beijing-Tianjin-Hebei City Cluster, Yangtze River Delta City Cluster, Guangdong-Hong Kong-Macau Greater Bay Area City Cluster, Yangtze River (Middle Reaches) City Cluster and Chengdu-Chongqing City Cluster;

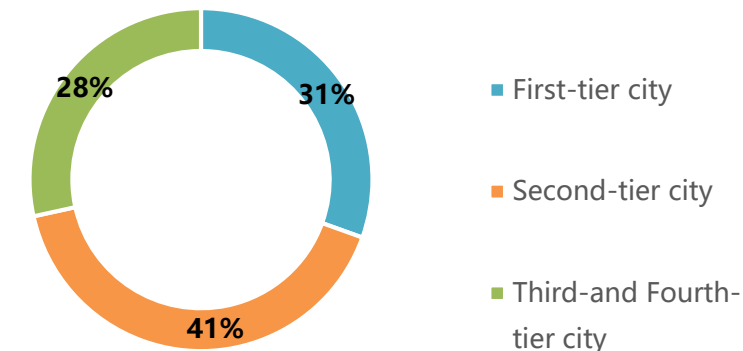
15 provincial capital cities or 2nd tier cities with high quality: Chongqing, Chengdu, Wuhan, Qingdao, Changsha, Zhengzhou, Xi'an, Fuzhou, Nanchang, Guiyang, Taiyuan, Shijiazhuang, Foshan, Hefei, Ningbo;

M: Cities with potential to expand into and satisfying our investment standard and urban value standard for new cities.

Percentage of Value of existing land reserves as of 30 June 2019 by regions



Percentage of Value of existing land reserves as of 30 June 2019 by tiers of city

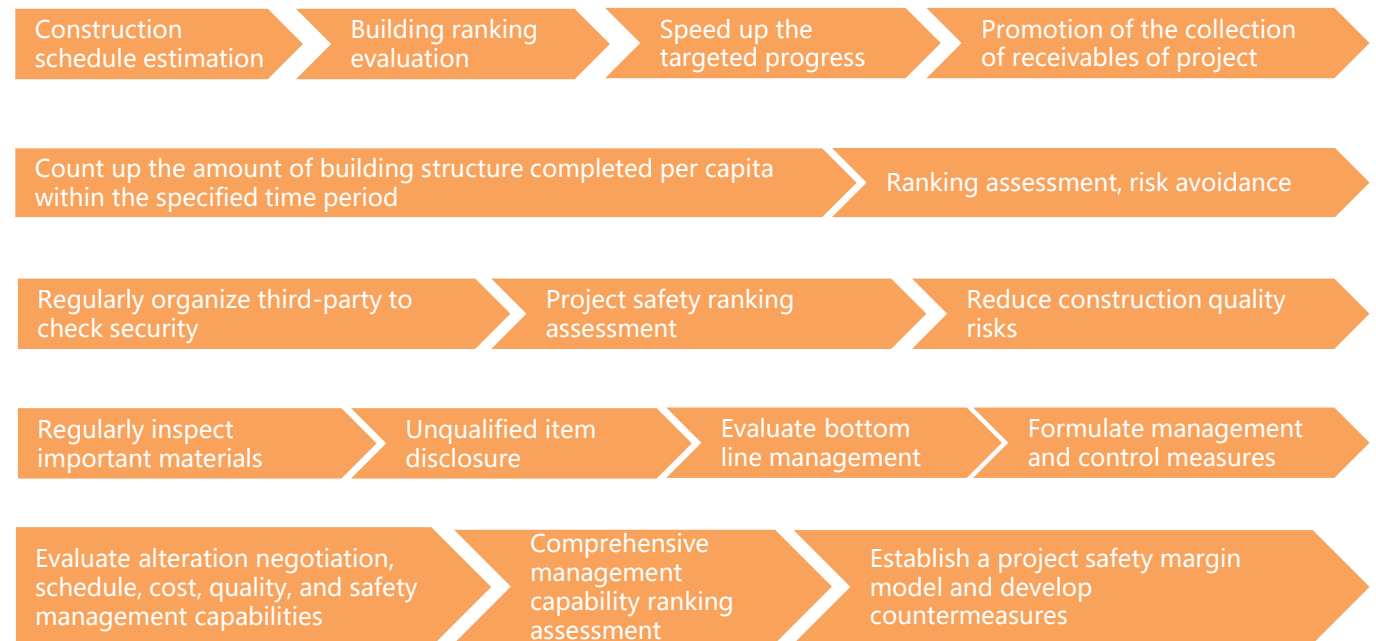


- **KPI Breakdown of Project Management and Control:** Break down the project management and control system into five major indicators, such as launch, performance pre-control, zero accident, zero risk and comprehensive operation, and implement classification control.
- **Operational management and control system upgrade:** establish an “estimate -inspection-assessment-ranking-management” operation and management system, and systematically manage and control the five major KPIs.

Comprehensive management and control of five KPIs

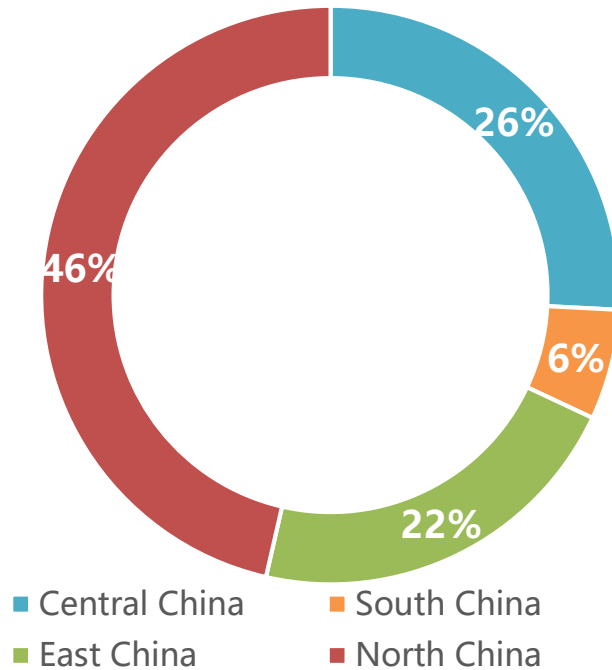


Operation and management system upgrade

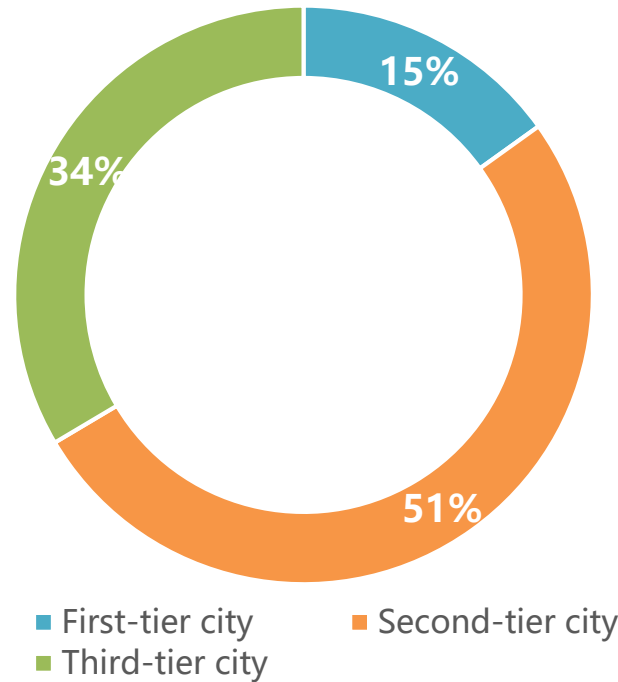


- In the second half of 2019, 69 projects will be launched in succession, with expected value of RMB36 billion. Among them, the value of projects to be launched in the first- and second-tier cities will account for 66%.

Percentage of expected value of projects to be launched in the second half of 2019 by regions



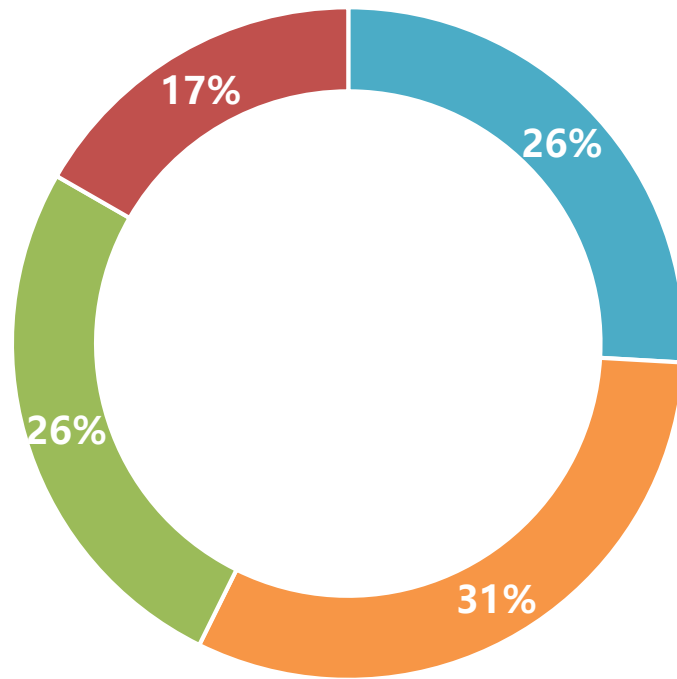
Percentage of expected value of projects to be launched in the second half of 2019 by tiers of city



Display of Some Projects

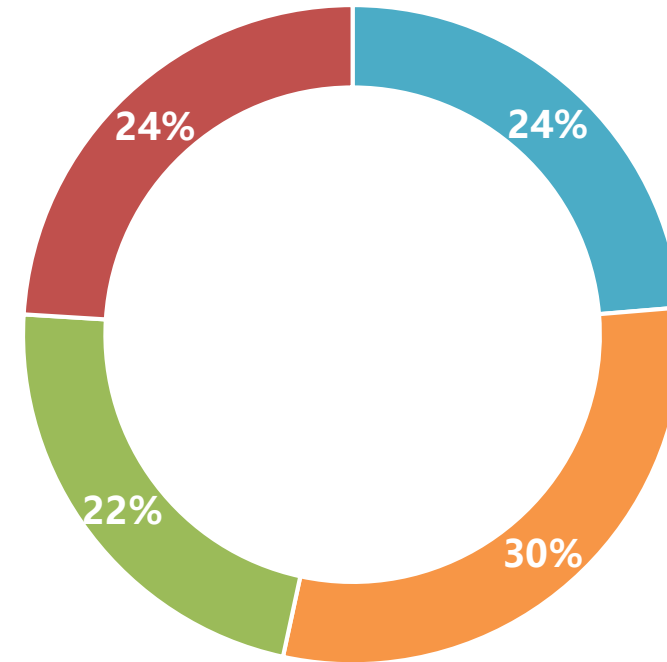


Percentage of Value of Projects Filed For Completion in 2019 by Regions



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

Percentage of Expected Total GFA Filed For Completion in 2019 by Regions



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

**RMB36
Billion**

Annual Sales Target

**RMB3
Billion**

**Sales Target for
Entrusted
Construction Project**

Green Development Contributes to Robust Growth

