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 2017

HIGHLIGHTS

- Achieved contracted sales of approximately RMB9,036.3 million, representing an increase of approximately 21.3% as compared to the corresponding period in 2016.
- Revenue increased to approximately RMB4,294.4 million and profit for the period increased to approximately RMB534.7 million as compared to the corresponding period in 2016.
- The Group's total asset as at 30 June 2017 amounted to RMB37,349.3 million, an increase of approximately 31.0% as compared to the figure as at 31 December 2016.
- Gross profit margin increased to 20.7%, net profit margin increased to 12.5%.
- As at 30 June 2017, bank balances and cash (including restricted cash) was RMB8,693.5 million.
- The weighted average borrowing cost of the Group decreased to 7.5% as at 30 June 2017 (as at 31 December 2016: 8.07%).
- Net debt to equity ratio decreased to 63.5% as at 30 June 2017 (as at 31 December 2016: 68.0%).
- Declared interim dividend of HK2.3 cents per ordinary share and proposed a bonus issue of one bonus share for every ten existing ordinary shares held.

INTERIM RESULTS

The board (the "Board") of directors (the "Directors" and each a "Director") of Modern Land (China) Co., Limited (the "Company" or "Modern Land") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017 – unaudited

		For the six months ended 30 June	
		2017	2016
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**4,294,356**	4,271,329
Cost of sales		**(3,406,679)**	(3,469,750)
Gross profit		**887,677**	801,579
Other income, gains and losses	*4*	**290,779**	195,215
Recognition of changes in fair value of properties held for sale and properties under development for sale upon transfer to investment properties		**18,132**	77,778
Changes in fair value of investment properties		**50,632**	89,934
Selling and distribution expenses		**(130,010)**	(112,127)
Administrative expenses		**(205,103)**	(141,518)
Finance costs	*5*	**(95,437)**	(119,905)
Share of profits less losses of joint ventures		**3,706**	(41,127)
Share of profits less losses of associates		**3,743**	(10,076)
Profit before taxation		**824,119**	739,753
Income tax expense	*6*	**(289,425)**	(237,935)
Profit for the period	*7*	**534,694**	501,818

	Note	For the six months ended 30 June 2017 RMB'000	2016 RMB'000
Other comprehensive income for the period:			
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of owner-occupied properties upon transfer to investment properties, net of tax		**5,676**	–
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations, net of nil tax		**(3,415)**	4,561
Total comprehensive income for the period		**536,955**	506,379
Profit for the period attributable to:			
Owners of the Company		**505,975**	499,559
Non-controlling interests		**28,719**	2,259
		534,694	501,818
Total comprehensive income attributable to:			
Owners of the Company		**508,236**	504,120
Non-controlling interests		**28,719**	2,259
		536,955	506,379
Earnings per share, in Renminbi cents:			
Basic	*9*	**20.2**	24.0
Diluted	*9*	**20.2**	23.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017 – unaudited

	Note	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Non-current assets			
Investment properties		**1,931,230**	1,820,000
Property, plant and equipment		**493,719**	517,273
Intangible assets		**2,197**	2,455
Freehold land held for future development		**32,246**	31,564
Interests in associates		**101,348**	99,890
Interests in joint ventures	*10*	**1,179,382**	643,355
Loans to joint ventures	*10*	**2,801,658**	2,163,958
Available-for-sale investments		**50,085**	46,350
Deferred tax assets		**352,421**	274,230
		6,944,286	5,599,075
Current assets			
Inventories		**4,674**	4,737
Properties under development for sale		**15,306,015**	10,331,289
Properties held for sale		**2,303,442**	2,277,087
Trade and other receivables, deposits and prepayments	*11*	**2,824,698**	2,775,600
Amounts due from related parties		**1,272,742**	756,858
Restricted cash		**1,696,944**	2,177,946
Bank balances and cash		**6,996,538**	4,584,391
		30,405,053	22,907,908

	Note	At **30 June** **2017** *RMB'000*	At 31 December 2016 *RMB'000*
Current liabilities			
Trade and other payables, deposits received and accrued charges	*12*	**12,574,108**	9,305,683
Amounts due to related parties		**2,599,823**	2,257,987
Taxation payable		**1,989,559**	1,760,075
Bank and other borrowings – due within one year		**3,855,763**	2,463,064
Senior notes – due within one year		**686,879**	–
		21,706,132	15,786,809
Net current assets		**8,698,921**	7,121,099
Total assets less current liabilities		**15,643,207**	12,720,174
Capital and reserves			
Share capital		**156,503**	156,459
Reserves		**4,875,333**	4,491,834
Equity attributable to owners of the Company		**5,031,836**	4,648,293
Non-controlling interests		**1,649,992**	83,173
Total equity		**6,681,828**	4,731,466
Non-current liabilities			
Bank and other borrowings – due after one year		**4,040,984**	3,288,500
Corporate bond		**982,754**	981,102
Long-term payable		**381,843**	295,317
Senior notes – due after one year		**3,368,200**	3,245,630
Deferred tax liabilities		**187,598**	178,159
		8,961,379	7,988,708
		15,643,207	12,720,174

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 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 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 2016 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 International Financial Reporting Standards ("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 14 August 2017. The interim financial report has also been reviewed by the Company's auditor 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 IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has 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 the interim financial report.

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) property development, (b) property investment, (c) hotel operation, (d) project management, (e) real estate agency services, (f) immigration services and (g) innovative household technology 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, project management, real estate agency services, immigration services and innovative household technology services. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective type of revenue. The CODM reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no analysis of this single reportable and operating segment is presented.

Revenue represents the fair value of the consideration received or receivable and is analysed as follows:

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Sale of properties	**4,185,674**	4,195,496
Leasing of properties	**32,007**	26,812
Hotel operation	**31,561**	20,760
Project management	**7,291**	13,720
Real estate agency services	**24,990**	4,172
Immigration services	**6,263**	5,557
Innovative household technology services	**6,570**	4,812
	4,294,356	4,271,329

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

No revenue from transactions with single external customer amounted to 10% or more of the Group's revenue during each of the six months ended 30 June 2017 and 2016.

4. OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Interest income	**43,296**	40,264
Government grants	**888**	5,637
Re-measurement to fair value of pre-existing interest in acquiree *(note a)*	**51,737**	201,593
Net exchange gain/(loss) *(note b)*	**22,632**	(56,968)
Gain on disposal of an associate *(note c)*	**147,195**	–
Gain on disposal of a subsidiary	**22,765**	–
Gain on disposal of property, plant and equipment	**1,264**	–
Dividend income from available-for-sale investments	**–**	3,755
Others	**1,002**	934
	290,779	195,215

Notes:

(a) During the six months ended 30 June 2017, the Group acquired a subsidiary which was a joint venture of the Group before acquisition. The re-measurement to fair value of the Group's pre-existing interest in the acquiree resulted in a gain of RMB51,737,000.

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

(b) The amount mainly arose from retranslation of senior notes held by the Company denominated in US$ due to the appreciation of RMB against US$ for the six months ended 30 June 2017 and the depreciation of RMB against US$ for the six months ended 30 June 2016.

(c) During the six months ended 30 June 2017, the Group disposed the interests in an associate, which resulted in a gain of RMB 147,195,000.

5. FINANCE COSTS

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**(297,340)**	(165,406)
Interest expense on senior notes and corporate bond	**(300,588)**	(209,327)
	(597,928)	(374,733)
Less: Amount capitalised in properties under development for sale	**502,491**	254,828
	(95,437)	(119,905)

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**(198,006)**	(166,162)
Land appreciation tax ("LAT")	**(82,210)**	(30,725)
	(280,216)	(196,887)
Deferred tax		
PRC Corporate Income Tax	**(9,209)**	(41,048)
	(9,209)	(41,048)
Income tax expense	**(289,425)**	(237,935)

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 BVI and the Cayman Islands.

No provision for Hong Kong profits tax has been made as the income generated from the Group neither arose in, nor was derived from, Hong Kong for the six months ended 30 June 2017 and 2016.

7. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment recognised in profit or loss	**15,495**	11,506
Operating lease rentals	**7,254**	3,951

8. DIVIDENDS

An interim dividend in respect of the six months ended 30 June 2017 of HK2.3 cents per share amounting to HK$57,602,000 (equivalent to RMB49,065,000) in aggregate has been declared by the Board (for the six months ended 30 June 2016: nil). The interim dividend has not been recognized as a liability at the end of the reporting period.

A resolution on a bonus share issue of 1 bonus share for every 10 existing shares will be proposed by the Board at the forthcoming extraordinary general meeting on 18 September 2017.

A final dividend in respect of the year ended 31 December 2016 of HK6.3 cents per share amounting to HK$157,755,000 (equivalent to RMB137,349,000) in aggregate has been approved during the six months ended 30 June 2017.

A final dividend in respect of the year ended 31 December 2015 of HK9.9 cents per share amounting to HK$206,136,000 (equivalent to RMB173,181,000) in aggregate has been approved and paid during the six months ended 30 June 2016.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**505,975**	499,559
Number of shares (basic)		
Issued ordinary shares at 1 January	**2,503,405**	2,080,760
Effect of share options exercised	**145**	808
Weighted average number of ordinary shares at 30 June	**2,503,550**	2,081,568
Number of shares (diluted)		
Number of ordinary shares for the purpose of calculating basic earnings per share	**2,503,550**	2,081,568
Effect of dilutive potential ordinary shares:		
– Share options *(note)*	**1,328**	12,728
Number of ordinary shares for the purpose of calculating diluted earnings per share	**2,504,878**	2,094,296

Note: The computation of the diluted earnings per share for the six months ended 30 June 2017 and 2016 has taken into consideration the weighted average number of 1,328,000 and 12,728,000 shares deemed to be issued at nil consideration if all outstanding share options had been exercised.

10. INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Cost of investment in joint ventures	**1,257,170**	727,916
Share of post-acquisition losses and other comprehensive expense	**(77,788)**	(84,561)
	1,179,382	643,355
Loans to joint ventures	**2,817,177**	2,191,607
Less: share of post-acquisition losses that are in excess of costs of the investments	**(15,519)**	(27,649)
	2,801,658	2,163,958

The Group obtained control over a joint venture, Wuhan MOMA Development Co., Ltd which has become a subsidiary during the six months ended 30 June 2017.

Loans to joint ventures are unsecured, expected to be recovered after one year and bear interest at fixed rate of 13% (2016: 6% to 13%) per annum, except for the amounts of RMB2,652,177,000 (2016: RMB1,486,604,000) which are interest free.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly represent rental receivables and receivable from sale of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 45 days from the agreement date.

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Trade receivables, net of allowance	**134,133**	126,764
Other receivables, net of allowance	**616,057**	495,639
Guarantee deposits for housing provident fund loans provided to customers *(note)*	**23,586**	19,276
Loans and receivables	**773,776**	641,679
Prepayments to suppliers of construction materials	**256,896**	102,087
Deposits paid for acquisition of a subsidiary	**395,625**	–
Deposits paid for acquisition of land use rights	**686,889**	1,617,423
Prepaid LAT and business tax	**711,512**	414,411
	2,824,698	2,775,600

Note: Guarantee deposits for housing provident fund loans provided to customers represent amounts placed with Housing Provident Fund Management Center, a state-owned organisation responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers and will be refunded to the Group upon customers obtaining the property individual ownership certificate.

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

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Less than 1 year	**95,630**	90,940
1-2 years	**38,503**	35,824
	134,133	126,764

All of the above trade receivables are overdue rental receivables and receivable from properties sold but not impaired at the end of the reporting period. 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.

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

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Trade payables	**1,312,668**	1,298,844
Accrued expenditure on construction	**586,051**	456,309
Amount due to non-controlling interests	**1,699,614**	1,954,588
Accrued interest	**69,267**	138,000
Accrued payroll	**6,952**	4,373
Dividend payable	**138,500**	1,121
Other payables	**2,358,063**	544,370
Financial liabilities measured at amortised cost	**6,171,115**	4,397,605
Deposits received and receipt in advance from property sales	**6,203,836**	4,794,689
Other tax payables	**199,157**	113,389
	12,574,108	9,305,683

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 payables based on invoice date at the end of the reporting period:

	At 30 June 2017 *RMB'000*	At 31 December 2016 *RMB'000*
Less than 1 year	**1,092,036**	1,104,793
1-2 years	**197,932**	186,240
2-3 years	**17,581**	4,037
Over 3 years	**5,119**	3,774
	1,312,668	1,298,844

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the business review of the Group for the period from 1 January 2017 to 30 June 2017 (the "Period") and its prospects.

Stable growth in business and exploration of regional markets

In the first half of 2017, the macro market was marked by disproportionate growth among regional markets as a result of policy adjustment. During the first half of 2017, the Group, its joint ventures and associates achieved contracted sales of RMB9,036 million and gross floor area sales of 893,400 sq.m.. We focused on domestic tier-one cities and high-end tier-two cities, increasing our market shares in the four major regions of Central China, Eastern China, Northern China and Southern China and acquiring new projects in Wuhan, Zhangjiakou, Quanzhou and Foshan, with a special focus on the Bohai Sea Rim, the middle and lower reaches of the Yangtze River and the Pearl River Delta. As of 30 June 2017, the Group acquired six new projects with a total gross floor area of approximately 1,500,000 sq.m. at a total consideration of RMB3.88 billion.

During the first half of the year, the Company was awarded a number of honours and accolades, for example, Shang Pin Ge MOMΛ (Changsha) obtained the China Green Building Three-Star Certification, making the Company the only enterprise in China that has obtained the China Green Building Three-Star Certification for three times. On 10 June 2017, the Company was rated as 2017 China Model Green Property Developers in Operation (ranking No.1) and Top 10 China Green Property Developers by biaozhun007.com, a domestic authoritative media platform, while Wan Guo Cheng MOMΛ (Tongzhou, Beijing) was awarded Top 1 2017 China Green Property.

Upgrade of product portfolio and innovation in business model

The Company is always committed to product innovation, and consistently focuses on building homes of "green+comfort+energy-saving+full-life cycle residential properties with mobile internet". In the second half of the year, the Company will carry out a number of research and development topics, including full decoration industrial chain, extension of standardized services, etc. In the meantime, the Company will upgrade the *White Paper on the Strategic Development of its Green Technology* and release version 2.0 thereof as well as publish the *Practice in Developing Green Technology Residential Property* in the second half of the year.

The Company made constant efforts in innovating its business model, and launched the MOMΛ unique towns in the first half of the year. On 10 June 2017, the Company entered into a framework agreement to initiate the project of building a green cultural tourism town in Boluo County, Huizhou City, Guangdong Province, which covers a site area of 4,000 mu. Pursuant to the strategic cooperation agreement previously entered into between the Company and Huayi Brothers Star Theatre, the Company has undertaken the construction of Huayi Brothers Star Theatre across the country, and currently the Company has kicked off the construction work of the project in Zhenjiang City, Jiangsu Province. In the second half of the year, the Company will continue to innovate in its business model, and complete the transition into the "industry, city, human and culture-oriented" business model, creating more jobs for the local communities and implementing crowd introduction and cultural introduction in the towns. The Company has established the green town development model with executive team and operation mode led by the town mayors.

Strong marketing initiatives and broadening land acquisition methods

Quick turnover rate remained our core business strategy. The Company will launch a number of projects in the second half of the year, including Swan Lake MOMΛ (Hefei), Wan Guo Cheng MOMΛ (Tongzhou, Beijing), Modern City MOMΛ (Taiyuan), Modern Wan Guo Fu MOMΛ (Nanjing), Modern Wan Guo Cheng MOMΛ (Wuhan) etc.. The Company intends to sell most of its product inventories during the second half of the year.

Meanwhile, the Company will establish an extensive land resource platform and fund platform clustering. The Company will proactively develop local developers, brand developers and fund platform, while the regional companies will establish fund pools and explore more channels to introduce new business partners. Efforts will be made to diversify land acquisition methods, such as participation in urban redevelopment projects, acquisition of all types of equity interests and assets, entrusted construction, projects with minority interest, public tendering and construction of unique towns, etc.

Strength of excellent teamwork and confidence in the future

We will adhere to the differentiated core competitiveness and green technology strategic planning in the second half of 2017, so as to accomplish our strategic objectives for the full year of 2017.

Zhang Lei
Chairman

14 August 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Sale of Properties

During the Period, the Group's revenue from sale of properties amounted to approximately RMB4,185.7 million. The Group delivered 243,515 sq.m. of property in terms of total gross floor area ("GFA") and 1,019 units of car parking spaces during the Period. Recognised average selling price ("ASP") was RMB16,832 per sq.m. and that for car parking spaces was RMB85,124 per unit for the six months ended 30 June 2017.

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

* *Net of business tax*

	For the six months ended 30 June					
	2017			2016		
Project name	**Revenue** *RMB'000*	**Total saleable GFA or units delivered** *sq.m. or unit*	**ASP** *RMB/sq.m. or unit*	Revenue *RMB'000*	Total saleable GFA or units delivered *sq.m. or unit*	ASP *RMB/sq.m. or unit*
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	**–**	**–**	**–**	28,435	2,260	12,581
Modern Wan Guo Fu MOMΛ (Shanghai)	**3,122,650**	**83,429**	**37,429**	–	–	–
Modern MOMΛ (Hefei)	**312,544**	**16,318**	**19,155**	–	–	–
Wan Guo Cheng MOMΛ (Taiyuan)	**–**	**–**	**–**	165,436	19,270	8,585
MOMΛ Huan Cheng	**3,986**	**585**	**6,813**	740,757	114,071	6,494
MOMΛ Qi Cheng	**36**	**4**	**8,425**	244,727	44,283	5,526
Kaifu Man Ting Chun MOMΛ (Changsha) *(Note a)*	**15,101**	**1,840**	**8,207**	115,452	17,806	6,484
Modern Binjiang MOMΛ (Changsha)	**216,810**	**20,534**	**10,559**	789,122	121,944	6,471
MOMΛ Modern Plaza (Changsha)	**25,909**	**4,940**	**5,244**	755,858	174,273	4,337
Modern International MOMΛ (Nanchang)	**21,341**	**1,322**	**16,143**	805,669	115,528	6,974
Man Ting Chun MOMΛ (Nanchang)	**2,869**	**402**	**7,137**	634	99	6,404
Modern MOMΛ Xincheng (Nanchang)	**15,215**	**2,173**	**7,002**	75,272	11,962	6,293
Man Ting Chun MOMΛ (Jiujiang) *(Note b)*	**52,621**	**7,660**	**6,870**	206,127	48,555	4,245
Man Ting Chun MOMΛ (Xiantao)	**309,851**	**104,308**	**2,971**	143,699	45,999	3,124
Subtotal	**4,098,933**	**243,515**	**16,832**	4,071,188	716,050	5,686
Car parking spaces	**86,741**	**1,019 units**	**85,124/unit**	124,308	1,231 units	100,981/unit
Total	**4,185,674**			4,195,496		

Notes:

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

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

Contracted Sales

For the six months ended 30 June 2017, the Group, its joint ventures and associates achieved contracted sales of approximately RMB9,036.3 million, representing an increase of 21.3% as compared to the corresponding period in 2016. The Group, its joint ventures and associates pre-sold 893,425 sq.m. in total GFA and 2,370 units of car parking spaces, representing an increase of 35.6% and 75.3% respectively over the same period in 2016.

Table 2: Breakdown of contracted sales of the Group

* *Before deducting business tax*

		Six months ended 30 June					
		2017			2016		
Project name	**Attributable interest to the Group**	**Contracted sales**	**GFA**	**ASP**	Contracted sales	GFA	ASP
	(%)	*RMB'000*	*(in sq.m.) or unit*	*RMB/sq.m. or unit*	*RMB'000*	*(in sq.m.) or unit*	*RMB/sq.m. or unit*
Modern Caiyu Man Ting Chun MOMΛ (Beijing)	**100%**	**–**	**–**	**–**	2,541	262	9,698
Modern Land • CIFI Villa (Beijing)	**50%**	**–**	**–**	**–**	210,200	8,330	25,234
Modern North Star • YUE MOMΛ (Beijing)	**50%**	**26,028**	**3,035**	**8,756**	63,725	4,931	12,924
Modern Wan Guo Fu MOMΛ (Shanghai)	**65.63%**	**100,078**	**1,915**	**52,260**	1,437,214	39,074	36,782
Songjiang Yi Jing Yuan (Shanghai)	**35%**	**–**	**–**	**–**	192,670	6,972	27,635
Modern Wan Guo Fu MOMΛ (Suzhou)	**70%**	**–**	**–**	**–**	953,014	37,057	25,717
Xiangcheng Wan Guo Shu MOMΛ (Suzhou)	**50%**	**659,109**	**27,798**	**23,711**	–	–	–
Wan Guo Cheng MOMΛ (Taiyuan)	**100%**	**462**	**305**	**1,515**	78,143	9,381	8,330
Modern MOMΛ Yan Hu Cheng (Taiyuan)	**50%**	**1,134,172**	**154,808**	**7,326**	–	–	–
Modern Man Tang Yue MOMΛ (Xi'an)	**51%**	**264,944**	**34,015**	**7,789**	192,138	25,083	7,660
Kaifu Man Ting Chun MOMΛ (Changsha)	**100%**	**12,925**	**1,481**	**8,727**	113,300	12,852	8,816
Modern Binjiang MOMΛ (Changsha)	**100%**	**196,600**	**18,133**	**10,842**	281,712	38,703	7,279
MOMΛ Modern Plaza (Changsha)	**100%**	**26,988**	**4,151**	**6,502**	170,293	28,715	5,930
Furong Wan Guo Cheng MOMΛ (Changsha)	**51%**	**856,672**	**108,898**	**7,867**	411,102	64,547	6,369
Modern Man Ting Chun MOMΛ (Wuhan)	**20%**	**–**	**–**	**–**	72,264	9,450	7,647
MOMΛ Huan Cheng (Wuhan)	**99.95%**	**64,679**	**15,850**	**4,081**	437,102	60,924	7,175
Wuhan Quality International Youth Interaction Community	**45%**	**702,121**	**62,649**	**11,207**	510,948	61,263	8,340
Modern MOMΛ (Hefei)	**100%**	**113,404**	**5,616**	**20,193**	1,362,436	75,625	18,016

Project name	Attributable interest to the Group	Six months ended 30 June 2017 Contracted sales	GFA	ASP	2016 Contracted sales	GFA	ASP
	(%)	*RMB'000*	*(in sq.m.) or unit*	*RMB/sq.m. or unit*	*RMB'000*	*(in sq.m.) or unit*	*RMB/sq.m. or unit*
Modern MOMΛ City of Future (Hefei)	**20%**	**1,195,764**	**146,462**	**8,164**	–	–	–
Swan Lake MOMΛ (Hefei)	**30.6%**	**907,458**	**39,662**	**22,880**	–	–	–
Man Ting Chun MOMΛ (Nanchang)	**100%**	**2,822**	**199**	**14,181**	640	98	6,531
Modern MOMΛ New City (Nanchang)	**100%**	**–**	**–**	**–**	32,408	5,011	6,468
Modern International MOMΛ (Nanchang)	**100%**	**3,870**	**432**	**8,958**	252,987	33,317	7,593
Modern Wan Guo Fu (Foshan)	**51%**	**1,025,682**	**48,279**	**21,245**	–	–	–
Heshun Man Ting Chun (Foshan)	**100%**	**372,874**	**23,400**	**15,935**	–	–	–
Man Ting Chun MOMΛ (Jiujiang)	**100%**	**59,261**	**7,186**	**8,247**	223,914	44,779	5,000
Man Ting Chun MOMΛ (Xiantao)	**100%**	**624,655**	**124,740**	**5,008**	256,905	79,453	3,233
Dongdaihe • Bai Jin Hai MOMΛ (Dongdaihe)	**100%**	**454,552**	**64,411**	**7,057**	76,336	12,862	5,935
Subtotal		**8,805,120**	**893,425**	**9,855**	7,331,992	658,689	11,131
Car parking spaces		**231,157**	**2,370 units**	**97,535/unit**	118,644	1,352 units	87,753/unit
Total		**9,036,277**			7,450,636		

Notes:

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

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

(c) The contracted sales of the Group as shown in the above table included the contracted sales of its joint ventures and associates.

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

For the six months ended 30 June 2017, the Group's revenue from leasing of properties amounted to approximately RMB32.0 million, representing an increase of 19.4% as compared to the corresponding period in 2016. Revenue from hotel operation increased by 52.0% to approximately RMB31.6 million for the six months ended 30 June 2017 while revenue from project management decreased by 46.9% to approximately RMB7.3 million for the six months ended 30 June 2017 as compared to the corresponding period in 2016. Revenue from real estate agency services and immigration services were approximately RMB25.0 million and approximately RMB6.3 million, respectively, representing an increase of 499.0% and 12.7% respectively as compared to the corresponding period in 2016. Revenue from innovative household technology services increased by 36.5% to RMB6.6 million as compared to 2016.

Land Bank

As at 30 June 2017, total land bank in the PRC (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 6,393,271 sq.m.

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

The geographic spread of the land bank held by the Group, its joint ventures and associates was as follows:

Table 3: Land bank held by the Group

Land bank in China

Project name	**Attributable interest to the Group** *(%)*	**Total GFA unsold as at 30 June 2017(Note)** *(sq.m.)*	**Aggregated GFA sold but undelivered with sales contracts** *(sq.m.)*
Modern MOMΛ (Beijing)	100%	17,907	–
MOMΛ Forest Forever (Beijing)	100%	7,985	–
Shangdi MOMΛ (Beijing)	100%	11,163	–
Modern Land • CIFI Villa (Beijing)	50%	50,242	21,224
Yue MOMΛ (Beijing)	50%	32,399	26,260
Modern Yunjing MOMΛ (Beijing)	51%	163,593	–
Tongzhou Wan Guo Cheng MOMΛ (Beijing)	65%	220,733	–
Modern Xishan Shang Pin Wan MOMΛ	51%	130,030	–
Man Ting Chun MOMΛ (Zhangjiakou)	70%	298,423	–
Modern Songjiang Yi Jing Yuan (Shanghai)	35%	130,807	88,484
Modern Wan Guo Fu MOMΛ (Shanghai)	65.63%	28,945	235
Modern Wan Guo Fu MOMΛ (Foshan)	51%	190,833	83,954
Modern Shang Pin Wan MOMΛ (Foshan)	100%	29,222	23,400
Lishui Shang Pin Wan MOMΛ (Foshan)	100%	37,776	–
Modern MOMΛ Shang Pin Wan (Huizhou)	100%	209,700	–
Modern Wan Guo Cheng MOMΛ (Quanzhou)	20%	426,305	
Modern Wan Guo Fu MOMΛ (Suzhou)	70%	72,730	53,393
Modern Suzhou Fu MOMΛ (Suzhou)	50%	24,078	–
Modern Wan Guo Shu MOMΛ (Suzhou)	50%	58,373	27,798
Shishan Modern MOMΛ (Suzhou)	20%	80,511	24,805
Zhongxiang Wan Guo Cheng MOMΛ (Suzhou)	40%	154,294	–
Wan Guo Fu MOMΛ (Nanjing)	51%	54,486	–
Wan Guo Cheng MOMΛ (Taiyuan)	100%	49,078	–
Modern MOMΛ Yan Hu Cheng (Taiyuan)	50%	201,600	154,808
Modern City MOMΛ (Taiyuan)	51%	251,124	–
Modern Man Tang Yue MOMΛ (Xi'an)	51%	133,478	113,246
Kaifu Man Ting Chun MOMΛ (Changsha)	100%	83,085	–
Modern Binjiang MOMΛ (Changsha)	100%	57,194	2,970
MOMΛ Modern Plaza (Changsha)	100%	110,858	23,636
Furong Wan Guo Cheng MOMΛ (Changsha)	51%	423,561	219,847
MOMΛ Huan Cheng (Wuhan)	99.95%	107,171	68,948
MOMΛ Qi Cheng (Wuhan)	99.02%	12,316	765

Project name	Attributable interest to the Group	Total GFA unsold as at 30 June 2017(Note)	Aggregated GFA sold but undelivered with sales contracts
	(%)	*(sq.m.)*	*(sq.m.)*
Wuhan Quality International Youth Interaction Community	45%	234,270	148,475
Modern • Zhongrui Wan Guo Fu MOMΛ (Wuhan)	51%	39,810	–
Modern Wan Guo Cheng MOMΛ (Wuhan)	62%	159,944	–
Modern Man Ting Chun MOMΛ (Wuhan)	20%	268,141	–
Modern MOMΛ (Hefei)	100%	96,339	62,024
Swan Lake MOMΛ (Hefei)	30.6%	258,402	39,662
Modern MOMΛ City of Future (Hefei)	20%	460,037	353,543
Man Ting Chun MOMΛ (Nanchang)	100%	27,674	7,489
Modern MOMΛ New City (Nanchang)	100%	22,285	–
Modern International MOMΛ (Nanchang)	100%	37,132	4,971
Man Ting Chun MOMΛ (Jiujiang)	100%	81,566	60,426
Man Ting Chun MOMΛ (Xiantao)	100%	500,996	206,648
Dongdaihe • Bai Jin Hai MOMΛ (Dongdaihe)	100%	346,675	135,221
Total		6,393,271	1,952,232

Notes: (1) Total GFA unsold includes aggregated GFA sold but undelivered with sales contracts.

(2) The land bank held by the Group as shown in the above table include the land bank of its joint ventures and associates.

The Group wholly owns a parcel of land with a site area of approximately 196,156 sq.m. located in Pearland, Texas, the United States of America (the "U.S.") for future development. So far, this parcel of land has been in primary development and construction period.

The Group owns, in the form of a joint venture, two parcels of land located in Seattle, Washington, the U.S. with a total GFA of approximately 237,000 sq.ft. and 764,082 sq.ft. for future development. The two parcels of land are at the preliminary preparation stage.

Land Acquisitions in 2017

During the Period, the Group continued to apply the same conservative and balanced strategy as its general direction towards land acquisitions. The Group purchased a total of six parcels of land or related interests. The aggregate consideration for the PRC land acquisitions was RMB3.88 billion, with a total GFA of approximately 1,503,816 sq.m..

Location	No. of Land Parcels	Approximate total GFA *(sq.m.)*
Wuhan	2	538,614
Zhangjiakou	1	360,005
Foshan	2	90,831
Quanzhou	1	514,366
Total	6	1,503,816

FINANCIAL REVIEW

Revenue

The Group's revenue slightly increased by approximately 1% to approximately RMB4,294.4 million for the six months ended 30 June 2017 from approximately RMB4,271.3 million for the six months ended 30 June 2016.

Cost of Sales

The Group's cost of sales decreased by approximately 2% to approximately RMB3,406.7 million for the six months ended 30 June 2017 from approximately RMB3,469.7 million for the six months ended 30 June 2016.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 11% to approximately RMB887.7 million for the six months ended 30 June 2017 from approximately RMB801.6 million for the six months ended 30 June 2016.

For the six months ended 30 June 2017, the Group's gross profit margin was approximately 20.7%, representing an increase of 1.9 percentage points as compared to approximately 18.8% for the corresponding period in 2016, which was due to a change in the portfolio of projects delivered during the Period with properties delivered concentrated on the tier-one and tier-two cities.

Other income, gains and losses

The Group's other income, gains and losses increased by approximately 49% to approximately RMB290.8 million for the six months ended 30 June 2017 from approximately RMB195.2 million for the six months ended 30 June 2016, which was mainly attributable to the re-valuation of equity interest due to change of control and the gain from transfer of equity interests in an associate.

Change in fair value

Change in fair value includes fair value gain of properties held for sale and properties under development for sale upon transfer to investment properties and changes in fair value of investment properties. The change in fair value of the Company decreased from RMB167.7 million for the six months ended 30 June 2016 to RMB68.8 million for the six months ended 30 June 2017, representing a decrease of approximately 59%, which was mainly attributable to the decrease in new investment properties during the Period.

Selling and distribution expenses

The selling and distribution expenses of the Group increased by approximately 16% to approximately RMB130.0 million for the six months ended 30 June 2017 from approximately RMB112.1 million for the six months ended 30 June 2016, primarily due to the increase in pre-sale amount for the Period as well as strict cost control and efforts to improve sales efficiency.

Administrative expenses

The administrative expenses of the Group increased by approximately 45% to approximately RMB205.1 million for the six months ended 30 June 2017 from approximately RMB141.5 million for the six months ended 30 June 2016, primarily due to the commencement of operation of a number of projects and the fees incurred for the merger and acquisition of projects during the Period.

Finance costs

The finance costs of the Group amounted to approximately RMB95.4 million for the six months ended 30 June 2017, representing a decrease of approximately 20% from approximately RMB119.9 million for the six months ended 30 June 2016, which was mainly due to the increase in capitalization ratio and the decrease in finance costs for the Period.

Profit before taxation

The profit before taxation of the Group increased by approximately 11% to approximately RMB824.1 million for the six months ended 30 June 2017 from approximately RMB739.8 million for the six months ended 30 June 2016.

Income tax expense

Along with the approximately 11% increase in the profit before taxation of the Group, the income tax expense for the six months ended 30 June 2017 increased by approximately 22% to approximately RMB289.4 million from approximately RMB237.9 million for the six months ended 30 June 2016, primarily due to an increase in gross profit margin for the Period as compared to the corresponding period last year.

Profit for the period attributable to owners of the Company

The profit of the Group for the period attributable to owners of the Company increased by approximately 1% to approximately RMB506.0 million for the six months ended 30 June 2017 from approximately RMB499.6 million for the six months ended 30 June 2016.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2017, the Group had cash, restricted cash and bank balances of approximately RMB8,693.5 million (31 December 2016: RMB6,762.3 million), representing an increase of approximately 29% as compared to that as at 31 December 2016. A healthy cash position was maintained mainly due to the increase in sales and the fact that cooperation projects recorded earnings during the Period.

Borrowings and pledge of the Group's assets

As at 30 June 2017, the Group had total borrowings of approximately RMB12,934.6 million, including bank and other loans of approximately RMB7,896.7 million, senior notes of approximately RMB4,055.1 million and corporate bond of RMB982.8 million. As at 30 June 2017, certain banking and other facilities granted to the Group were secured by the Group's assets, such as investment properties, properties under development for sale, properties held for sale, property, plant and equipment, equity interests in a subsidiary and restricted cash, which had a carrying amount of approximately RMB8,953.1 million (31 December 2016: RMB6,544.1 million). The carrying value of most of the Group's bank and other loans was denominated in RMB. Domestic bank loans of the Group bore interests at variable rates pegged with the benchmark loan interest rates quoted by the People's Bank of China. The Group is exposed to interest rate risk which is mainly related to variable interest rates of the domestic bank loans.

Breakdown of indebtedness
By type of borrowings and maturity

	30 June 2017 *RMB'000*	31 December 2016 *RMB'000*
Bank and other loans		
Within one year or on demand	**3,855,763**	2,463,064
Over one year and within two years	**3,640,000**	3,054,000
Over two years and within five years	**400,984**	234,500
Subtotal	**7,896,747**	5,751,564
Senior notes		
Within one year	**686,879**	–
Over two years and within five years	**3,368,200**	3,245,630
Subtotal	**4,055,079**	3,245,630
Corporate bond		
Over two years and within five years	**982,754**	981,102
Total	**12,934,580**	9,978,296
Less:		
Bank balances and cash (including restricted cash)	**8,693,482**	6,762,337
Net debt	**(4,241,098)**	(3,215,959)
Total equity	**6,681,828**	4,731,466
Net debt to equity	**63.5%**	68.0%

By type of borrowings and maturity

	30 June 2017 *RMB'000*	31 December 2016 *RMB'000*
Denominated in RMB	**7,500,838**	5,579,602
Denominated in USD	**4,950,896**	4,220,694
Denominated in HKD	**482,846**	178,000
Subtotal	**12,934,580**	9,978,296

Leverage

As at 30 June 2017, the Group recorded net debt to equity ratio of 63.5%. The Group's net current assets (being current assets less current liabilities) increased by approximately 22.2% to approximately RMB8,698.9 million as at 30 June 2017 from approximately RMB7,121.1 million as at 31 December 2016. Current ratio (being current assets/current liabilities) decreased from approximately 1.45 times as at 31 December 2016 to approximately 1.40 times as at 30 June 2017.

Foreign currency risk

The functional currency of the Group is RMB. Most transactions are denominated in RMB. As at 30 June 2017, our major non-RMB assets and liabilities are (i) bank deposits and borrowings denominated in Hong Kong dollar and US dollar; and (ii) the senior notes denominated in US dollar. Those amounts are exposed to foreign currency risk. The Group currently does not have foreign currency hedging policy in place, but the management will monitor foreign exchange exposure and will consider to hedge against any significant foreign currency exposure when necessary.

Contingent liabilities

(a) As at 30 June 2017, the Group had contingent liabilities amounting to approximately RMB7,437.3 million (31 December 2016: approximately RMB7,329.0 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.

(b) The Group provided guarantees to bank loans and other borrowings of joint ventures amounting to RMB593,900,000 (31 December 2016: RMB966,900,000) as at 30 June 2017. At the end of the reporting period, the Directors do not consider that any claims will be made against the Group under these guarantees. The Group has not recognised any deferred income in respect of these guarantees.

Employees and compensation policy

As at 30 June 2017, the Group had 1,472 employees (31 December 2016: 1,103). 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 weekly 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 over 15% to 20% internal rate of return, depending on the location and categories of the projects.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

1. On 3 March 2017, Tengfei Moma Real Estate (Beijing) Co., Ltd. ("Tengfei Moma"), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Mr. Guan Zhiquan and Xizang Yulong Real Estate Co., Ltd., whereby Tengfei Moma agreed to acquire 100% equity interest in Wuhan Zhonglian Shengming Real Estate Company Limited from Mr. Guan Zhiquan and Xizang Yulong Real Estate Co., Ltd. at the consideration of RMB949,850,000.

2. On 5 April 2017, Modern Green Development Group Hongye Benpao Technology (Beijing) Company Limited ("Hongye Benpao"), an indirect wholly-owned subsidiary of the Company, entered into the equity cooperation agreement with Foshan Changxin Tianhao Investment Company Limited ("Tianhao Investment") and Foshan Changxin Hongchuang Real Estate Company Limited ("Hongchuang Real Estate"), pursuant to which Hongye Benpao agreed to acquire the entire equity interest of Hongchuang Real Estate and the sale loans from Tianhao Investment at the consideration of RMB230,877,436.

   On the same day, Zhihui Hongye Real Estate (Beijing) Company Limited ("Zhihui Hongye"), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Foshan Changxin Yinhao Investment Company Limited ("Yinhao Investment"), Foshan Nanhai Yongxin Investment Company Limited ("Yongxin Investment") and Foshan Xinlong Real Estate Investment Company Limited ("Xinlong Real Estate"), pursuant to which Zhihui Hongye agreed to acquire the entire equity interest in Xinlong Real Estate and the sale loans from Yinhao Investment and Yongxin Investment at the consideration of RMB202,275,598.

3. On 4 May 2017, Zhanlan Tuozhan Real Estate (Beijing) Co., Ltd. ("Zhanlan Tuozhan") (an indirect wholly-owned subsidiary of the Company), Xiamen Yuelian Real Estate Company Limited ("Xiamen Yuelian"), Xiamen Xinjingdi Group Company Limited ("Xiamen Xinjingdi") and Fujian Shengshi Lianbang Real Estate Development Company Limited ("Shengshi Lianbang") entered into the joint development agreement, pursuant to which Zhanlan Tuozhan, Xiamen Yuelian and Xiamen Xinjingdi agreed to cooperate in the development of the land located in Jinjiang, Fujian Province, the PRC via Shengshi Lianbang. The net consideration was RMB1,800,000,000.

PROSPECT

During the first half of 2017, the PRC macro economy maintained a stable development momentum. Amidst the backdrop where it is emphasized that property development should be back to the basics of offering houses for accommodation, local governments proactively intensified the tightening measures for real estate, with a number of real estate control policies being launched in different cities. Marked by differentiated control policies implemented by local governments, speculative demand in over-heated cities was rapidly curbed. Due to the implementation of differentiated and city-specific policies, the overall property transactions decreased as compared with the same period last year, showing noticeable divergence among various cities. The Group has successfully completed the transition from a green-technology-based property developer into a green-technology-enabled lifestyle operator in 2016. Under an environment of tightened macro policy, the Group continued to maintain stable business growth and explore regional markets with a focus on the tier-one and high-end tier-two cities, increasing its market shares in the four major regions of Central China, Eastern China, Northern China and Southern China.

In the second half of 2017, with the continuous implementation of the differentiated and city-specific control policies and promotion of the establishment of long-term mechanism, the government will continue to tighten control policy in over-heated cities, with an aim to promote steady development in the property market and accelerate the establishment of long-term mechanism and housing system for stable development. The Group will continue to upgrade its product portfolio and make innovation in its business model. Under the guidance of the macro policy, the Group will broaden land acquisition methods. Being determined to follow the trend of niche market path to act, the Group will adhere to differentiation in green technology to consolidate its core competitiveness, in order to strive for a higher return for the shareholders.

COMPLIANCE WITH APPENDIX 16 TO THE LISTING RULES

According to paragraph 40 of Appendix 16 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), save as disclosed herein, 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 2016 Annual Report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND AND PROPOSED BONUS ISSUE

Interim dividend

The Board declared payment of an interim dividend for the six months ended 30 June 2017 of HK 2.3 cents per share. The said interim dividend will be paid on or about Monday, 9 October 2017 to shareholders (the "Shareholders") whose names appear on the register of members of the Company on Tuesday, 26 September 2017.

Proposed bonus issue

In addition to the distribution of interim dividend, the Board also recommends the issue of bonus shares on the basis of one (1) bonus share for every ten (10) existing shares held by the Shareholders registered as such on the register of members of the Company on Tuesday, 26 September 2017 (being the record date of bonus issue). The relevant resolution(s) will be proposed at the forthcoming extraordinary general meeting (the "EGM") to be held on Monday, 18 September 2017, and if passed and upon the Stock Exchange granting the listing of and permission to deal in such new shares, share certificates for the bonus shares will be despatched to the Shareholders on or around Monday, 9 October 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(a) For determining the entitlement of shareholders to attend and vote at the EGM

For determining the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 13 September 2017 to Monday, 18 September 2017 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the EGM, all share transfer documents 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 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 12 September 2017.

(b) For determining the entitlement to the interim dividend and bonus issue of shares

For determining the entitlement to the interim dividend and bonus shares, the register of members of the Company will be closed from Friday, 22 September 2017 to Tuesday, 26 September 2017 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim dividend and the bonus shares, 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 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 21 September 2017.

ADJUSTMENTS TO OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there were outstanding share options entitling the holders thereof to subscribe for a total of 112,420,000 shares. Pursuant to the terms of the share option scheme, the proposed bonus issue may lead to adjustments to the exercise price and/or the number of the shares which may fall to be issued upon exercise of the outstanding share options. Other than the outstanding share options, the Company does not have any warrants, options, or other securities exchangeable or convertible into shares as at the date of this announcement. Further announcement will be made by the Company in respect of such adjustments and their effective date(s) in due course.

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 2017 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 has 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 2017.

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 2017.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The 2017 interim results announcement is published on the Company's website at www.modernland.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2017 interim report will be available on the websites of the Stock Exchange and the Company, and will be dispatched to the Shareholders in due course.

By order of the Board of
MODERN LAND (CHINA) CO., LIMITED
Zhang Peng
President and Executive Director

Hong Kong, 14 August 2017

In this announcement, the English names of the PRC entities are translation of their respective Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

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. Chen Anhua; and independent non-executive Directors: Mr. Qin Youguo, Mr. Cui Jian, Mr. Hui Chun Ho, Eric and Mr. Zhong Bin.