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 2021

HIGHLIGHTS

- In the first half of 2021, the Group achieved contracted sales of approximately RMB21,562.4 million, and the average selling price was approximately RMB10,242 per sq.m..

- Revenue increased to approximately RMB9,543.4 million during the Period, representing an increase of approximately 9.6% as compared to the corresponding period in 2020.

- Gross profit amounted to approximately RMB2,210.9 million in the first half of 2021, representing an increase of approximately 4.2% as compared to the corresponding period in 2020.

- During the Period, gross profit margin amounted to approximately 23.2%.

- During the Period, profit for the period amounted to approximately RMB676.5 million, representing an increase of approximately 21.6% as compared to the corresponding period in 2020.

- The Group's total assets as at 30 June 2021 amounted to approximately RMB98,435.6 million, representing an increase of approximately 20.2% as compared to 31 December 2020.

- As at 30 June 2021, bank balances and cash (including restricted cash) of the Group amounted to approximately RMB17,424.6 million, accounting for approximately 17.7% of the total assets of the Group.

- Basic earnings per share was RMB16.0 cents.

- Proposed interim dividend of HK4.81 cents per share.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Modern Land (China) Co., Limited (the "**Company**" 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 2021 (the "**Period**").

The Group's unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of financial position and explanatory notes 1 to 12 as presented below are extracted from the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2021, which has been reviewed by the Company's independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021 — unaudited

		For the six months ended 30 June	
		2021	2020
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**9,543,392**	8,710,301
Cost of sales		**(7,332,474)**	(6,589,204)
Gross profit		**2,210,918**	2,121,097
Other income, gains and losses	*4*	**192,354**	(149,321)
Recognition of changes in fair value of completed properties held for sale and properties under development for sale upon transfer to investment properties		**95,918**	67,925
Changes in fair value of investment properties, net		**31,990**	47,685
Selling and distribution expenses		**(309,669)**	(206,600)
Administrative expenses		**(402,632)**	(268,826)
Finance costs	*5*	**(205,671)**	(166,573)
Share of profits less losses of joint ventures		**(17,817)**	(18,028)
Share of profits less losses of associates		**(1,051)**	(223)
Profit before taxation		**1,594,340**	1,427,136
Income tax expense	*6*	**(917,797)**	(870,712)
Profit for the period	*7*	**676,543**	556,424

	Note	For the six months ended 30 June **2021** *RMB'000*	2020 *RMB'000*
Other comprehensive income for the period:			
Item that will not be reclassified to profit or loss:			
Equity investments at fair value through other prehensive income ("**FVOCI**") — net movement in fair value reserves (non-recycling), net of RMB83,000 (2020: RMB Nil) tax		**249**	–
Item that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of nil tax		**206**	(10,648)
Total comprehensive income for the period		**676,998**	545,776
Profit for the period attributable to:			
Owners of the Company		**447,609**	398,136
Non-controlling interests		**228,934**	158,288
		676,543	556,424
Total comprehensive income attributable to:			
Owners of the Company		**448,064**	387,488
Non-controlling interests		**228,934**	158,288
		676,998	545,776
Earnings per share, in Renminbi ("RMB") cents:			
Basic	*9*	**16.0**	14.2
Diluted	*9*	**16.0**	14.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021 — unaudited

	Note	**At 30 June 2021** *RMB'000*	At 31 December 2020 *RMB'000*
Non-current assets			
Investment properties		**3,342,710**	3,072,670
Property, plant and equipment		**425,911**	437,928
Intangible assets		**21,966**	16,967
Freehold land held for future development		**29,394**	29,689
Interests in associates		**843,470**	837,760
Interests in joint ventures	*10*	**2,390,004**	2,390,610
Loans to joint ventures	*10*	**6,807,889**	5,768,264
Equity securities designated at FVOCI		**46,072**	45,740
Deferred tax assets		**1,351,958**	1,166,406
		15,259,374	13,766,034
Current assets			
Properties under development for sale		**46,072,539**	38,111,796
Completed properties held for sale		**5,960,644**	4,683,754
Other inventories and contract costs		**971,433**	514,861
Trade and other receivables, deposits and prepayments	*11*	**11,886,075**	10,163,680
Amounts due from related parties		**860,960**	579,017
Restricted cash		**3,800,594**	3,270,356
Bank balances and cash		**13,623,967**	10,822,373
		83,176,212	68,145,837

	Note	At 30 June 2021 RMB'000	At 31 December 2020 RMB'000
Current liabilities			
Trade and other payables, deposits received and accrued charges	*12*	**23,467,791**	16,443,583
Contract liabilities		**26,581,483**	20,934,767
Amounts due to related parties		**2,343,396**	4,374,384
Taxation payable		**4,439,133**	3,824,512
Bank and other borrowings — due within one year		**6,476,001**	6,285,741
Corporate bonds — due within one year		**–**	128,016
Senior notes — due within one year		**2,871,475**	3,395,691
		66,179,279	55,386,694
Net current assets		**16,996,933**	12,759,143
Total assets less current liabilities		**32,256,307**	26,525,177
Capital and reserves			
Share capital		**175,693**	175,693
Reserves		**6,891,044**	6,533,513
Equity attributable to owners of the Company		**7,066,737**	6,709,206
Non-controlling interests		**5,112,597**	4,268,461
Total equity		**12,179,334**	10,977,667
Non-current liabilities			
Bank and other borrowings — due after one year		**12,806,351**	9,424,908
Corporate bonds — due after one year		**938,725**	902,468
Senior notes — due after one year		**5,662,071**	4,456,189
Deferred tax liabilities		**669,826**	763,945
		20,076,973	15,547,510
		32,256,307	26,525,177

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 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 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 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRSs.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company and approved for issue by the Board of Directors on 16 August 2021. The interim financial report has also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest rate benchmark reform — phase 2

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this 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) sale of properties, (b) property investment, (c) hotel operation, (d) real estate agency services and (e) other services. The operating segment has been identified on the basis of internal management reports reviewed by chief operating decision maker of the Group ("CODM"), Mr. Zhang Peng, who is the President of the Group. The CODM mainly reviews the revenue information on sales of properties from property development, leasing of properties from property investment, hotel operation, real estate agency services and other services. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective types of revenue. The CODM reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no analysis of this single reportable and operating segment is presented.

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	**9,316,247**	8,576,894
Real estate agency services	**131,236**	73,225
Hotel operation	**25,004**	18,547
Other services	**32,949**	17,763
	9,505,436	8,686,429
Revenue from other sources		
Property investment	**37,956**	23,872
	9,543,392	8,710,301
Disaggregated by timing of revenue recognition		
Point in time	**7,593,082**	7,473,790
Over time	**1,950,310**	1,236,511
	9,543,392	8,710,301

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

4 OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Interest income	**40,833**	37,597
Government grants	**10,186**	1,501
Net exchange gain/(loss)	**138,528**	(195,965)
Gain on disposal of property, plant and equipment	**1**	308
Others	**2,806**	7,238
	192,354	(149,321)

5 FINANCE COSTS

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**(769,913)**	(685,234)
Interest expense on senior notes and corporate bonds	**(603,572)**	(557,150)
	(1,373,485)	(1,242,384)
Less: Amount capitalised in properties under development for sale	**1,167,814**	1,075,811
	(205,671)	(166,573)

6 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**(643,039)**	(424,621)
Land appreciation tax ("LAT")	**(428,290)**	(488,269)
	(1,071,329)	(912,890)
Deferred tax		
PRC Corporate Income Tax	**153,532**	42,178
	153,532	42,178
Income tax expense	**(917,797)**	(870,712)

In accordance with the Corporate Income Tax Law of the PRC, the income tax rate applicable to the Company's subsidiaries in the PRC is 25%.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

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

No provision for Hong Kong profits tax has been made as the income generated from the Group neither arose in, nor was derived from, Hong Kong for the six months ended 30 June 2021 and 2020.

7 PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2021	2020
	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	**10,982**	10,472
Operating lease rentals	**15,186**	12,938

8 DIVIDENDS

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Declared interim dividend of HK4.81 cents per ordinary share (equivalent to approximately RMB4.00 cents (2020: RMB3.56 cents) per ordinary share)	**111,800**	99,502

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

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period, of HK3.65 cents per share (six months ended 30 June 2020: HK3.55 cents per share)	**85,248**	90,823

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	
	2021	2020
	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)	**447,609**	398,136

	For the six months ended 30 June	
	2021	2020
	'000	*'000*
Number of shares (basic)		
Weighted average number of ordinary shares in issue for the period	**2,794,994**	2,794,994
Number of shares (diluted)		
Number of ordinary shares for the purpose of calculating basic earnings per share	**2,794,994**	2,794,994
Effect of dilutive potential ordinary shares:		
— Share options *(note)*	**–**	756
Number of ordinary shares for the purpose of calculating diluted earnings per share	**2,794,994**	2,795,750

Note: The computation of diluted earnings per share for the six months ended 30 June 2021 does not assume the exercise of share options because they are antidilutive for the period.

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

10 INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
Cost of investment in joint ventures	**2,021,709**	2,011,822
Share of post-acquisition gain and other comprehensive income	**368,295**	378,788
	2,390,004	2,390,610
Loans to joint ventures	**7,136,099**	6,051,933
Less: share of post-acquisition losses that are in excess of cost of the investments	**(328,210)**	(283,669)
	6,807,889	5,768,264

Loans to joint ventures are unsecured interest free, have no fixed term of repayment and expected to be recovered after one year.

11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	At 30 June 2021 *RMB'000*	At 31 December 2020 *RMB'000*
Trade receivables, net of allowance *(note i)*	**432,646**	433,450
Amounts due from non-controlling interests	**3,829,066**	3,277,182
Other receivables, net of allowance *(note ii)*	**4,052,715**	3,444,645
Guarantee deposits for housing provident fund loans provided to customers *(note iii)*	**239,814**	161,659
Financial assets measured at amortised cost	**8,554,241**	7,316,936
Prepayments to suppliers of construction materials	**637,391**	544,796
Deposits paid for acquisition of land use rights	**240,000**	77,810
Deposits paid for acquisition of a subsidiary	**–**	300,531
Prepaid taxation	**2,454,443**	1,923,607
	11,886,075	10,163,680

Notes:

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

	At 30 June 2021 *RMB'000*	At 31 December 2020 *RMB'000*
Less than 1 year	**91,889**	97,941
1–2 years	**72,531**	71,445
More than 2 years and up to 3 years	**268,226**	264,064
	432,646	433,450

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

(ii) The amount mainly included refundable deposits for property development projects.

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

12 TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	At 30 June 2021 *RMB'000*	At 31 December 2020 *RMB'000*
Trade and notes payables *(note i)*	**6,993,913**	4,189,743
Accrued expenditure on construction *(note i)*	**3,347,296**	2,146,450
Amount due to non-controlling interests	**4,586,353**	3,274,790
Accrued interest	**395,463**	340,103
Accrued payroll	**2,256**	26,243
Dividend payable	**88,361**	3,149
Other payables *(note ii)*	**7,353,037**	6,093,719
Financial liabilities measured at amortised cost	**22,766,679**	16,074,197
Other tax payables	**701,112**	369,386
	23,467,791	16,443,583

Notes:

(i) Trade and notes payables and accrued expenditure on construction comprise construction costs and other project- related expenses which are payable based on project progress measured by the Group. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe, if any.

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

	At 30 June 2021 *RMB'000*	At 31 December 2020 *RMB'000*
Less than 1 year	**5,450,908**	2,104,183
1–2 years	**1,058,781**	1,435,264
More than 2 years and up to 3 years	**363,377**	650,296
Over 3 years	**120,847**	–
	6,993,913	4,189,743

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the business review of the Group for the six months ended 30 June 2021 and its prospects.

SALES RESULTS

During the six months ended 30 June 2021, the Company achieved contracted sales of approximately RMB21.56 billion, of which approximately RMB21.28 billion was from properties and approximately RMB278 million was from car parking spaces. The contracted sales covered an area of approximately 2.078 million square metres and the average selling price per sq.m. was approximately RMB10,242.

2021 H1 REVIEW

The year 2021 marks the opening year of the 14th Five-Year Plan. People effectively overcame the impact of the pandemic in the first half of 2021. China's economy has shown strong resilience, with a 12.7 per cent year-on-year GDP growth during the Period. It has further strengthened the establishment of a "dual circulation" development pattern, in which domestic and foreign markets can boost each other, with the domestic market as the mainstay, and allowed China to seize the initiative of future development. The great achievements at the macro level are hard-won. Only hard work can lead to success.

Precisely judging the real estate market to achieve a solid growth in financial results

The principle of "housing is for living in, not for speculation" for the real estate sector was deepened in the first half of 2021. On the basis of 'three red lines', 'two red lines' and 'two centralisations' for land transfer, China continuously tightened policies for the real estate industry. It also ramped up the regulation on the financial sector, which increased the deleveraging pressure. Controls over second-hand houses and policy-related houses were strengthened. Stricter policies are likely to be implemented in hot regions. As for companies, market differentiation exacerbates, and the competition within the industry is increasingly fierce. Mergers and acquisitions (M&As) became popular.

Thanks to its accurate judgment of the real estate market and scientific decisions, the Company recorded contracted sales of approximately RMB21.56 billion in the first half of 2021, a year-on-year increase of approximately 51.8%, with the area jumping approximately 52.7% year on year to approximately 2.078 million square metres. It saw a solid growth in size.

Insisting on its investment strategy and achieving steady expansion of its business

In the first six months of 2021, the Company insisted on its investment strategy, focused on core metropolitan areas, concentrated efforts on business in the first- and second-tier cities and some potential third- and fourth-tier cities. It kept stepping up the regional presence and managed to finish a project once it was implemented. The Company grew bigger, penetrated the market and offered fine service for customers. In the first half of this year, the Company secured 20 new projects in Xi'an, Chongqing, Qingdao, Suzhou, Hefei, Hohhot, etc., with gross floor area ("**GFA**") of approximately 3.564 million square metres. The ways of land acquisition further diversified. The proportions of land parcels acquired via industrial synergy, tender, auction, or listing-for-sale and M&As are reasonable.

The Company adhered to heavy-asset investment and light-asset service in the first half of 2021. It leveraged its core strengths in green technology, low carbon and energy conservation and brand premium to further expand the real estate agency business. It became an agency construction manager of eight high-quality projects during the Period. The Company gradually expanded its footprints in cities and improved the quality of its projects.

Strengthening a healthy capital structure to achieve sustainable funding

With the tightening of financial regulatory policies, the Company was determined to stick to the prudent financial capital strategy in the first half of 2021, with a view to seeking long-term and sustainable development. It upgraded the capital structure and optimised the financing strategy. Its development expectations were widely recognised by and received positive accolades from market investors. The Company's bonds were recommended by many well-known institutions and its stock got buy recommendations. Besides, it received credit lines of more than RMB100 billion from banks. The reason behind this is the stability of its ratings at home and abroad. On this basis, the Company issued a total of US$398 million of green bonds overseas and obtained a green loan of HK$100 million from Hang Seng Bank. It established a reasonable linkage between the domestic and foreign markets, ensured smooth financing channels and continuously improved the quality of financing.

Exploring green and healthy technology to enhance its brand influence

The Company continuously built its core competitiveness on green technology, expanded its brand influence and increased market premium.

It gave the top priority to the upgrade of its products to create AI communities in the first half of 2021, which visualised community services in all scenarios. Actions will be taken to build a SWELA platform in the future to better guarantee community health from acoustic environment, water environment, magnetic environment, light environment and air environment, etc.

Due to upgraded green technology products, the brand recognition of MOMΛ in the industry and market and among customers increased in the first six months of this year. The Company won a total of 27 awards during the Period. It was awarded two Green Building Operation Labels, 10 prizes for the top 100 real estate developers and four design honors. In addition, the Company was honoured as one of the top 10 excellent technology leaders.

Shouldering ESG responsibilities and gaining high recognition from authoritative institutions

As a responsible listed company, the Company has always attached importance to the fulfillment of ESG responsibilities and the creation of social values. Sustainalytics, the ESG rating agency of Morningstar, Inc., an investment research firm, published an ESG rating report about Modern Land in the first half of 2021 and gave a rating score of 20.5. It came out on top among major real estate developers. In the meantime, MSCI, the world's biggest index provider, announced the ESG rating results for the Company and awarded it a "BB" rating in recognition of its excellent ESG performance in corporate governance, green building and other aspects.

The Company attached great importance to environmental protection, and actively promoted green technology innovation and upgrade of product iteration. Measures were taken to build passive houses and tight controls were imposed on carbon emissions in the production process for greenness and energy conservation. It actively fulfilled social responsibilities and continuously provided quality jobs to promote the development of upstream and downstream industry chains. Charity activities were held many times. It took actions in time to sow the seeds of charity in education, tree planting, fight against the pandemic and severe weather emergency. In terms of corporate governance, the Company has created a standardised process and an operating system to ensure stable operation and sustainable development, and achieve steady growth in financial results.

OUTLOOK FOR 2021 H2

There will be more uncertainties in the international situation. Geopolitics and epidemic rebound are perplexing the world. China's development may face tougher external environment in the second half of 2021.

As for the real estate industry, the era of "big waves in windy days and big fish in deep water" is destined to come to an end. Industry players will never see high leverage, high gross margin and high growth in a blindfolded state again. The real estate sector will be certainly repositioned as an ordinary industry with low leverage, low profits and low growth in the future. It can be expected that real estate policies will remain tight. The authorities will enhance the regulation on the full lifecycle from the supply side, the demand side and the financial side. At the supply side, the 'two centralisations' policy for land transfer will be implemented, and the threshold of land acquisition in the open market will be raised. As for the demand side, combined measures, such as restrictions on house purchase, home prices, loans, commodity housing and second-hand houses, will continue. Some local governments will even issue home coupons. At the financial side, more efforts will be made on the implementation of the 'five red lines', and the proportion of land acquisition amount to property developers' annual sales will be under strict supervision. These aims to force real estate developers to substantially deleverage and stabilise the long-term development order of the real estate sector.

In an increasingly uncertain market, the Company will be determined to take actions and seek long-term development amid changes. It will unswervingly adopt the green technology strategy, build differentiated core competitiveness, create a favourable business layout, optimise financial capital structure, deepen the full-lifecycle model, and accelerate brand growth premium, in hope of achieving leapfrog and sustainable development.

Adhering to the strategy of green technology development to achieve long-term differentiated growth

The "carbon peak and neutrality" targets portray a clear future for China's development and point out a specific development path for all industries. It is also an opportunity for real estate developers to reshape their competitiveness.

Guided by the "carbon peak and neutrality" targets, the Company will stand firm on its green technology strategy and make a roadmap for carbon neutrality that can be used at the enterprise level in the second half of this year to pursue zero carbon and sustainable development and fulfillment of social responsibilities. Meanwhile, green concept will be deeply embedded in four standardised product lines during the full lifecycle to further add the technological content at the construction and operation stages. In addition, it will actively use green technology in urban renewal projects, especially during renovation of existing buildings.

Iterating investment and expansion and creating a favourable business layout

In the second half of 2021, the Company will stick to the investment strategy of "5+15+M" by stepping up presence in five city clusters, namely the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the middle reaches of the Yangtze River and Chengdu-Chongqing economic circle. It will place focus on the second-tier cities, such as Chongqing, Xi'an, Qingdao, Hefei, Taiyuan, Suzhou and Hohhot, as well as potential third- and fourth-tier cities like Xiantao, Jingzhou, Foshan and Weihai. The Company will strengthen the upgrading of the investment value chain, integrate the full-lifecycle system covering pre-investment, in-investment and post-investment stages, and improve the precision, granularity and execution of investment research, investment review and post-investment management to avoid systemic risks. Efforts will be made to acquire land plots in diverse ways and carry out strategies regarding industrial synergy, M&As, open markets or agency construction management, aiming to achieve optimal allocation of resources, ensure a reasonable land reserve structure, and further optimise the strategic layout of the Company.

Optimising the capital structure and strengthening the empowerment of the ecological platform

The Company adheres to low-leverage operation and low-risk operation, keeps optimising the capital structure, deeply connects high-quality resources, and strengthens the empowerment of the ecological platform.

The Company will continuously reduce debts in the second half of 2021. Efforts will be made to promote both endogenous financing and exogenous financing and balance the share of bond financing and equity financing, in an attempt to achieve a reasonable balance between capital management and capital operation. On the basis of the existing financing model, the Company will actively explore new compliant financing strategies, broaden the financing channels, and focus on asset-light financing, overseas financing and private equity funds.

Deepening the Full-Lifecycle Industrial Home to Accelerate Brand Growth and Evolution

The Company will stick to the "full-lifecycle industrial home" model and "MOMΛ living home 4+1" concept in the second half of 2021. Green technology will be used to enhance its green and differentiated core competitiveness. It will carry out projects of green buildings, green residential areas and sustainable cities in an innovative way, conduct in-depth study of the planning, design and construction of green buildings, passive buildings, active buildings, nearly zero-energy buildings, net-zero-energy buildings and even energy-plus buildings. Innovative achievements in green technology, smart technology and digital technology will be deeply embedded to cater to the new customer needs in the new era. The Company will further offer full-lifecycle services to support the growth of children, education for students, employment for young people, care of the elderly, assistance to the weak and medical service for patients. Services for people of all ages, all sectors and all aspects will be deepened. All is to promote the Company's brand growth and realisation of its value.

Looking ahead, the Company will stick to its strategies, size up the situation, make iterative innovation, and promote open and win-win cooperation, in a bid to move forward and seek solid growth under the new circumstances facing the real estate sector.

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

Zhang Lei
Chairman

16 August 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Sale of Properties

During the Period, the Group's revenue from sale of properties amounted to approximately RMB9,316.2 million, representing an increase of approximately 8.6% as compared to the corresponding period in 2020. The Group delivered 1,024,219 sq.m. of properties in terms of total GFA and 1,674 units of car parking spaces during the Period. Delivered average selling price ("**ASP**") for properties was RMB8,951 per sq.m. and that for car parking spaces was RMB88,457 per unit for the six months ended 30 June 2021.

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

During the Period, the Group's revenue from property investment increased by approximately 59.0% to approximately RMB38.0 million from approximately RMB23.9 million for the corresponding period of 2020.

For real estate agency services, leveraging on the unique products, brand recognition, management and credibility advantages supported by our MOMΛ green-technology products, the Group offers customized and whole-process entrusted development and operation management solutions to our customers. For the six months ended 30 June 2021, the Group's revenue from real estate agency services increased by approximately 79.2% to approximately RMB131.2 million from approximately RMB73.2 million for the corresponding period of 2020.

Hotel MoMc, a boutique hotel owned and operated by the Group, has established its presence in Beijing and Taiyuan. The revenue from hotel operation for the six months ended 30 June 2021 increased by approximately 35.1% to approximately RMB25.0 million from approximately RMB18.5 million for the corresponding period of 2020. During the Period, the revenue from other services was approximately RMB32.9 million, representing an increase of approximately 84.8% as compared to that of approximately RMB17.8 million for the corresponding period of 2020.

Contracted Sales

During the Period, the Group, its joint ventures and associates achieved contracted sales of approximately RMB21,562.4 million, representing an increase of approximately 51.8% as compared to the corresponding period in 2020. The Group, its joint ventures and associates sold 2,078,126 sq.m. in total GFA and 2,733 units of car parking spaces, representing an increase of approximately 52.7% and a decrease of approximately 0.8%, respectively, as compared to the corresponding period in 2020.

Table 1: Breakdown of contracted sales of the Group, its joint ventures and associates

	Six months ended 30 June					
	2021			2020		
Province/Municipality/ Autonomous Region	**Contracted Sales** *RMB'000*	**GFA** *(in sq.m.) or units*	**ASP** *RMB/sq.m. or unit*	Contracted Sales *RMB'000*	GFA *(in sq.m.) or units*	ASP *RMB/sq.m. or unit*
Anhui	**2,646,552**	**362,918**	**7,292**	1,186,613	137,967	8,601
Beijing	**253,378**	**7,188**	**35,250**	1,524,824	33,025	46,172
Fujian	**306,808**	**14,120**	**21,729**	100,715	4,314	23,346
Guangdong	**542,651**	**11,561**	**46,938**	30,854	1,822	16,934
Chongqing	**2,224,886**	**238,665**	**9,322**	–	–	–
Guizhou	**818,175**	**87,230**	**9,380**	144,241	27,952	5,160
Hebei	**1,420,009**	**133,305**	**10,652**	109,614	14,007	7,826
Henan	**124,152**	**13,887**	**8,940**	917,729	138,343	6,634
Hubei	**4,235,161**	**600,266**	**7,055**	2,345,993	281,706	8,328
Hunan	**1,235,541**	**101,891**	**12,126**	1,167,889	143,206	8,155
Inner Mongolia	**380,107**	**30,360**	**12,520**	–	–	–
Jiangsu	**2,681,456**	**133,396**	**20,101**	1,700,708	113,887	14,933
Jiangxi	**858,151**	**66,918**	**12,824**	1,157,659	147,069	7,872
Liaoning	**1,094**	**191**	**5,728**	2,833	521	5,438
Shaanxi	**2,147,161**	**125,887**	**17,056**	2,053,246	169,964	12,080
Shandong	**642,758**	**87,558**	**7,341**	644,375	65,633	9,818
Shanxi	**538,269**	**45,537**	**11,820**	643,605	60,472	10,643
Tianjin	**70,011**	**9,008**	**7,772**	140,009	16,992	8,240
Zhejiang	**157,985**	**8,240**	**19,173**	42,152	3,694	11,411
Properties Sub-total	**21,284,305**	**2,078,126**	**10,242**	13,913,059	1,360,574	10,226
Car Parking Spaces	**278,141**	**2,733 units**	**101,771/unit**	293,165	2,755 units	106,412/unit
Total	**21,562,446**			14,206,224		

Land Bank

As at 30 June 2021, total GFA of land bank in the PRC (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 16,765,199 sq.m..

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

Table 2: Land bank held by the Group, its joint ventures and associates

Province/Municipality/Autonomous Region	**As at 30 June 2021 Total GFA unsold*** *(sq.m.)*
Anhui	**1,683,428**
Beijing	**493,607**
Chongqing	**1,022,829**
Fujian	**105,765**
Guangdong	**558,363**
Guizhou	**702,147**
Hebei	**817,368**
Henan	**241,256**
Hubei	**4,867,359**
Hunan	**724,484**
Inner Mongolia	**79,149**
Jiangsu	**497,753**
Jiangxi	**829,730**
Liaoning	**107,025**
Shaanxi	**1,702,632**
Shandong	**1,028,201**
Shanghai	**17,704**
Shanxi	**1,038,075**
Tianjin	**193,441**
Zhejiang	**54,883**
Total	**16,765,199**

* *Aggregated GFA sold but undelivered with sales contracts was included.*

Land Acquisitions in 2021

In 2021, the Group, its joint ventures and associates continued to apply the same conservative and balanced strategy as its general direction towards land acquisitions. During the Period, the Group, its joint ventures and associates purchased a total of 20 new projects with corresponding land parcels or related interests through various channels including government held public tender and integrated primary and secondary development and cooperation with an aggregate GFA of approximately 3,563,815 sq.m..

Project location (province/municipality/autonomous region)	**Number of new projects**	**Estimated total GFA** *(sq.m.)*
Anhui	**1**	**82,500**
Chongqing	**2**	**157,860**
Guangdong	**1**	**19,600**
Hubei	**6**	**2,100,355**
Inner Mongolia	**1**	**79,200**
Jiangsu	**2**	**107,700**
Shaanxi	**5**	**781,100**
Shandong	**2**	**235,500**
Total	**20**	**3,563,815**

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 9.6% to approximately RMB9,543.4 million for the six months ended 30 June 2021 from approximately RMB8,710.3 million for the corresponding period of 2020, which was mainly attributable to the increase in area delivered, with a period-on-period increase of approximately RMB739.4 million in revenue from sale of properties.

Cost of sales

The Group's cost of sales amounted to approximately RMB7,332.5 million for the six months ended 30 June 2021, representing an increase of approximately 11.3% as compared to the corresponding period of 2020, which is in line with the increase in revenue.

Gross profit and gross profit margin

For the six months ended 30 June 2021, the Group's gross profit was approximately RMB2,210.9 million and the gross profit margin was 23.2%, representing a decrease of approximately 1.2 percentage points as compared to that of approximately 24.4% for the corresponding period of 2020.

Other income, gains and losses

The Group's other income, gains and losses recorded a net gain of approximately RMB192.4 million during the Period as compared to a net loss of approximately RMB149.3 million for the six months ended 30 June 2020, which was mainly due to the gain from the rise of RMB to USD exchange rate.

Change in fair value

The change in fair value increased by approximately 10.6% to approximately RMB127.9 million for the six months ended 30 June 2021 from approximately RMB115.6 million for the six months ended 30 June 2020, which was mainly due to the increase in the newly added investment properties.

Selling and distribution expenses

The selling and distribution expenses increased by approximately 49.9% to approximately RMB309.7 million for the six months ended 30 June 2021 from approximately RMB206.6 million for the corresponding period of 2020, primarily due to the expanding scale of sales. Selling and distribution expenses accounted for approximately 1.4% of the contracted sales of the Group for the Period, which was approximate to that of about 1.5% in the first half of 2020.

Administrative expenses

The administrative expenses of the Group amounted to approximately RMB402.6 million for the six months ended 30 June 2021, representing an increase of approximately 49.8% as compared to the corresponding period of 2020, primarily due to the increase in the business and management scale of the Group. The administrative expenses for the Period accounted for approximately 1.9% of contracted sales, which remained stable as compared to that of approximately 1.9% for the corresponding period of 2020.

Finance costs

The finance costs of the Group increased by approximately 23.5% to approximately RMB205.7 million for the six months ended 30 June 2021 from approximately RMB166.6 million for the six months ended 30 June 2020. Amidst the general rising interest rates both at home and abroad, the Group's weighted average interest rate of borrowings was approximately 9.73% in the Period, which remained stable as compared to that of 9.9% for the year ended 31 December 2020.

Profit before taxation and profit for the period

The profit before taxation of the Group increased by approximately 11.7% to approximately RMB1,594.3 million for the six months ended 30 June 2021 from approximately RMB1,427.1 million for the six months ended 30 June 2020, and profit for the period increased by approximately 21.6% to approximately RMB676.5 million for the Period from approximately RMB556.4 million for the six months end 30 June 2020, which was mainly due to the increase in the area delivered.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2021, the Group had cash, restricted cash and bank balances of approximately RMB17,424.6 million, representing an increase of approximately 23.6% as compared to that of approximately RMB14,092.7 million as at 31 December 2020. The cash position remained stable mainly due to the expanding scale of sales during the Period. As at 30 June 2021, the bank balances and cash (including restricted cash) accounted for approximately 17.7% of the total assets, allowing the Group to maintain a healthy cash position.

Borrowings and pledge of the Group's assets

As at 30 June 2021, the Group had aggregate remaining balance of approximately RMB28,754.6 million, including bank and other borrowings of approximately RMB19,282.4 million, senior notes of approximately RMB8,533.5 million and corporate bonds of approximately RMB938.7 million, representing an increase of approximately 16.9% as compared to that of approximately RMB24,593.0 million as at 31 December 2020. As at 30 June 2021, certain banking and other facilities granted to the Group were secured by the Group's assets, such as investment properties, properties under development for sale, completed properties held for sale, property, plant and equipment, equity interests in subsidiaries and bank deposits, which had a carrying amount of approximately RMB24,482.6 million (31 December 2020: approximately RMB23,757.4 million). A majority of the carrying value of the Group's bank loans was denominated in RMB.

Breakdown of indebtedness

By type of borrowings and maturity

	30 June 2021 *RMB'000*	31 December 2020 *RMB'000*
Bank and other loans		
within one year or on demand	**6,476,001**	6,285,741
more than one year, but not exceeding two years	**7,276,939**	5,598,966
more than two years, but not exceeding five years	**5,294,072**	3,797,872
more than five years	**235,340**	28,070
Sub-total	**19,282,352**	15,710,649
Senior notes		
within one year	**2,871,475**	3,395,691
more than two years, but not exceeding five years	**5,662,071**	4,456,189
Sub-total	**8,533,546**	7,851,880
Corporate bonds		
within one year	**–**	128,016
more than one year, but not exceeding five years	**938,725**	902,468
Sub-total	**938,725**	1,030,484
TOTAL	**28,754,623**	24,593,013
Less:		
Bank balances and cash (including restricted cash)	**17,424,561**	14,092,729
Net debt	**(11,330,062)**	(10,500,284)
Total Equity	**12,179,334**	10,977,667
Net debt to equity	**93.0%**	95.7%
By current denomination		
Bank and other loans		
— Denominated in RMB	**17,812,775**	14,499,326
— Denominated in US$	**1,111,783**	832,585
— Denominated in HK$	**357,794**	378,738
	19,282,352	15,710,649

Leverage

The Group's net gearing ratio decreased from approximately 95.7% as at 31 December 2020 to approximately 93.0% as at 30 June 2021. The Group's net current assets (current assets less current liabilities) increased by approximately 33.2% to approximately RMB16,996.9 million as at 30 June 2021 from approximately RMB12,759.1 million as at 31 December 2020; while the current ratio (current assets/current liabilities) increased from approximately 1.23 times as at 31 December 2020 to approximately 1.26 times as at 30 June 2021.

Foreign currency risk

The functional currency of the Company's major subsidiaries is RMB. Most of the transactions are denominated in RMB. Transactions of the Group's foreign operations, such as purchasing land held for future development, and certain expenses incurred are denominated in foreign currencies. As at 30 June 2021, the Group had monetary assets denominated in US dollars and Hong Kong dollars of approximately RMB205.9 million and approximately RMB97.1 million, respectively, as well as liabilities denominated in US dollars and Hong Kong dollars of approximately RMB9,645.3 million and approximately RMB357.8 million, respectively. Those amounts were exposed to foreign currency risk. Considering the actual impacts caused to the Group arising from the market condition and fluctuations of foreign exchange rates during the Period, the Group has currently no foreign currency hedging policy in place yet, but the management will constantly monitor foreign exchange exposure and identify one that will be appropriate to the Group. The Group will consider hedging against any significant foreign currency exposure when necessary.

Contingent liabilities

As at 30 June 2021, the Group had contingent liabilities amounting to approximately RMB17,088.1 million (31 December 2020: approximately RMB15,217.8 million) in relation to guarantees provided to the domestic banks for the mortgage bank loans granted to the Group's customers. Under the terms of the guarantees, if a purchaser has defaulted on the mortgage payments, the Group will be liable for the payment of outstanding mortgage principals plus accrued interest and the penalties owed by the defaulted purchaser to the bank, and, in such circumstances, the Group will be entitled to take over the legal title and ownership of the relevant property. These guarantees will be released upon the earlier of: (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgaged property and cancellation of mortgage registration.

Employees and compensation policy

As at 30 June 2021, the Group had 2,240 employees (31 December 2020: 2,387). Employee's remuneration is determined based on the his or her performance, skills, knowledge, experience and market trends. The Group regularly reviews compensation policies and programs, and will make any necessary adjustment in order to be in line with the remuneration levels in the industry. In addition to basic salaries, employees may be granted with share options, discretionary bonus and cash awards based on individual performance.

FUND AND TREASURY POLICIES AND OBJECTIVES

The management team holds meeting with the finance and operation teams in the first week of every month to discuss the cash situation and indebtedness situation. In addition, the Board office circulates monthly capital market reports to the Board members so that the Board can assess equity/debt financing opportunities. At project level, all projects are expected to achieve 15% to 20% internal rate of return, depending on the location and categories of the projects.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the Period.

EVENTS AFTER THE REPORTING PERIOD

Discloseable Transaction in relation to Acquisition of 100% Equity Interest in a PRC Company Holding Land Parcel in Huizhou City, Guangdong Province

On 13 July 2021, Guangzhou Yuanlv Development Investment Co., Ltd. (廣州原綠拓展投資有限公司) ("**Guangzhou Yuanlv**") (an indirect non wholly-owned subsidiary of the Company) (as purchaser) entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Xiamen Hongjiada Real Estate Co., Ltd. (廈門泓嘉達置業有限公司) (as vendor) (the "**Vendor I**") and Huizhou City Dongjinpu Trading Co., Ltd. (惠州市東金埔商貿有限公司) (as vendor) (the "**Vendor II**") and Huizhou City Dongrun Industrial Co., Ltd. (惠州市東潤實業有限公司) (the "**Target Company**"), whereby Guangzhou Yuanlv conditionally agreed to acquire 95% equity interest of the Target Company from the Vendor I and 5% equity interest of the Target Company from the Vendor II (the "**Acquisition**") at the aggregate consideration of RMB380 million (the "**Consideration**"). The Acquisition constituted a disclosable transaction of the Company under Chapter 14 of the Listing Rules and the Company issued an announcement in this regard on 13 July 2021 (the "**13 July Announcement**").

In the 13 July Announcement, it was disclosed that the Consideration of RMB380 million was determined after arm's length negotiations among the parties to the Equity Transfer Agreement with reference to the appraised value of the land parcel (the "**Land Parcel**") held by the Target Company of RMB501.4 million as at 21 June 2021 as well as the unaudited financial information of the Target Company as at 31 May 2021. The Company would like to provide further details regarding the basis for determination of the Consideration.

As at 31 May 2021, the Target Company had total assets of approximately RMB256.5 million (comprising properties under development for sales ("**PUD**") of approximately RMB255.4 million), net assets of approximately RMB173.8 million and total liabilities of approximately RMB82.7 million as at 31 May 2021. It follows that the appraised value of the Land Parcel of approximately RMB501.4 million as at 21 June 2021 represents a premium of approximately RMB246 million (the "**Premium**") over the PUD of the Target Company of approximately RMB255.4 million as at 31 May 2021. After taking into account the Premium, the Target Company would have net assets of approximately RMB419.8 million. The Consideration of RMB380 million represents a discount of approximately RMB39.8 million or 9.5% below the said adjusted net assets of the Target Company, which substantiates the view of the Board that the terms of the Acquisition and in particular, the Consideration, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

PROSPECT

There will be more uncertainties in the international situation. Geopolitics and epidemic rebound are perplexing the world. China's development may face tougher external environment in the second half of 2021.

As for the real estate industry, the era of "big waves in windy days and big fish in deep water" is destined to come to an end. Industry players will never see high leverage, high gross margin and high growth in a blindfolded state. The real estate sector will be certainly repositioned as an ordinary industry with low leverage, low profits and low growth in the future. It can be expected that real estate policies will remain tight. The authorities will enhance the regulation on the full lifecycle from the supply side, the demand side and the financial side. At the supply side, the 'two centralisations' policy for land transfer will be implemented, and the threshold of land acquisition in the open market will be raised. As for the demand side, combined measures, such as restrictions on house purchase, home prices, loans, commodity housing and second-hand houses, will continue. Some local governments will even issue home coupons. At the financial side, more efforts will be made on the implementation of the 'five red lines', and the proportion of land acquisition amount to property developers' annual sales will be under strict supervision. These aims to force real estate developers to substantially deleverage and stabilise the long-term development order of the real estate sector.

The Company will continue to achieve the strategic business goals in the second half of 2021 based on four aspects: "adhering to the strategy of green technology development", "iterating investment and expansion", "optimising capital structure" and "accelerate brand growth and evolution".

COMPLIANCE WITH APPENDIX 16 TO THE LISTING RULES

According to paragraph 40 of Appendix 16 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), save as disclosed herein and in the interim report for the Period to be published, the Company confirmed that the current company information in relation to those matters set out in paragraph 32 of Appendix 16 to the Listing Rules has not changed materially from the information disclosed in the Company's 2020 Annual Report.

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

For the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board declared payment of an interim dividend for the six months ended 30 June 2021 of HK4.81 cents per share. The said interim dividend will be paid on or before Friday, 5 November 2021 to shareholders of the Company whose names appear on the register of members of the Company on Friday, 22 October 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 October 2021 to Friday, 22 October 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30p.m. on Tuesday, 19 October 2021.

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 2021 and considered that the interim results have been prepared in accordance with the applicable accounting standards and requirements and have made appropriate disclosures accordingly.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance. The Company complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2021.

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 2021.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This 2021 interim results announcement of the Company is published on the website of the Company at www.modernland.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2021 interim report of the Company will be available on the websites of the Stock Exchange and the Company, and will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 16 August 2021

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. Zeng Qiang; and independent non-executive Directors: Mr. Cui Jian, Mr. Hui Chun Ho, Eric, Mr. Gao Zhikai and Mr. Liu Jiaping.