

01107.HK) Stock information

IPO Date	12 July 2013
Closing price (31 May 2020)	HKD1.090
52-week range	HKD0.640-1.270
Total number of shares	2.795 billion shares
Market cap	HKD3,046million
* Data are through:	30 June 2020

2019 Annual Results

Revenue	RMB14,552 million
Gross profit	RMB3,707 million
Profit for the year	RMB1,054 million
Basic EPS	RMB0.262
Diluted EPS	RMB0.261

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I. Company Profile

Modern Land (China) Co., Limited (hereinafter referred to as the "Company" or "Modern Land", together with its subsidiaries as the "Group") is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 12 July 2013 with Class 1 qualification in real estate development in the People's Republic of China (the "PRC" or "China"). The Company was rated as one of top 100 China real estate enterprises for five consecutive years, and received the highest standard green rating certification from S&P and a "Green Finance Pre-issuance Stage Certification" from The Hong Kong Quality Assurance Agency in 2018, becoming the first mainland real estate stock company winning such honour. The Company was established on 11 January 2000 and has always been adhering to the development concept of "Technology Buildings and Quality Living", sticking to the development philosophy of "Natural Simplicity, Harmonious Health, Simple Focus, and Endless Vitality" and focusing on the theme of "Action of Loving My Homeland" to bring home owners the sincere and real life experience and achieve positive economic and social benefits. The Company pours itself to a homeland of "Green Technology + Comfort & Energy-saving + Mobile Interconnecting Whole-life Cycle Communities", successfully establishing "MOMA" as the iconic brand of green technology real estate operators in China. MOMA consists of four text graphics "M" "O" "M" "A". Two "M" symbolise our home, "O" represents the origin of the universe and "A" stands for human. The left and right half of the pattern symbolise architecture and life respectively, which in turn provides a vivid interpretation for the concept of the Company of "Technology Buildings and Quality Life".

II. Sales Performance in June

Contracted Sales in June at Around RMB3,740.32million

Modern Land (01107.HK) announced that in June, its contracted sales amounted to RMB3,740.32 million, of which approximately RMB3,533.60 million was attributable to properties and approximately RMB206.72 million to car parking spaces. GFA for properties under contracted sales was approximately 360,998 square metres ("sq.m.") and the average selling price per sq.m. was approximately RMB9,788.

For the first six months of the year, contracted sales amounted to approximately RMB14,206.22 million, of which approximately RMB13,913.05 million was attributable to properties and approximately RMB293.17 million to car parking spaces. GFA for properties under contracted sales was approximately 1,360,574 sq.m. and the average selling price per sq.m. was approximately RMB10,226.

III. Land Acquisition in June

In June 2020, the Company acquired one land lot located in Lianyun District, Lianyungang City:

The project is located in Lianyun District. A school and a hospital will be successively built nearby, so there will be adequate educational and commercial facilities. It marks the Company's entry into Lianyungang. Supported by the government's policy, Lianyungang will be positioned as an international port center city in the future, and its urban functions will be optimized into: an international port hub city, a modern industrialized port city, a characteristic coastal tourism city, and an ecological livable leisure city. By entering the Lianyungang market, Modern Land has seized this golden opportunity to expand its brand influence in Jiangsu. In the coming days, the Company will actively leverage in depth the strategy of urban agglomeration and the core competitiveness of green health to ensure the stable growth of business performance.

IV. New Launches in June



【Wuhan】Yinghe Modern City MOMA

In June 2020, driven by the strong market demand, Building 2, Building 5 and Building 6 of Phase I were grandly put on sale. BOE bought the units in a group buy. On the day of centralised opening, a total of 150 customer groups participated and subscribed for 139 units. The successful subscription rate exceeded 90%! Afterwards, the project team worked together to keep up the momentum. Driven by the highly intensive product promotion pace in the market, it devised a precise customer strategy based on market demand, and created the "Summer Love Season" serial activities for online and offline customer interactions, thus maintaining consumer attention; through online activities and screen-flooding advertisements, a large number of customers were attracted by the big city style and the cosmopolitan zeitgeist to make a visit and clinch a deal, creating the third best transaction volume in Wuhan City in June! The final monthly sales volume was 366 units, which exceeded the established goal!



IV. New Launches in June

【Changzhou】 Bright Life Modern Shi Guang Li MOMA

The demonstration area of the Bright Life Modern Shi Guang Li MOMA project in Changzhou was opened to the public on 15 May 2020, and the project was grandly opened for sale in June. On 14 June, 178 units of 3#, 11# and 15# were opened for sale, and 234 groups subscribed, with 144 units sold on the day; the sell-through rate reached 80. Faced with such problems as short customer accumulation period and customer diversion by new competing products of the project, the project team made concerted efforts to surmount the difficulties hand in hand. At key time points, opening to the public and opening of model units were combined online to keep demonstrating the value of the project, while special distribution incentives were offered offline, encouraging distributors with progressive commissions, etc. In June, a total of 2,090 customer groups visited the project.

Since the opening, the marketing team has remained true to the original aspiration and continued to work hard. So far, the project has established a central market position through on-site sales videos and brochures, and improved its image through a series of high quality posters. At the same time, we worked hard to improve our sales force through continuous training and sales pitch practice.



【Taiyuan】 Modern City MOMA

In June 2020, the Modern City MOMA (Taiyuan) project team actively placed advertisements online and launched promotion activities offline at the right time like the "618" mid-year shopping festival, attracting a large number of customers to visit and facilitating the closing of transactions. The Company achieved impressive results on the Taiyuan market in June. It has become the real king of the Taiyuan housing market!



IV. New Launches in June

MO MA 【Beijing】 Tongzhou Modern Megahall MOMA

In June 2020, the project team of Tongzhou Modern Megahall MOMA held the "Spurting Before 6.30" President's Mission Oath-Taking Rally at the right time of June, which raised the sales morale and cheered up the atmosphere. It also cooperated with OWSpace in holding an interdisciplinary IP exhibition with the theme of "Life Flows On", and carried out promotion and publicity around the event to reshape the project image. In terms of sales channels, the team focused on the offer of in-shop training sessions to realtors across all realty shops. In addition, project promotional presentations and gifts were offered to realtors, doing so to maintain its relationships with them. The team developed the project into a key recommended real estate project in the region with the help of relationships built up with these channels. Meanwhile, it released the early publicity that the housing market king would enter the market to provide sufficient time for dissemination of information and accurately target customers.



V. Awards Received in June

Time	Type of Award	Award	Presenter
June	Company	Certificate of Green Building Label (3-Star)	Anhui Building Energy Conservation and Technology Association

* The above award was granted to Modern Land and its affiliated enterprises.

VI. News in June

MO MA Guotai Junan Maintains "Accumulate" Rating on Modern Land

On June 12, Guotai Junan Securities maintained its "Accumulate" rating on Modern Land (China) Co., Limited ("Modern Land" or the "Company", and together with its subsidiaries, collectively referred to as the "Group", stock code: 1107.HK), and gave a target price of HKD1.3.

股票研究
Equity Research





国泰君安证券
GUOTAI JUNAN SECURITIES

公司报告
Company Report

Company Report: Modern Land (01107 HK)

公司报告: 当代置业 (01107 HK)

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11 June 2020

证券研究报告
Equity Research Report

Expecting Gradual Sales Recovery, Maintain "Accumulate"
期待销售逐步复苏，维持“收集”

- **2019 results were in line with expectations.** The Company's top line surged by 55.8% YoY to RMB14,552 mn in 2019. Gross profit margin improved by 2.2 ppts YoY to 25.5%. Shareholders' net profit grew by 39.2% YoY to RMB731 mn, while underlying net profit increased by 24.8% YoY to RMB689 mn.
- **We expect contracted sales to accelerate in 2H2020.** During Jan.-May 2020, total contracted sales amount dropped by 12.2% YoY to RMB10,466 mn, achieving 24.9% of the Company's 2020 sales target. We believe the contracted sales performance hit bottom in Jan.-Feb. 2020 due to the COVID-19 pandemic. The Company's contracted sales during Mar.-May 2020 reflected mild sales recovery. We believe that the Company will adjust its sales strategy and launch more presales of property projects in 2H2020 to accelerate its contracted sales.
- **Financial position is still steady.** Net debt to total equity ratio slightly increased from 81.9% in 2018 to 82.7% in 2019. The Company's diversified financing channels mainly include domestic and overseas bank and other borrowings, domestic corporate bonds and overseas green bonds. Riding on steady growth in contracted sales and diversified financing channel, we believe that solvency risk is controllable.
- Considering increased total land bank value, we have revised up 2020 forecasted NAV. The Company's business scale is relatively smaller compared to that of market leaders and the Company's risk exposure in Hubei Province is relatively high. We maintain our target price at HK\$1.30, representing a 65.5% discount to its 2020E NAV of HK\$3.77 per share, 4.6x 2020 underlying PER and 0.3x 2020 PBR. **Investment rating is maintained as "Accumulate"**. Risk factors: lower-than-expected contracted sales, uncertainties in property sales in Hubei Province.

Rating: Accumulate
Maintained

评级: 收集 (维持)

6-18m TP 目标价: HK\$1.30
HK\$1.30

Share price 股价: HK\$1.080

Stock performance 股价表现



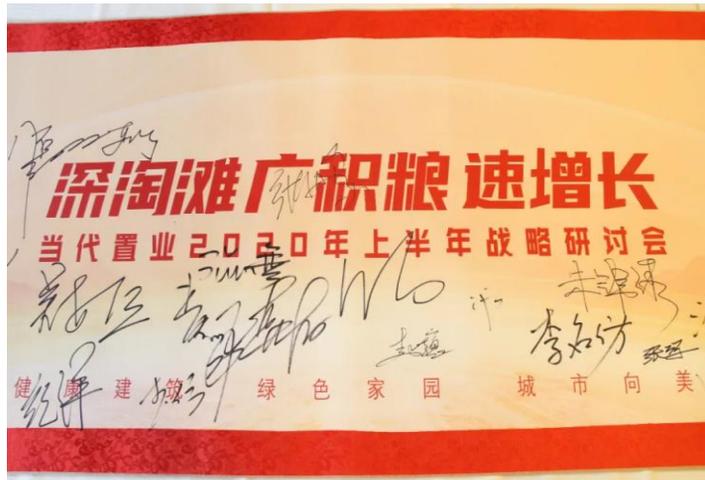
— HSI Index — Modern Land



VI. News in June

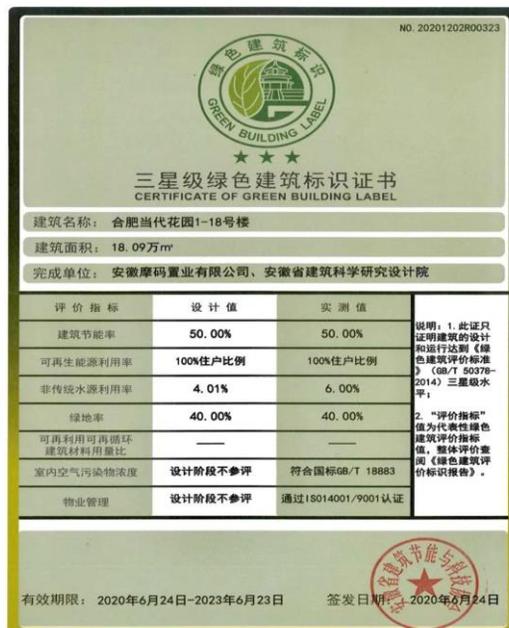
Modern Land Holds a Strategy Seminar for 2020H1

From 13 through 15 June, a delegation of senior executives from Modern Land held a strategy seminar for 2020H1 at Jiuhua Mountain MOMA Lotus Resort. The attendees comprehensively assessed and summarized the work in H1, focusing on the discussion of organizational disorder reduction and performance delivery.



Hefei Modern MOMA Is Awarded a 3-Star Green Building Label

On 24 June, Hefei Modern MOMA was awarded a Certificate of Green Building Label (3-Star). This is the fifth 3-star green building label of Modern Land after Beijing Modern MOMA (two times), Nanchang Man Ting Chun MOMA, and Changsha Modern Megahall MOMA. The project is the first residential project in Anhui that has been awarded a 3-star green building label.



VI. News in June

Modern Green Development and Handan Construction Investment Sign a Strategic Cooperation Agreement

On 3 June, leaders from Handan Construction Investment Group and the Tsinghua Real Estate CEO Chamber of Commerce visited the headquarters of Modern Land Group for exchanges and the signing ceremony. The parties communicated on their general situations, development advantages and business collaboration, reached an in-depth cooperation consensus, signed a strategic cooperation agreement, and established a strategic partnership.



Modern Land and Jianhai Group Establish a Partnership

On the morning of 4 June, Modern Land signed a strategic cooperation agreement with Zhengzhou Jianhai Group. According to the agreement, the two parties will draw on each other's strengths and complement each other. On the basis of the existing projects under cooperation, they will continue to deepen the partnership and expand the scope. Through joint land acquisition, cooperative development and other forms, they will achieve win-win outcomes and will jointly promote urban upgrading, the development of green health technologies, and the diversified development of their brands in the area.



VI. News in June

Modern Land and Hebei Wanying Sign a Strategic Cooperation Agreement

On the afternoon of 4 June, Modern Land signed a strategic cooperation agreement with Hebei Wanying Investment Co., Ltd. In the future, the two parties will establish a strategic partnership in property development and industry operation, including consulting, industry operation, real estate development, financial services and other business fields.



Glodon Chairman, President and Other Delegates Visit Modern Land

On the morning of 10 June, a delegation of 14, including Chairman Diao Zhizhong, President Yuan Zhenggang and a core senior management team of Glodon, visited the headquarters of Modern Land. Zhang Peng, Executive Director and President of Modern Land, together with certain team representatives, accompanied the delegation to visit the brand hall and Modern MOMA.



VI. News in June

MOMA Tongzhou Modern Megahall MOMA Launches an Immersive Literary Experience Exhibition

On 15 June, the first immersive literary space experience exhibition in the real estate circle, "Life Flows On", opened at the experience center of Tongzhou Modern Megahall MOMA. Scholar Liang Hong, poet Xi Chuan, musician Zhong Lifeng, *We Read the World* editor-in-chief Wu Qi of OWSpace, Executive Director and President Zhang Peng of Modern Land, and Yi Yuan Studio founder Zhang Yuanyuan, as people living in the modern world, shared their thoughts about life that flows on. Zhang Peng sincerely responded to the inquiries of life, sharing and telling the flow of his life.



MOMA 40,000 People Watch Modern Shi Guang Li Elderly Care Community Streaming

On the afternoon of 10 June, the live streaming of "A New Era of Elderly Care Featuring Green Health: Healthy Old Age Home Ideas and Design Philosophy in the Post-Epidemic Period" was successfully held at Modern Shi Guang Li. More than 40,000 people watched the streaming.



VII. Investor Relations Event Calendar (01107.HK)

No.	Date	Location	Investor Activities
1	26 June	Hong Kong	UBS Non Deal Roadshow
2	18 June	Hong Kong	Non Deal Roadshow
3	15 June	Online	HSBC Online Creditor-Investor Summit
4	12 June	Online	Morgan Stanley Online Summit
5	9-10 June	Con-Call	BOA Non Deal Roadshow
6	11-13 May	Online	2020 APAC Financial and Real Estate Equity and Credit Virtual Conference
7	8 April	Online	Roadshow for Deutsche Bank bond investors
8	30 March	Hong Kong	Results roadshow
9	27 March	Online	Modern Land 2019 Annual Results Announcement
10	9 January	Shenzhen	Zhitongcaijing New-Year Strategy Meeting on Hong Kong and US Stocks