



MODERN LAND

A BRIGHTER FUTURE WITH GREEN FOCUS

2017 RESULT PRESENTATION OF MODERN LAND (CHINA) CO., LIMITED

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- **Company Overview**
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Company Overview



A Leading Operator of Green Technology+ Comfort & Energy-saving+ Digitized Interconnecting Whole-Life Cycle Communities in China

Modern Land's unique MOMA technology system satisfies the customer requirements for the standard level of comfortableness and community, and an increasing number of MOMA consumers will benefit from products under our MOMA brand. In addition to delivering comfortable residences as required by our customers, we fulfil their requirements for internet-based education, medical treatment, office operations, cultural activities, and shopping and living experiences.

● **Headquartered in Beijing, we specialize in the research and development of comfortable, green and energy-saving residences.**

➤ Our unique MOMA technology system is integrated with energy-saving and green technologies that safeguard a comfortable living experience.

● **Our diverse product lines and features for various segmented markets**

➤ **Six standard residence series:**

Guo Cheng MOMA and Wan Guo Fu MOMA

Shang Pin Ge MOMA and Shang Pin Wan MOMA

Man Tang Yue MOMA and Man Ting Chun MOMA

➤ **Our Green Technology system, which applies scientific integrations, can meet various customized residential requirements by adapting to local conditions (Ultimate, improved and rigid homeownership demands)**

● **Our strategic expansion of land reserve**

Our solid economic foundation enables us to strategically expand to targeted areas under specific climatic conditions by applying our MOMA technology system.

● **Our certification and awards**



S&P Global Ratings Green Evaluation



First Place of 2017 China Model Green Property Developers in Operation

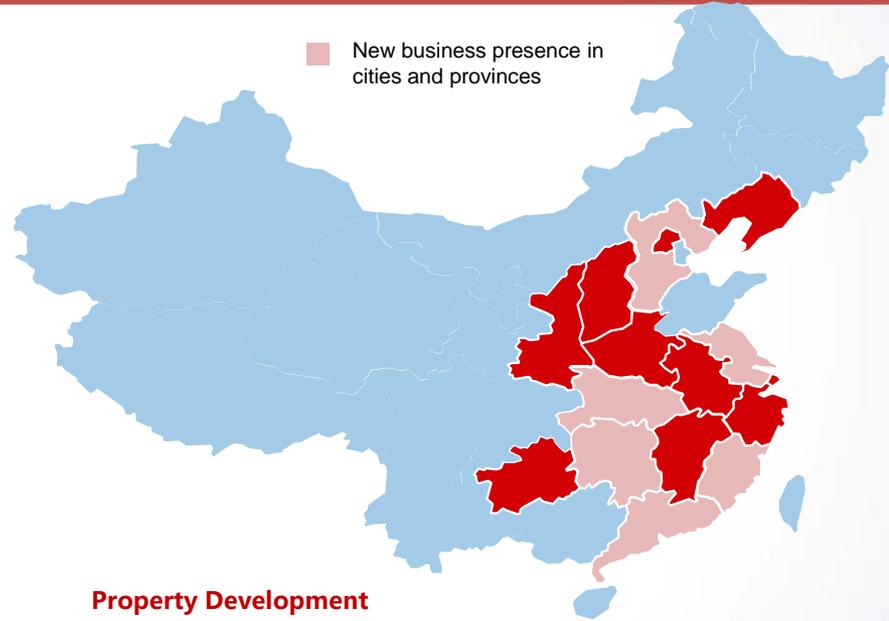


2-Star and 3-Star Green Building Label



Green Technology Developer, Top 10 in terms of Growth, and Top 10 in terms of Financing Capability under 2017 China Top 100 Real Estate Developers

■ New business presence in cities and provinces



Property Development

International: Houston and Seattle (United States)

Domestic: 29 cities across 11 provinces (as of March 23, 2018)

● Beijing and Shanghai

● 8 provincial capitals (Taiyuan, Changsha, Nanchang, Wuhan, Hefei, Xi'an, Nanjing, and Zhengzhou)

● 12 other cities (Foshan, Suzhou, Huizhou, Dongdaihe, Jiujiang, Xiantao, Chizhou, Xingyi, Jiaxing, Huzhou, Xuchang, and Jinzhong)

● New business presence in 2017: Guangzhou, Zhangjiakou, Quanzhou, Jingzhou, Wuxi, Zhuzhou, and Huangshi



Our leading industrial technologies and applications are far better than the national and industrial standards, thus providing the **most comfortable** quality living and residential room that more efficiently applies energy-saving technologies.

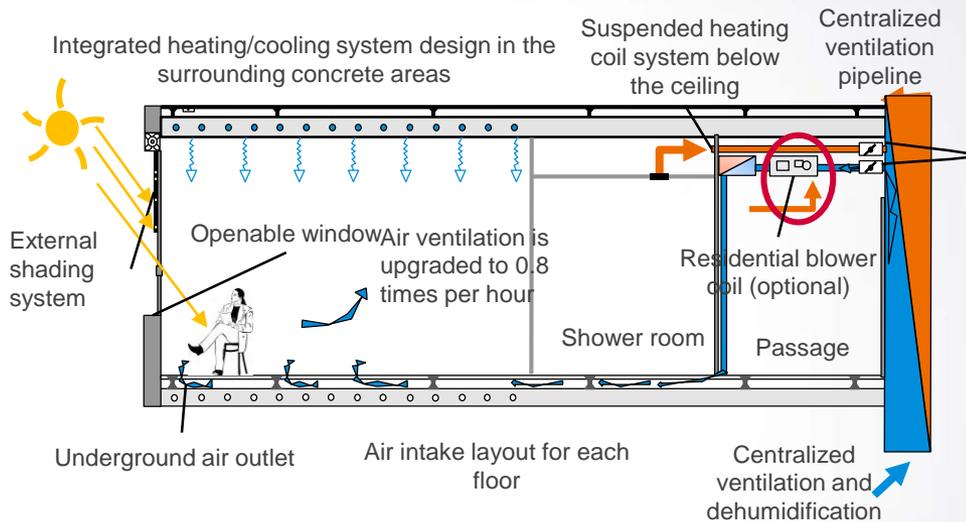
Our unique technological applications provide a healthy, comfortable and quality lifestyle, along with the following features:

Best temperature (constantly remaining at 20 to 26 degrees Celsius)

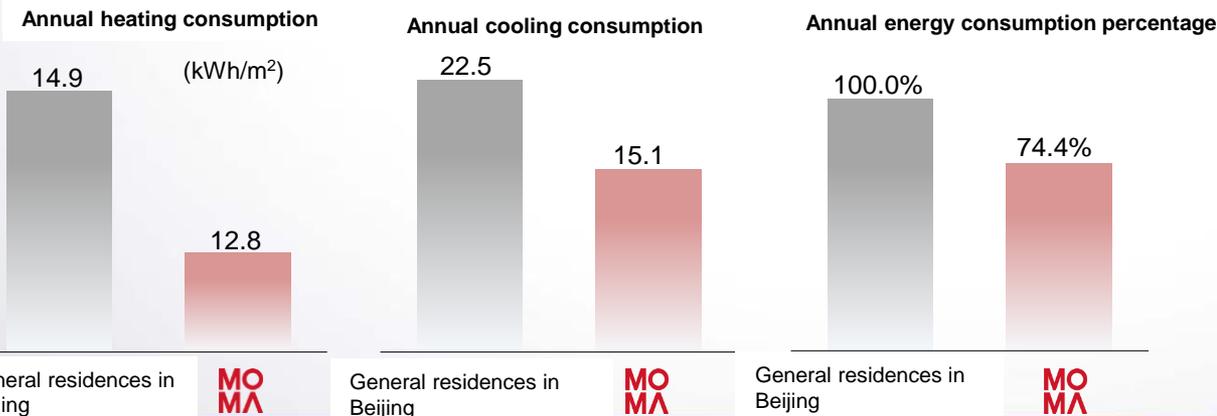
Best relative humidity (ranging from 30% to 70%)

Quiet room environment (less than 35 to 40 decibels)

Air ventilation frequency (from 0.5 to 0.8 times per hour)



Efficient Energy-Saving Application (Our Beijing Project for example)



- External thermal system
- Energy-saving and intelligent residence system
- Geothermal heat pump system
- Ceiling-based radiant heating and cooling system
- Full displacement ventilation system
- Optimized water treatment system

Land bank growth

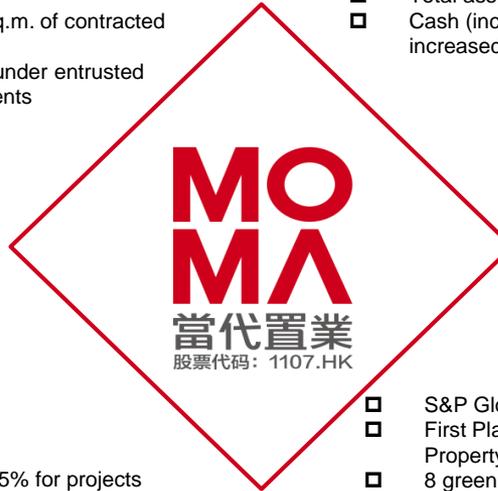


- Additional RMB 45 billion of land bank by product value
- 13 new projects
- Additional 667,000 sq.m. of contracted gross floor area
- 2 new town projects under entrusted construction agreements

Steady financial growth



- Gross profit margin increased to 21.0%
- Total assets increased by 59%
- Cash (including restrictive cash) increased by 53.9%



- Sell-through rate of 65% for projects launched in 2017
- Our "678" Rules achieved sales of 67%
- 38.5% of our total projects are approved, begin construction, and are launched in the same year

Operational efficiency

- S&P Global Ratings Green Evaluation
- First Place of 2017 China Model Green Property Developers in Operation
- 8 green certifications
- Successively awarded the 3-Star Green Building Label
- Our participation in the Standard of Green Residential Areas and compilation of the Full Residential Renovation Rating Standards



Green brand promotion





Financial Overview



Increased Sales Healthy Growth

- ✓ Contracted sales amounted to RMB 22.19 billion, representing a year-on-year **increase of 33.9%**
- ✓ Average contracted selling price **increased by 7.2%** to RMB 12,162 per sq.m.
- ✓ Total GFA under contracted sales amounted to 1,785,718 sq.m., representing **a growth of 24.6%**
- ✓ Contracted sales in Beijing, Hefei and Wuhan accounted for **12.5%, 19.9% and 18.6%**, respectively

Positive profitability Upgraded operation

- ✓ Operating income **increased** to RMB 8,506 million
- ✓ Gross profit **increased** to RMB 1,790 million, while the gross profit margin **increased** by 21%
- ✓ Net profit **increased** to RMB 827 million, while net profit margin reached 9.7%
- ✓ Precision cost control achieved a final cost saving of 1.9%. Our products remained as hot sales with a sell-through rate of 65%

Business expansion Strong financial performance

- ✓ Bank balance and cash **increased** to RMB 10.4 billion
- ✓ Total assets **increased** to RMB 45.2 billion, up by 59%; while net assets **increased** to RMB 7 billion, up by 48.3%
- ✓ Current ratio was approximately 1.3 times, validating a strong liquidity

Green finance Diverse channels

- ✓ We rendered full support for the national vision of green finance by issuing overseas green bonds
- ✓ Domestic banking institutions granted facilities over **RMB 67.5 billion** in total with a **decrease** of 7.7% in the weighted financing costs
- ✓ We succeeded in accessing domestic and overseas capital markets, safeguarding smooth financing channels

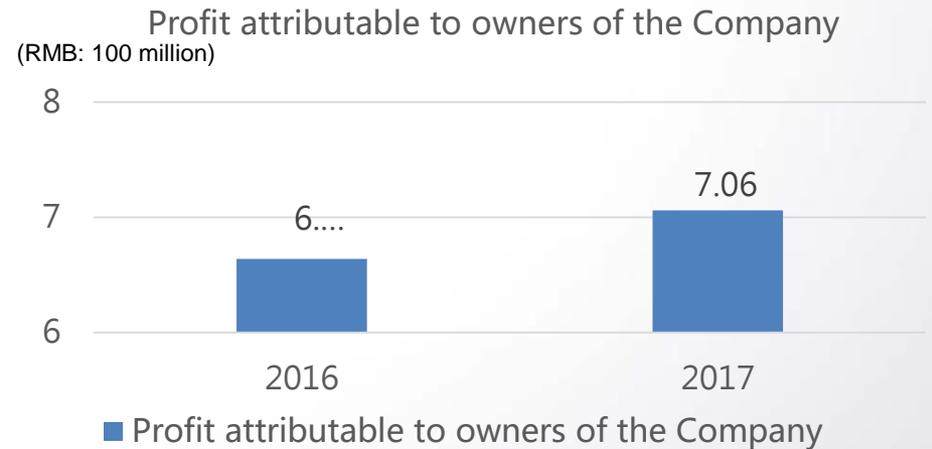
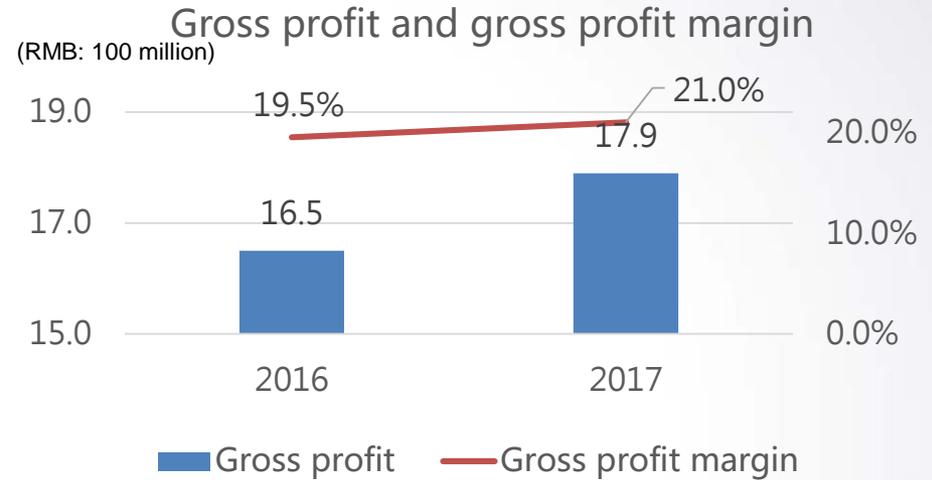
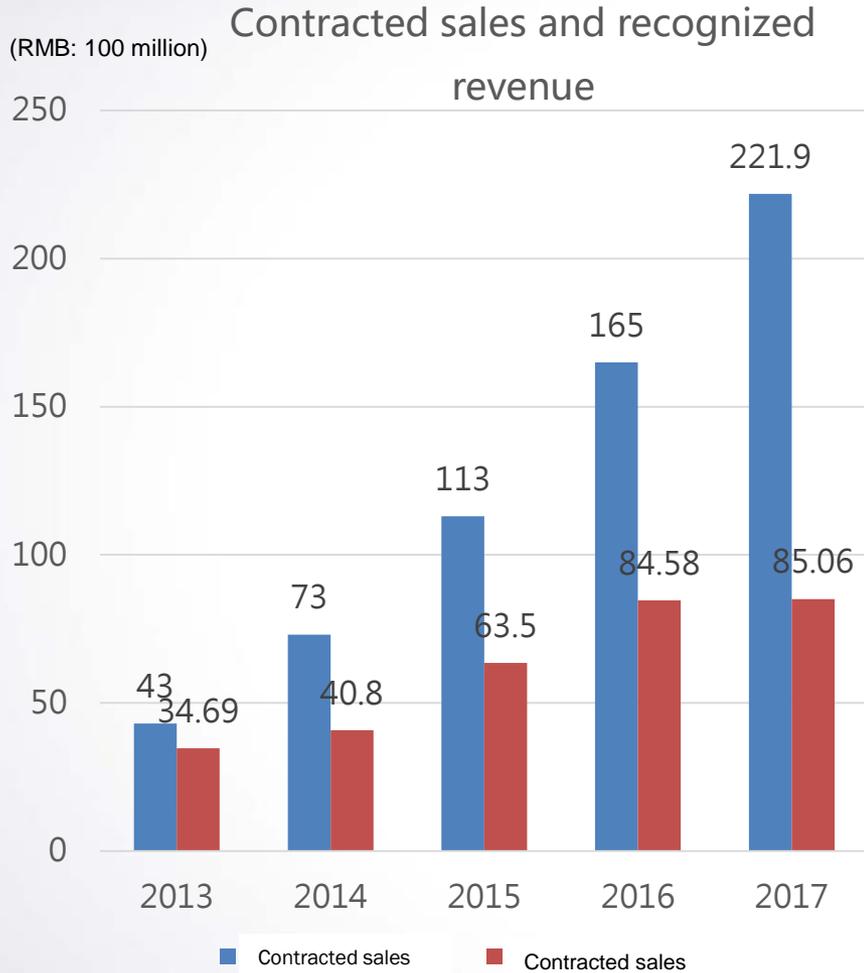


Major financial performance

Unit: RMB million	2017	2016	YoY Changes
Revenue	8,506	8,458	+0.6%
Gross profit	1,790	1,646	+8.7%
Gross profit margin	21.0%	19.5%	+1.5 percentage points
Profit before tax	1,358	1,083	+25.4%
Net profit	827	714	+15.8%
Net profit margin	9.7%	8.4%	+1.3 percentage points
Profit attributable to shareholders	706	664	+6.3%
Earnings per share (RMB Cent)	25.6	27.9	-8.2%
Total assets	45,171	28,507	+58.5%
Total liabilities	38,154	23,776	+60.5%
Total equity	7,017	4,731	+48.3%
Bank balance and cash	10,410	6,762	+53.9%
Net debt to equity	83.1%	68.9%	+14.2 percentage points
Weighted average financing costs	7.70%	8.07%	-0.37 percentage points



Steady and rapid growth in sales, good profitability



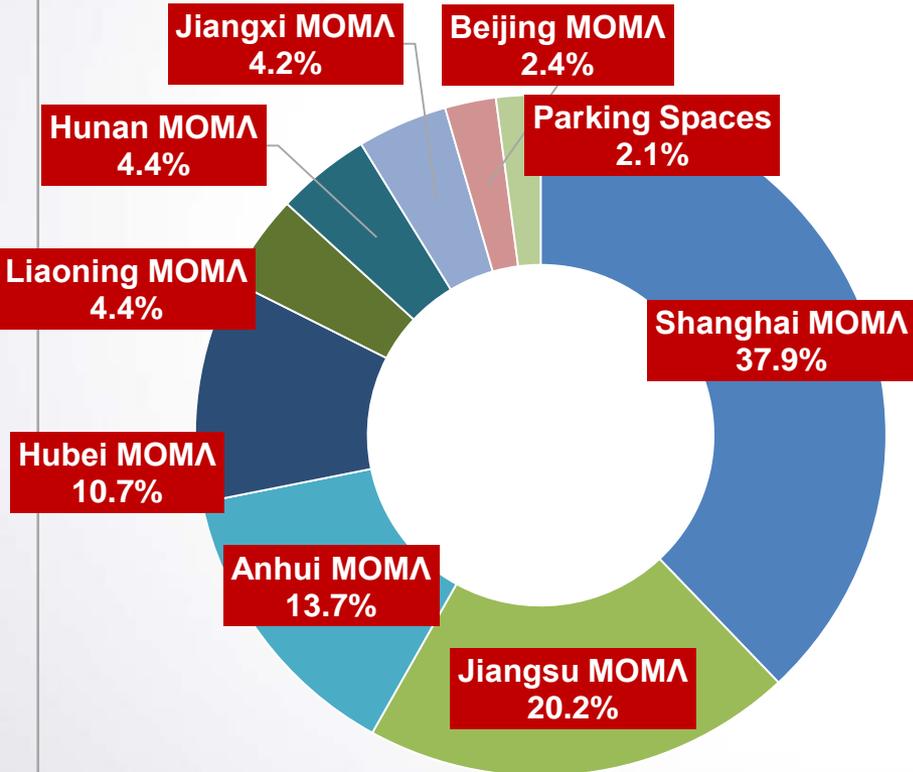
Significant recognized revenue as of 31 December 2017 with an amount of **RMB 13.1 billion** that is contracted but not forwarded (received)



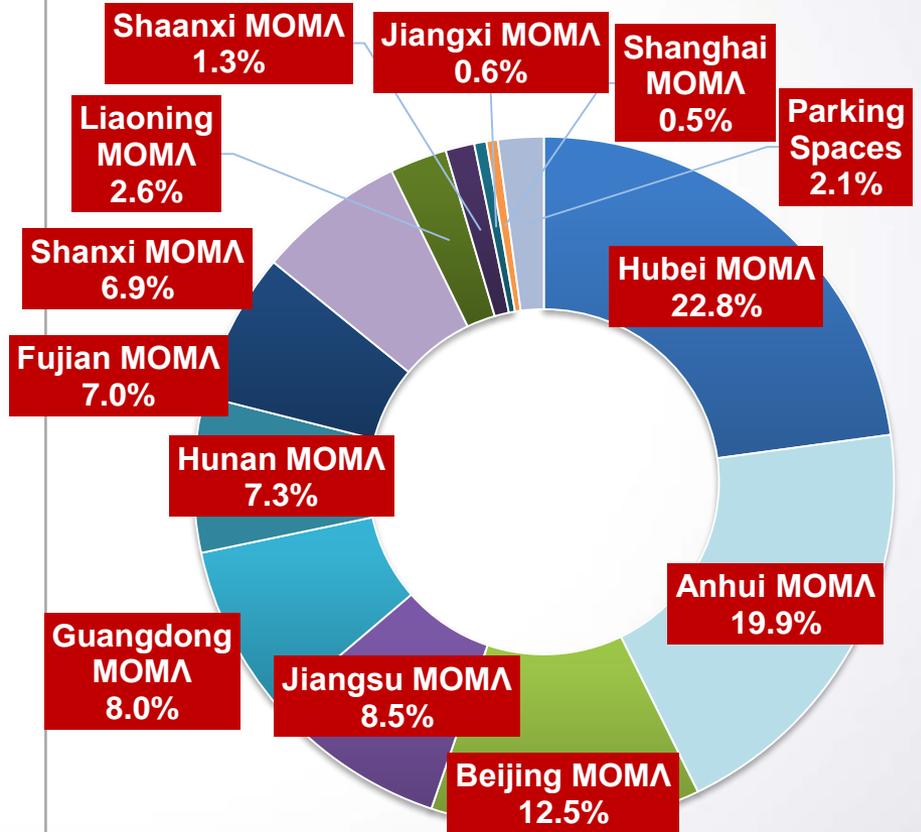
Revenue and contracted sales by region in 2017

2017

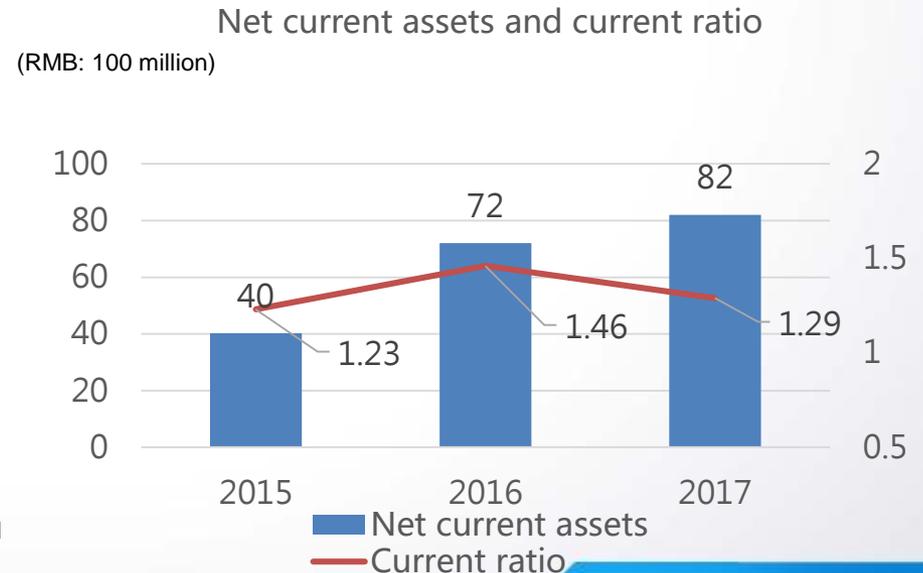
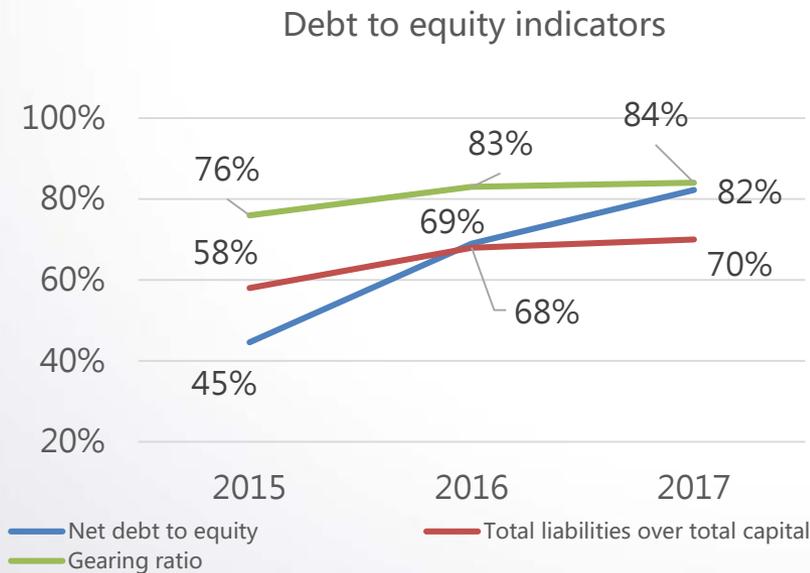
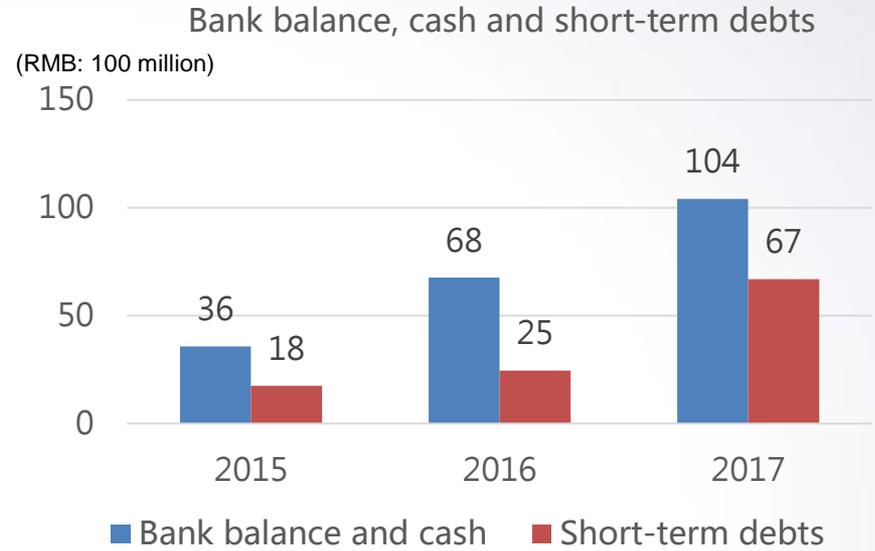
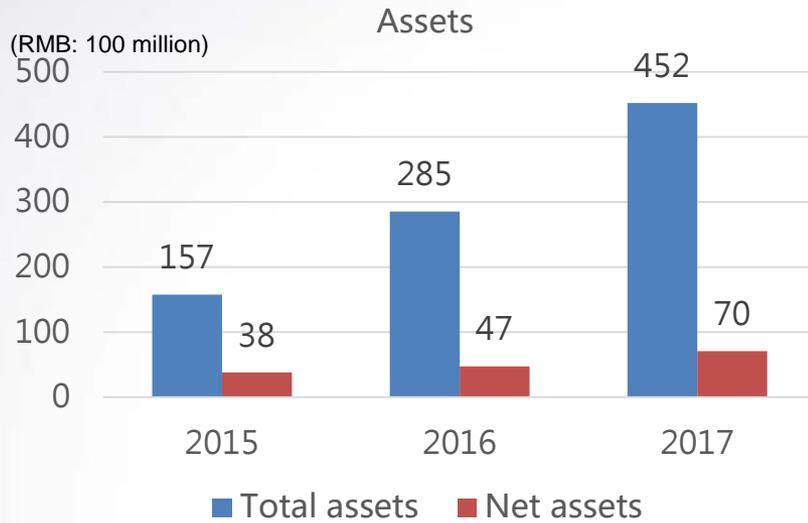
Regional revenue from properties + parking spaces in 2017
(total revenue: RMB 8,283 million)



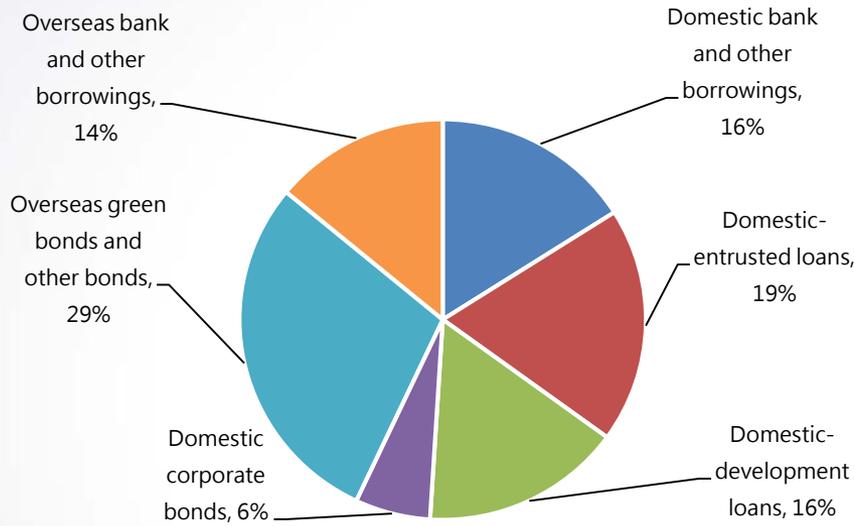
Regional contracted sales from properties and parking spaces in 2017
(Total contracted sales: RMB 22,186.2 million)



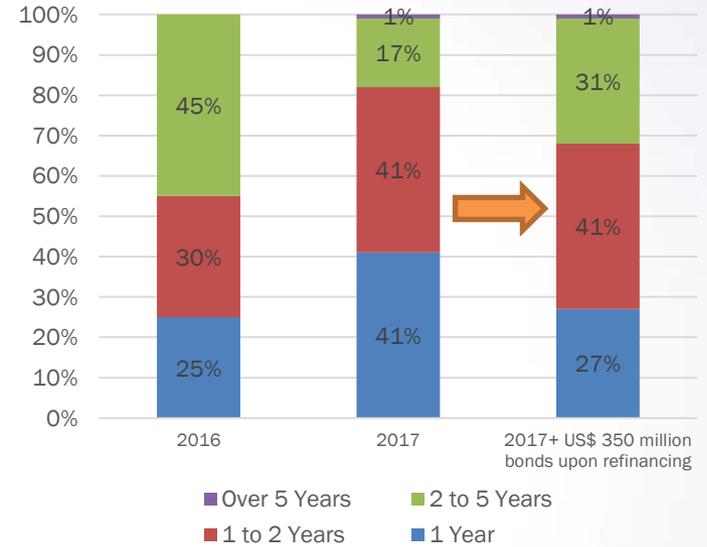
Scale up & Controllable Financial Stability



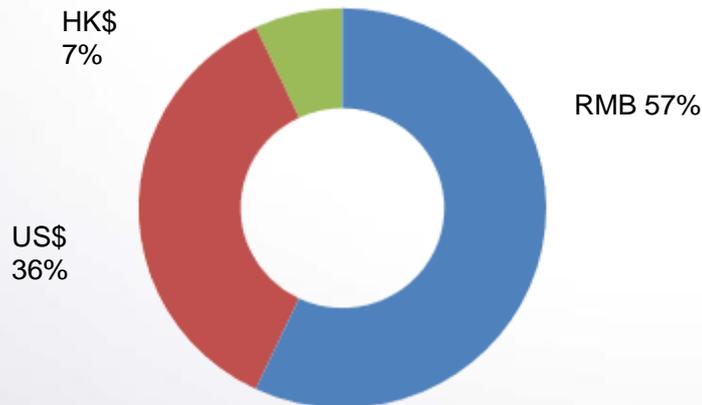
Debt Structure in 2017 (by type)



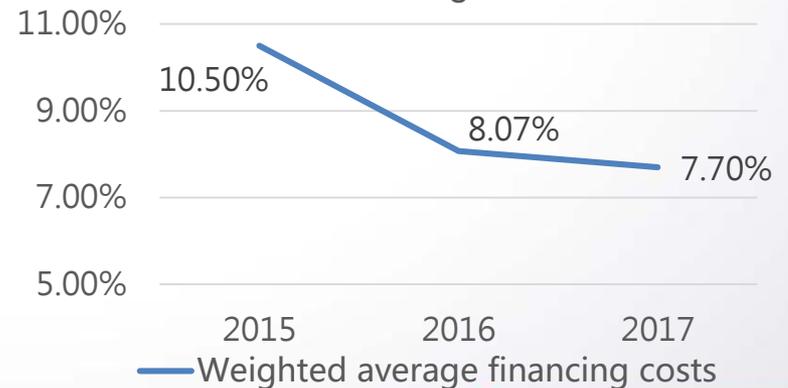
Debt Structure in 2017 (By term)



Debt structure in 2017 (currency)



Financing Costs





Green Focus

2017 Operational Highlights

- Improving financial capital
- Improving operating capabilities
- Enhancing Green brand

Brighter Future

2018 Outlook

- Green Finance
- Green technology in real estate
- Accelerating green gravity





Green Focus

2017 Operational Highlights

Improving financial capital

Improving operational capability

Enhancing green brand



Improving financial capital – by increasing market credibility

- Rated by First Shanghai Group, Guotai Junan Securities and China Investment Securities (HK) as buy and strong buy, respectively;
- In November 2017, Modern Land was incorporated to MSCI China Small Cap Index

Credit rating recognized in the international market



Security value fully recognized



16 August 2017
Rating: Buy
Target Price: HK\$ 2.50



6 September 2017
Rating: Buy
Target Price: HK\$ 2.12



15 November 2017
Rating: Strong Buy
Target Price: HK\$ 2.30



Improving financial capital – By increasing credit

In 2017, Modern Land had an aggregate facility exceeding **RMB 67.5 billion** throughout the year, which came from Cinda Investment, Bank of China and other premier financial institutions.



On 23 January 2017, Jinshang Bank granted a strategic credit facility of **RMB 1.8 billion** to Modern Land



On 18 September 2017, Bank of China, Hubei Branch granted a strategic credit facility of **RMB 5 billion** to Modern Land.



On 26 October 2017, Huishang Bank, Hefei Branch granted a strategic credit facility of **RMB 5 billion** to Modern Land.



On 15 December 2017, Bank of China, Gusu Branch granted a strategic credit facility of **RMB 6 billion** to Modern Land.



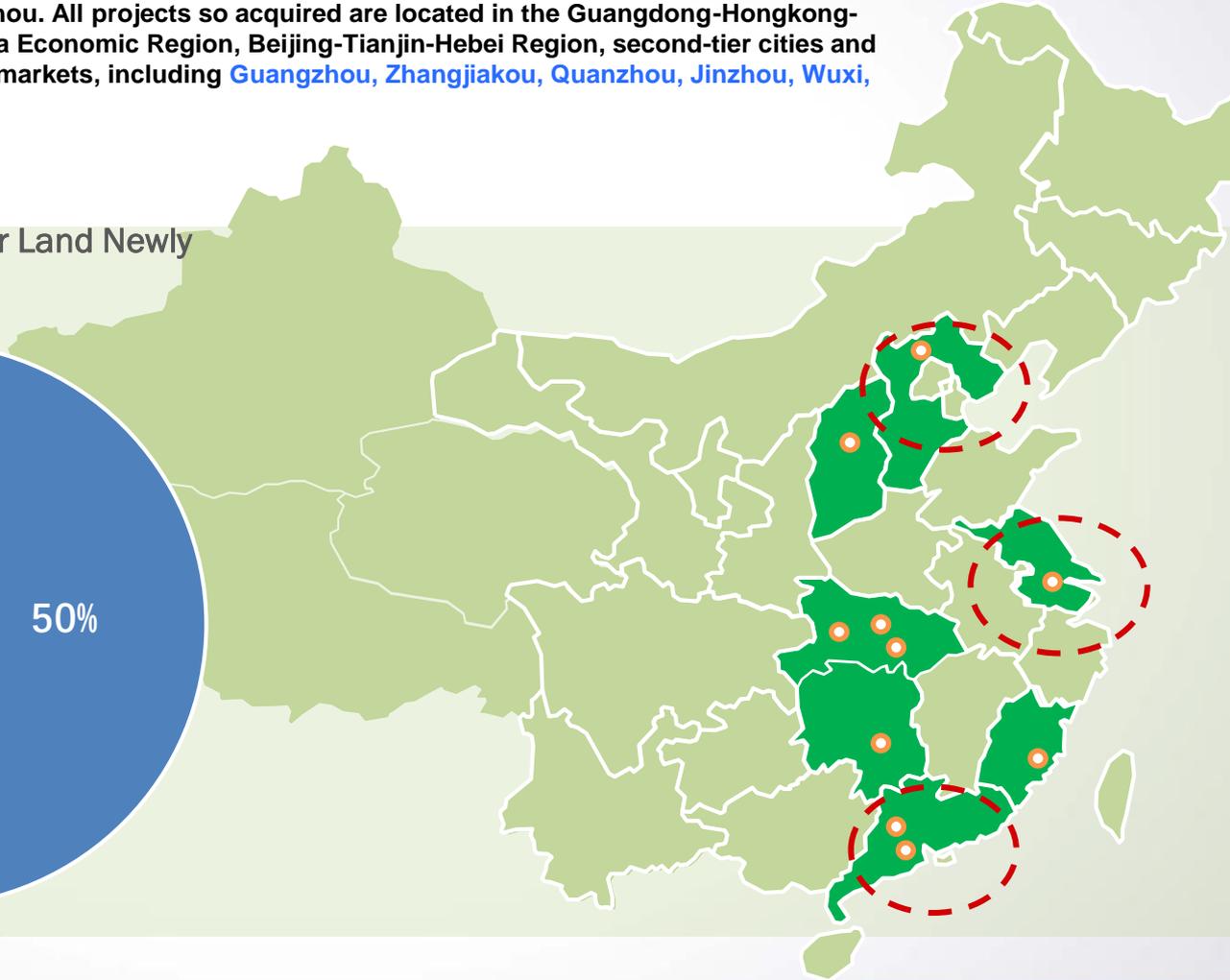
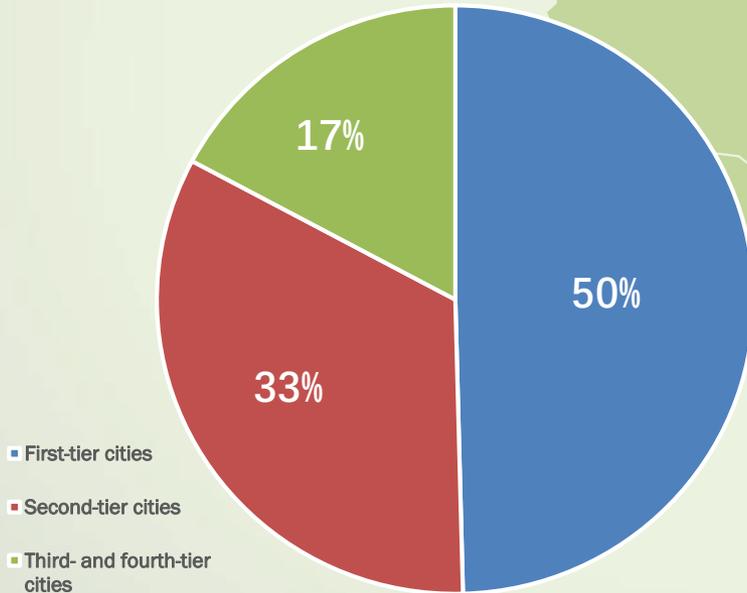
On 20 December 2017, Cinda Investment granted a strategic credit facility of **RMB 20 billion** to Modern Land.



Improving operational capability - By entrenching our business in specific regions with a focus on core cities

In 2017, Modern Land acquired **13** new projects with an additional land value of approximately **RMB 45 billion**, as well as additional gross floor area of approximately **2.9 million sq.m**. We also established our business footprint in **seven** key cities, including Guangzhou and Quanzhou. All projects so acquired are located in the Guangdong-Hongkong-Macau Greater Bay Area, Yangtze River Delta Economic Region, Beijing-Tianjin-Hebei Region, second-tier cities and neighboring areas. In 2017, we entered new markets, including **Guangzhou, Zhangjiakou, Quanzhou, Jinzhou, Wuxi, Zhuzhou and Huangshi**.

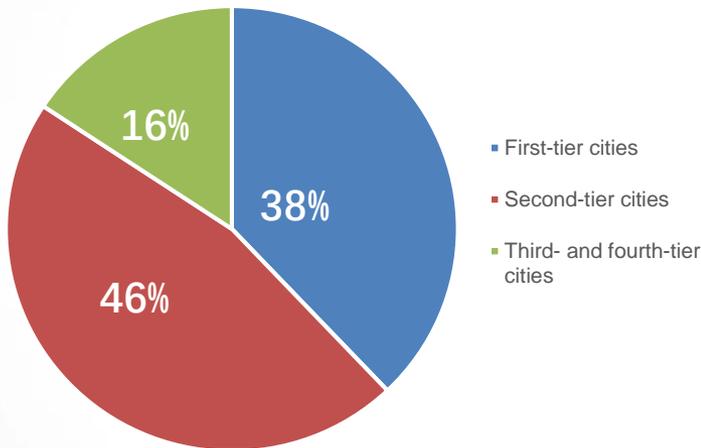
Distribution of Product Values for Land Newly Acquired in 2017



Improving operational capability - by selecting third- and fourth-tier cities in a prudent manner

To establish our business footprint in selected third- and fourth-tier cities, Modern Land will aim at its noticeable economic strength, including its GDP size exceeding RMB 500 billion; a large population base, especially with more than 5 million permanent residents and an average population influx of more than 100,000 per annum; an enormous property market capacity with average sales area of more than 5.5 million sq.m. each year; places in proximity with the core cities, which will take over industrial transfer and population migration from core cities and thus have a huge development potential for the property market.

Distribution of Remaining Product Values as of 31 December 2017 (by GFA)



By tier	Business footprint in the following cities
First-tier	Beijing, Shanghai and Guangzhou
Second-tier	Suzhou, Wuhan, Changsha, Taiyuan, Xi'an, Nanchang, Hefei, Nanjing, Foshan, Huizhou, Quanzhou, Wuxi and Zhengzhou
Third-tier	Xiantao, Jiujiang, Dongdaihe, Zhangjiakou, Huangshi, Jingzhou and Zhuzhou

As of 31 December 2017, the Company entered 22 cities and its land bank has a total gross floor area of approximately 6.49 million sq.m. at a product value of approximately RMB 110.8 billion. We entered Zhengzhou as a green entrusted construction contractor.

Modern Land's Standard of Selecting Third- and Fourth-tier Cities

- ✓ Total GDP citywide \geq RMB 500 billion
- ✓ GDP per capita \geq RMB 70,000
- ✓ Disposal income per capita \geq RMB 30,000
- ✓ Permanent residents \geq 5 million
- ✓ Net population influx \geq 100,000 per annum
- ✓ Urbanization rate \geq 65%
- ✓ Sales area of residential housing \geq 5.5 million m²
- ✓ Sales-supply ratio for residential housing \geq 2
- ✓ Market clearing cycle \leq 15 months
- ✓ Property development and investment amount \geq RMB 55 billion



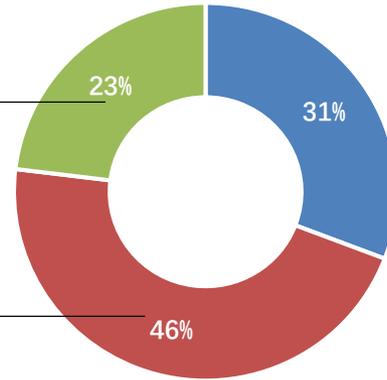
Improving operational capability - by applying multi-models for expanding green entrusted construction projects

In 2017 Modern Land acquired premier land parcels through collaboration on projects, merger and acquisition, green entrusted construction projects and other models. The gross profit margin of merger and acquisition projects is expected to be not less than **25%**. In addition, our **six** green entrusted construction projects, including Modern Hongfu Tower in Xi'an and Chengxing Wan Guo Cheng MOMA in Zhengzhou, has a contract value of **RMB 394 million**, the net profit margin of which is expected to be not less than **40%**.

Merger and acquisition

City	Acquisition Model	Plot ratio-based GFA (m ²)
Jingzhou	Equity Partnership	87,983
Guangzhou	Equity Partnership	284,596
Huangshi	Equity Partnership	214,468
Wuhan	Equity Acquisition	172,664
Wuhan	Equity Acquisition	268,141
Foshan	Equity Acquisition	29,222
Foshan	Equity Acquisition	37,776
Jinjiang	Equity Acquisition	426,305
Wuxi	Equity Acquisition	101,871

Distribution of Land Acquisition Models in 2017 (by Percentage)



- Acquired through tender, bidding and auction and joint bidding
- Equity acquisition
- Equity partnership

Entrusted green construction



Modern Hongfu Tower (Xi'an)



Modern Hui'er Mantang MOMA (Xi'an)



Jinyue Plaza Project (Zhangjiakou)



Modern Shiguangli Project (Huizhou)



Modern Chengxing Wan Guo Cheng MOMA (Zhengzhou)



H.Brothers Star Theater (Zhenjiang)

By focusing on the core competitive strength of our green technology, Modern Land will development small towns featured with our core competitive strength comprised of “**green technology + X**”. To meet **the upgrade demands in theme town scenes, consumption and residence** in China, we are committed to building a best practical vessel to contain the industrial value chain and the whole-life cycles of living and real estate by developing our green technologies, offering creative and pleasant residence, and integrating finance into our business.

Huizhou Xuri Cultural-tourism Town



Lingnan Cultural Pastoral Town

The project has a total site area of approximately 5,000 mu, which has a strong Lingnan cultural legacy. Built on the premier regional ecosystem, the project offers an integrated high-end resort featured with family-hour experience in intelligent agriculture, cultural tourism, high-end retreat, and healthcare in a natural environment.

Jiuhua Hill Lotus Town



International Zen Experience Resort Destination Good Will Education Base

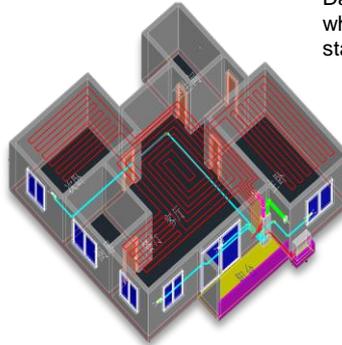
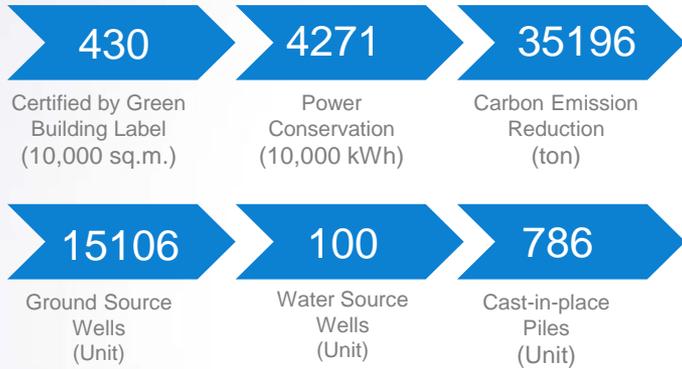
This project has a total site area of approximately 600 mu. Based on the premier tourist spot belt surrounding “Jiuhua Hill”, this project is expressed in the product “Jiuhua Courtyard”. Built on the organizational structure of an innovative beehive ecosystem, the operating advantage transforms the Jiuhua Hill Lotus Town with a new look.



Improving operational capability - green innovation

We have 82 core green technology patents, 23 of which are invention patents.
 Our delivered energy-saving buildings save annual power consumption by 42.71 kWh and reduce carbon emission by 35,196 tons.

Data as of 23 March 2018



Data from Modern Land Projects Energy Consumption Statistics, the calculation of which is based on the standard formula and building carbon emission measurement standard



Patent for prefabricated radiant panels Patent for heat exchanger radiant panels Patent for ceiling structure with dual-parallel radiant coils Patent for external window casing structure

In 2017, Modern Land was invited by the Human Settlements Commission of China Real Estate Association to participate in the preparation of the **Standard of Green Residential Areas**. In addition, Modern Land collaborated with China Real Estate Chamber of Commerce and Vanke Group as the joint lead authors to prepare the **Full Residential Renovation Rating Standards**.

Release of **the Modern Land White Paper on the Strategic Development of its Green Technology 2.0**

- Planning the next five-year green development strategy of Modern Land
- Directing the research and development of green technologies of Modern Land
- Continuing to enhance our core competitive strength as a leader of green technologies in the real estate sector



Improving operational capability - fast pre-sales amid premium rise

In 2017, Modern Land launched **81** rounds of property sales and **23** new projects in total, representing a sell-through rate of **65%**. Various projects reported fast sales when they were available for purchase, among which, Yan Hu Cheng MOMA in Taiyuan recorded 1,260 purchases within 30 seconds, while Wan Guo Cheng MOMA in Jinjiang was available for purchase and sold out within 54 days with a total sales of 1,055 units for a total purchase amount of RMB 1,131 million.

Project	Date of Launch	Weekly sell-through rate	Monthly sell-through rate	Compliance with our "678" Rules
Modern MOMA Future Town III (Hefei)	2017-01-12	100%	100%	Compliant
Modern Man Ting Chun MOMA I (Yangluo)	2017-10-22	100%	100%	Compliant
Modern Man Ting Chun MOMA II (Guanggu)	2017-04-08	100%	100%	Compliant
Modern Wan Guo Cheng MOMA I (Jinjiang)	2017-10-28	99.5%	100%	Compliant
Modern Man Tang Yue MOMA II (Xi'an)	2017-02-19	98.7%	100%	Compliant
Modern Wan Guo Cheng MOMA Phase 3.1 (Furong)	2017-03-03	98%	88%	Compliant
Modern Man Ting Chun MOMA IV (Xiantao)	2017-06-25	70%	80%	Compliant
.....				



1,260 purchases of Yan Hu Cheng MOMA in Taiyuan within 30 seconds.



Wan Guo Cheng MOMA in Jinjiang was available for purchase and sold out within 54 days with a total sales of 1,055 units for a total purchase amount of RMB 1,131 million. Subject to the property restriction policy, the project reported **an average sales price of RMB 10,346 for bare-shell apartments, being the highest price in the region.**



Man Ting Chun MOMA (Xiantao) was a success in January 2017 with a single month sales of over RMB 100 million. The total sales area throughout the year exceeded 200,000 sq.m.



Modern MOMA Future Town (Hefei) was a strong sales, with all units sold out quickly.



Our Wuhan Yangluo Project was available for two sales during the year, during which all units were sold out.
.....



In 2017 Modern Land upgraded from the “6867810” Rule to the “456” Rule, pursuant to which, Heshun Man Ting Chun MOMA (Foshan), which was acquired on 12 April, became available for sales in the market on 26 June in two months.

Construction commenced in 6 months

Project	Date of Acquisition	Construction Commenced
Man Ting Chun MOMA (Heshun)	12 April 2017	in 1 month
Wan Guo Cheng MOMA (Jinjiang)	4 May 2017	in 1 month
Chun Feng Hu Shang MOMA (Wuxi)	11 August 2017	in 2 months
Tian E Hu MOMA	16 December 2016	in 5 months

Available for sales in 8 months

Project	Date of Acquisition	Sales Launched
Man Ting Chun MOMA (Heshun)	12 April 2017	in 2 months
Chun Feng Hu Shang MOMA (Wuxi)	11 August 2017	in 4 months
Wan Guo Cheng MOMA (Jinjiang)	4 May 2017	in 5 months
Man Tang Yue MOMA (Jingzhou)	25 June 2017	in 6 months
Tian E Hu MOMA	16 December 2016	in 6 months

Digitization process and whole-cycle operation and management

- Investment and development
- Financial planning
- Marketing and customer services
- Planning and design

“Five 3s” working center

- Engineering management
- Human resources
- Information operation
- The ninth professional

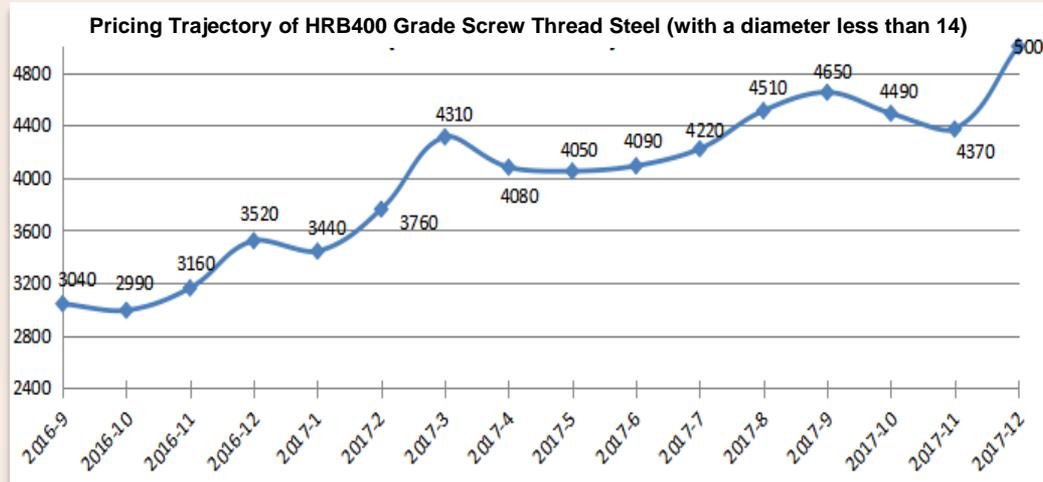


Faced with soaring costs of production resources and engineering materials in 2017, Modern Land established its preliminary cost control system, under which, costs are minimized in the design phase, and the informatized cost control platform with 216 functions achieve the final cost saving target. Thus, risks are effectively controlled.

65%

Rising prices of materials

Rising prices of materials have a greater impact on the costs of various items



Cost saving target achieved

Preliminary cost control system

Informatized cost control platform



Improving operational capability – By upgrading product structure

In 2017, Modern Land expanded its 6 product series under 3 product lines with respect to residences to 7 product categories under 11 product lines, which cover residence operations, commercial operations, apartment operations, hotel operations, retirement community operations, education operations, and theme town operations.



3 Product Lines 6 Product Series	3 Product Lines 5 Product Series	1 Product Lines 3 Product Series	1 Product Lines 3 Product Series	1 Product Lines 1 Product Series	1 Product Lines 3 Product Series	1 Product Lines 1 Product Series
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Wan Guo Cheng MOMA	Business Center	COCOMOMA	HOTEL MOMC	Ivy MOMC	MOMAKIDS (Kindergarten)	MOMA town
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Wan Guo Cheng MOMA Wan Guo Cheng MOMA	MOMA Plaza MOMA Financial Street MOMA Town	Moma Apartment Yue MOMA Serviced apartment	Hotel MOMC (Standard A) Hotel MOMC (Standard B) Hotel MOMC (Standard C)		General kindergarten Dual-language kindergarten International kindergarten	
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Shang Pin Ge MOMA	Neighborhood Center
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Shang Pin Ge MOMA Shang Pin Wan MOMA	MOMA World
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Man Tang Yue MOMA	Community Services Center
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Man Tang Yue MOMA Man Ting Chun MOMA	MOMA Meeting
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In 2017, Modern Land received more than **50** awards, among which, **34** awards were related to green real estate, **3** awards were related to finance, and **5** awards were granted under the Elite Technology Awards. In addition, we received **8** green certifications, including **2** two-star design labels, **2** three-star operation labels, **1** three-star healthy building label, and **3** green residential certifications. As of 31 December 2017, there were a total of **19** certified green residential areas, **6** of which belonged to Modern Land. Our Modern Wan Guo Fu MOMA (Foshan) is **one of the first three-star healthy building label certifications**, while our Modern MOMA (Beijing) is the **first project that successively receives the certificate of three-star green building label for its operations across the country**.



Standard ranking
First Place of 2017 China Model Green Property Developers in Operation



Top 1 2017 China Green Property



2017 China Top 100 Real Estate Developers
By China Real Estate Top 10 Research



2017 China Specialized Real Estate Company – Green Technology Real Estate
By China Real Estate Top 10 Research



Candidate Project under the Guangsha Prize
By China Real Estate Association



The Elite Technology Award
Data and Information Application Innovation Award



2017 China Top 100 Real Estate Developers – Top 10 Growth Enterprise
By China Real Estate Top 10 Research



2017 China Top 100 Real Estate Developers – Top 10 Financial Capability
By China Real Estate Top 10 Research

Green certificates obtained in 2017

Project	Star level	Project	Star level
Floor C1# to C17 and basements of Chun Feng Hu Shang MOMA (Wuxi)	Two-star design label	Wan Guo Fu MOMA (Foshan) (Healthy residence project)	Three-star health label
Wan Guo Fu MOMA (Shanghai) (Residence project)	Two-star design label	Wan Guo Shu MOMA (Suzhou)	Green residential area
Renewed certificate of Modern Wan Guo Cheng MOMA (Beijing)	Three-star label for operations	Wan Guo Fu MOMA (Foshan)	Green residential area
No. 18 and 19 residential buildings of Wan Guo Cheng MOMA (Changsha)	Three-star label for operations	Jinjiang Wan Guo Cheng MOMA (Quanzhou)	Green residential area

Enhancing green brand - By fulfilling green corporate social responsibilities

In 2017, Modern Land organized **three** events for green social corporate responsibilities by deepening its working relationship with China Social Welfare Foundation, Hong Foundation and other public welfare foundations, namely, the Runya Program, the public welfare action headed “**MOMA Smiles with You 1+1** for Our Loving Home”, and the annual public music concert headed “MOMA Gives you Wings”.





Bright Future

2018 Outlook

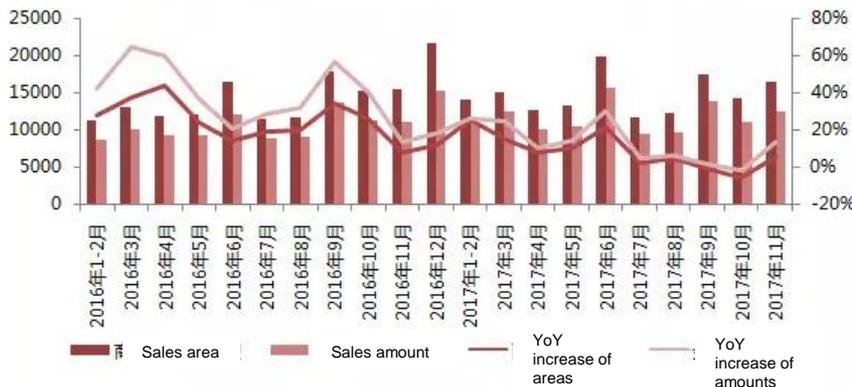
- Green Finance
- Green Technology in Real Estate
- Accelerating Green Gravity



Market trend judgment- deleveraging, long-term effect mechanism, market stabilization, and quality improvement

- ✓ **As for monetary environment:** Deleveraging will continue to proceed. To prevent the property bubble risks, the government continues to maintain tightened financial policies, exercise stringent oversight of the financial system, and extend the deleveraging policies. On the other hand, local governments in the popular cities will continue to tighten the credit facilities on a full scale, curb the influx of non-compliant consumption-based cash in various forms into the real estate sector, and strengthen risk control measures for corporate investments.
- ✓ **As for government policies:** The government will expedite the implementation of a long-term effect mechanism for the real estate sector, which ensures supplies from multiple sources, provides housing support through multiple channels, and encourages both home purchases and rentals.
- ✓ **As for the market:** Following more policies introduced to enhance regulation in 2017, the market in 2018 will anticipate a stable period, during which, there will be no noticeable fluctuation as a portion of second- and third-tier cities will witness a fairly good expectation in terms of inventories and a balanced supply-demand relationship.
- ✓ **As for the industry:** In line with a rising awareness among customers in 2018, their growing need for a better life will boost the requirements for home improvement, which in return will result in an increasing demand for product quality. In 2018, green products will continue to enjoy a favorable outlook.

Figure: Monthly sales area, amounts and the year-on-year increase of commodity properties across the country (Unit: 10,000 sq.m.)



Source: National Bureau of Statistics

Figure: Capital Concentration of Top 100 Property Developers from November 2015 to 2017

Amount	2015	2016	2017.11	Increase
TOP3	7.7%	8.9%	12.8%	3.9 pts
TOP10	17.0%	18.7%	24.8%	6.1 pts
TOP20	23.1%	25.2%	33.1%	7.9 pts
TOP30	26.6%	29.4%	38.9%	9.5 pts
TOP50	32.1%	35.3%	46.0%	10.7 pts
TOP100	40.0%	44.8%	55.0%	10.2 pts

Source: CRIC, China Real Estate Appraisal



In 2018, the real estate sector will face three scenarios of simultaneous existence, namely, **holding and sales of properties; existing inventories and increasing inventories; and property development and operations.**



**Holding and
sales of
properties**

Encouraged by the policy of “apartments for residence not for speculation” under such general market conditions where residential land resources are limited in cities with a high population density, a diverse housing system will be developed to allow the simultaneous existence of the commodity property and property lease markets.



**Existing
inventories
and
increasing
inventories**

As tightening policies are rolled out to restrict purchases, pricing and loans, the price inversion of second-hand properties becomes commonplace in many cities with a simultaneous existence of existing inventories and increasing inventories. In such case, a long-term counterbalance will appear.



**Property
development
and
operations**

Future competition between enterprises represents competition between value-driven ecosystems, as well as between ways of life. Therefore, the property developers shall ensure a smooth operation in addition to project development.



Green Finance – By further issuing green bonds and obtaining green rating certification

On 27 February 2018, Modern Land issued its overseas green bonds for a third time at a total principal of US\$ 350 million, and received the S&P Global Ratings Green Evaluation. Simultaneously, Modern Land received the “Green Finance Pre-issuance Stage Certification” issued by the Hong Kong Quality Assurance Agency, a non-profit institution established by the HKSAR government. This certification scheme was introduced in January 2018, and we were the first PRC property developer to receive such green certification.

No.	Date of Issue	Total Principal
1	2016.10.14 and 2016.12.29	Total of US\$ 500,000,000 at a coupon rate of 6.875%
2	2017.06.29	US\$ 130,000,000 at a coupon rate of 6.5%
3	2018.02.27	US\$ 350,000,000 at a coupon rate of 7.95%

證書編號：CC 6426



茲證明所建議發行

XS1775946285

由

當代置業(中國)有限公司

符合綠色金融認證計劃的要求

適用於

發行前階段

此證書之有效性在於能滿足此認證計劃的要求。

香港品質保證局

林宇傑 總裁
董事

S&P Global Ratings

Green rating

Modern Land Issues US\$ 350 million Green Bonds

Transaction Description

As of 27 February 2018, Modern Land (China) Co., Limited issued US\$350 million green bonds due in 2021, pursuant to the framework of which, Modern Land will apply the proceeds from such bonds for the purposes of the green building and construction in the PRC and obtaining financing or refinancing for environmental certification and green building and renovation, including but not limited to the refinancing for the existing debts of the projects.

In 2018, Modern Land will adhere to its investment strategy coded as the “3+13+M” Initiative, under which, we will continue to entrench our business operations in the Beijing-Tianjin-Hebei Region, the Yangtze River Delta Economic Region and the Guangdong-Hongkong-Macau Greater Bay Area, while constantly observing the 13 strong second-tier cities, including Wuhan, Xi’an and Hefei. In addition, we will consider the third- and fourth-tier opportunity-driven cities that meet our investment standards.

“3” refers to our focus on the Beijing-Tianjin-Hebei Region, the Yangtze River Delta Economic Region and the Guangdong-Hongkong-Macau Greater Bay Area;

“13” refers to our continued commitment to entrench our businesses in the 13 cities that are second-tier, strong second-tier and quasi second-tier types;

“M” refers to such third- and fourth-tier opportunity-driven cities that meet Modern Land’s investment standards for market penetration, especially top 100 economic powerhouses at the county-level across the country.

Investment strategy	Yangtze River Delta Economic Region	Guangdong-Hongkong-Macau Greater Bay Area	Beijing-Tianjin-Hebei Region	Midstream Yangtze River Region	Chengdu-Chongqing	Others
Strategic entrenchment	Shanghai and its neighboring areas, Hangzhou, Nanjing, Suzhou, Ningbo, Wuxi and Hefei	Guangzhou, Shenzhen, Foshan, Dongguan and Huizhou	Beijing and Tianjin	Wuhan, Changsha and Nanchang	Chengdu and Chongqing	Zhengzhou, Xi’an and Taiyuan
Prioritized market penetration	Jiangxing, Zhenjiang, Changzhou, Shaoxing, Yangzhou, Wuhu, Huzhou, Xuzhou, Nantong, Taizhou and Huaian	Zhuhai, Zhongshan and Shantou	Baoding, Shijiazhuang and Langfang	Zhuzhou, Huanggang, Xiatao and Ganzhou	-	City clusters in Shandong Peninsula and top 100 county-level economic powerhouses
Opportunity-driven market penetration	Lianyungang, Huainan, Maanshan, Fuyang, Chuzhou, Suqian and Luan	Zhaoqing, Zhanjiang, Qingyuan and Jiangmen	Beijing’s neighboring area: Zhangjiakou, Cangzhou, and county-level cities in proximity to Tangshan and Beijing	Yichang, Xiangyang, Changde, Tianmen, Jingzhou, Jiujiang and Huangshi	Mianyang, Nanchong and Dazhou	-



Column 1: major indicators achieved for the senior retirement development and the development of the retirement system during the “twelfth five-year plan” period

Major Indicators	Completion status	Expected target	Completion rate (%)
Participants in urban employees' basic retirement benefits (by 100 million)	3.54	3.57	99
Participants in urban and rural residents' basic retirement benefits (by 100 million)	5.05	4.5	112
Percentage of corporate retirees under social management programs (%)	81.1	80	101
Annual growth rate of retirees' retirement pension (%)	10.7	7	152
Average standard annual growth rate of five rural insurances (%)	15.3	7	219
Participants in urban and rural residents' basic medical insurance (by 100 million)	13.3	13.2	101
Number of beds for every thousand retired senior citizens (by bed)	30.3	30	101
Legal assistance coverage for general senior citizens (%)	98	75	131
Establishment rate of urban and rural senior citizen associations and communities (%)	81.9	87.5	94
Participation rate of senior citizen education programs (%)	3.5	5	70
Percentage of senior volunteers (%)	10	10	100

✓ As for policy direction: the retirement service system shall be improved; the healthcare support system shall be enhanced; a dynamic senior citizen consumption market shall be encouraged; a comfortable living environment for senior citizens shall be promoted; the life experience for senior citizens on both the mental and cultural fronts shall be enriched; social engagement by senior citizens shall be expanded; the legitimate interests and rights of senior citizens shall be safeguarded; the work foundation and planning shall be strengthened and safeguarded, respectively.

✓ As for corporate development strategy: the Ivy Whole Life retirement model represents Modern Land's branded product line in a retirement sector, which covers the whole-life retirement, global retirement package, livable communities for all age groups and intelligent retirement services. By tapping into the knowledge of the advanced retirement model from North America, Modern Land will further introduce technologies and processes to the domestic market. Integrated with medical treatment, we will present a brand new retirement model to senior citizens in the domestic market.

✓ As for corporate brands: our service and operating brand is 常青藤MOMS in Chinese (translated as “Ivy MOMS”) or Whole life MOMS in English. Our financial and capital brand is 常青藤 MOMF in Chinese (translated as “Ivy MOMF”) or Whole life MOMF in English.

Column 2 major indicators for the senior retirement development and the development of the retirement system during the “thirteenth five-year plan” period

Type	Indicators	Target
Social security	Participation rate of basic retirement benefits	90%
	Participation rate of basic medical insurance	Constantly over 95%
Retirement services	Percentage of retirement beds operated by the government	Not more than 50%
	Percentage of nursing care beds for retirees	Not less than 30%
Health support	Senior citizens' health quality	Up to 10%
	Percentage of senior citizens department at comprehensive hospitals at Level 2 or above	35% or more
	Health management rate of senior citizens aged 65 or above	70%
Mental and cultural life	Percentage of towns (streets) with schools for senior citizens	50%
	Percentage of senior citizens participating in regular education activities	20% or more
Social engagement	Percentage of registered senior volunteers over senior citizens	12%
	Coverage rate of urban and rural senior citizen associations and communities	90% or more
Invested insurances	Percentage of public welfare lottery fund for retirement services	50% or more

Source: Guo Fa [2017] No 13



We will build a community where everyone can grow strong and healthy. Our community lifestyle model adopts an integrated and innovative approach to connect people by striking a balance between building and technology, which is defined by us as the “Whole Life Communities”.



Mr. Raymond K. Li , CEO

Timm Kukler, VP

Mr. LAM Tsz Kin Dave, MOMF CEO



Green Technology in Real Estate – Modern Green MOMC

Whole Life Communities MOMC Rental/Available-for-sales apartments in livable communities for all age groups + retirement period

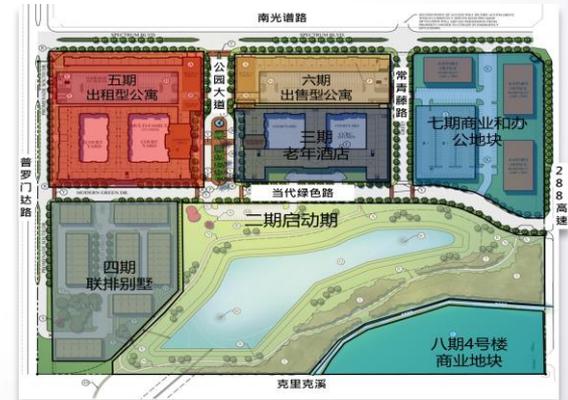
Modern Green Seattle 9th Avenue MOMC
Rental apartments in livable communities for all age groups



Modern Green REDMOND MOMC
Rental apartments in livable communities for all age groups
Available-for-sales apartments in livable communities for all age groups



Modern Green Houston MOMC
Rental apartments in livable communities for all age groups
Available-for-sales apartments in livable communities for all age groups
Retirement period



Green Technology in Real Estate - Launching sales of properties

In 2018, a total of **36** projects will be launched **133** rounds of property sales, among which, such projects as Modern MOMA Shang Pin Wan (Huizhou) and Wan Guo Cheng MOMA (Tongzhou) will be successively launched.



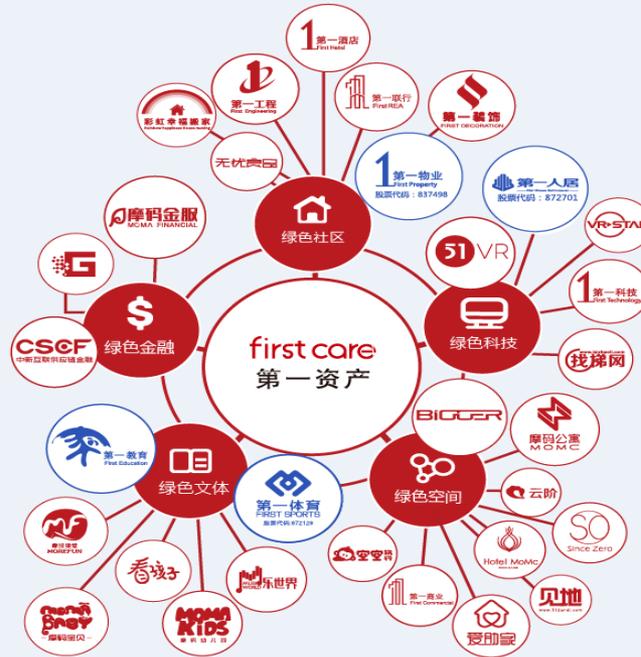
The associated companies of Modern Land complete transforming from an innovative ecosystem into a gravity accelerator. The innovative ecosystem created “1” business out of “0” business. In comparison, our gravity accelerator at the present will expand from “1” business to “100” businesses or more. The gravity accelerator will enable industrial empowerment through community scenes, while providing a whole-life cycle community to generate a higher product premium.



First Property raised a capital of RMB 100 million



51VR raised a capital of RMB 210 million for Series B Round



Three Platforms + Five Business Divisions



First Property Listed on NEEQ



First Sports Listed on NEEQ



First MOMA Human Listed on NEEQ

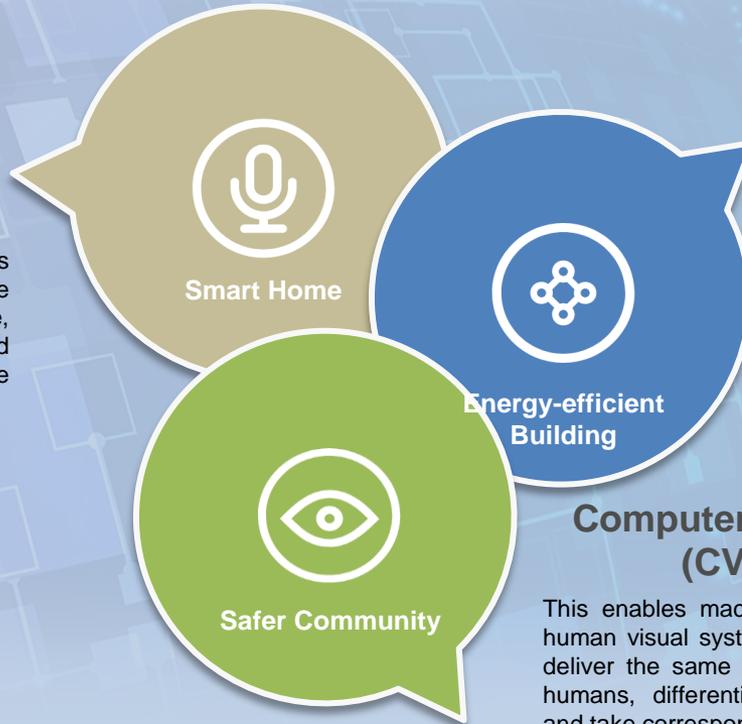


In 2018, Modern Land will work with 51VR, First MOMA Human and other associated companies to build the MOMA AI Community, the first cloud-based computing artificial intelligence community system, which will be gradually applied to communities.

Three Core Technologies Applied to MOMA AI Communities

Natural Language Processing (NLP)

This enables machines to process human languages, understand the meanings of a human language, decode the human emotions and intentions, and finally provide corresponding answers or actions.



Smart Home

Energy-efficient Building

Safer Community

Deep learning (DL)/Machine learning (ML)

This enables machines to learn and think the same way as humans. Various types of learning and training help improve their intelligence to become experts in various professions.

Computer vision (CV)

This enables machines to acquire the human visual system so that machines deliver the same perceptive effects as humans, differentiate between things, and take corresponding actions.





RMB 32 Billion

Annual Contracted Sales Target





A BRIGHTER FUTURE WITH GREEN FOCUS

