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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)

ISSUANCE OF US\$125,000,000 12.75% SENIOR NOTES DUE 2019

Reference is made to the announcement of the Company dated 24 July 2014 in respect of the Notes Issue.

The Board is pleased to announce that on 24 July 2014 (New York time), the Company, the Subsidiary Guarantors, Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Guotai Junan, Morgan Stanley and CLSA entered into the Purchase Agreement in connection with the issue of US\$125,000,000 12.75% senior notes due 2019.

The estimated net proceeds of the Notes Issue, after deduction of underwriting discounts and commissions and estimated offering expenses, will amount to approximately US\$120.97 million and the Company intends to use the net proceeds from the Notes Issue to refinance certain existing indebtedness and fund existing and new property projects (including development costs and land acquisition costs). The Company may adjust its development plans in response to changing market conditions and may therefore reallocate the use of proceeds from the Notes Issue.

The Company has received approval in-principle for the listing and quotation of the Notes on the Official List of the SGX-ST. Approval in-principle granted by the SGX-ST for the listing and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes, the Company and/or the Subsidiary Guarantors. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.

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The Board is pleased to announce that on 24 July 2014, the Company, the Subsidiary Guarantors, Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Guotai Junan, Morgan Stanley and CLSA entered into the Purchase Agreement in connection with the Notes Issue in the aggregate principal amount of US\$125,000,000.

THE PURCHASE AGREEMENT

Date: 24 July 2014 (New York time)

Parties to the Purchase Agreement

- (a) the Company as issuer;
- (b) the Subsidiary Guarantors;
- (c) Credit Suisse;
- (d) Goldman Sachs;
- (e) HSBC;
- (f) J.P. Morgan;
- (g) Guotai Junan;
- (h) Morgan Stanley; and
- (i) CLSA.

Credit Suisse and Goldman Sachs have been appointed as the joint global coordinators and Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Guotai Junan, Morgan Stanley and CLSA have been appointed as the joint lead managers and joint bookrunners for the Notes Issue. Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Guotai Junan, Morgan Stanley and CLSA are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Guotai Junan, Morgan Stanley and CLSA is an independent third party and not a connected person of the Company.

The Notes and the Subsidiary Guarantees have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States or to U.S. person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will only be offered outside the United States in reliance on Regulation S of the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

Principal terms of the Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$125,000,000 which will mature on 31 July 2019, unless earlier redeemed pursuant to the terms thereof.

Issue Price

The Issue Price of the Notes will be 99.101% of the principal amount of the Notes.

Interest

The Notes will bear interest from and including 31 July 2014 at the rate of 12.75% per annum, payable semi-annually in arrears on 31 January and 31 July of each year, beginning 31 January 2015.

Ranking of the Notes

The Notes will be general obligations of the Company and will be (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (2) at least pari passu in right of payment with the 2013 Notes and January 2014 Notes and all other unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness of the Company pursuant to applicable law); (3) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations; (4) effectively subordinated to the other secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefore (other than the Collateral); and (5) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

Events of default

The events of default under the Notes will include, among others:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (3) default in the performance or breach of certain covenants under the Indenture or the Notes;
- (4) the Company or certain of its subsidiaries defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the Notes;

- (5) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding aggregate principal amount of US\$7.5 million (or the Dollar Equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all of them to exceed US\$7.5 million (or the Dollar Equivalent thereof) (subject to certain conditions);
- (7) an involuntary case or other proceeding is commenced against the Company or certain of its subsidiaries with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain subsidiary or for any substantial part of the property and assets of the Company or certain subsidiaries and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or certain subsidiaries under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) the Company or certain of its subsidiaries (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) other than in connection with a solvent liquidation or reorganization, consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain of its subsidiaries, or for all or substantially all of the property and assets of the Company or certain of its subsidiaries or (c) effects any general assignment for the benefit of creditors;
- (9) any Subsidiary Guarantor or any JV Subsidiary Guarantor denies or disaffirms its obligations under its guarantees securing the obligations of the Notes or, except as permitted by the Indenture, any such guarantees are determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect;
- (10) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or
- (11) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under any security document or, other than in accordance with the Indenture and the security documents, any security document ceases to be or is not in full force and effect or the collateral agent of the Notes ceases to have a first priority security interest in the Collateral (subject to any permitted liens).

If an event of default occurs and is continuing under the Indenture, other than an event of default specified in (7) and (8) above, the trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the request of such holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in (7) and (8) above occurs, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of the Notes.

Security

The Company has pledged or cause the initial Subsidiary Guarantor Pledgor to pledge, as the case may be, the Collateral on a first priority basis in order to secure the obligations of (a) the Company under the 2013 Notes and of the initial Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, (b) the Company under the January 2014 Notes and of the initial Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder and (c) the Company and the Subsidiary Guarantor Pledgors under any permitted *pari passu* secured indebtedness.

The Company has agreed to extend, or cause the initial Subsidiary Guarantor Pledgor to extend, as the case may be, the benefit of the security interests created over the Collateral to the holders on the original issue date in order to secure the obligations of the Company under the Notes and the Indenture and of such initial Subsidiary Guarantor Pledgor under its Subsidiary Guarantee. Upon the trustee (i.e. Citicorp International Limited) acceding to the Intercreditor Agreement in the prescribed manner, such security interests will be so extended.

The Collateral may be released or reduced in the event of certain asset sales and certain other circumstances.

Covenants

The Notes, the Indenture governing the Notes and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- declare dividends on its capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of certain of the Company's subsidiaries;
- guarantee indebtedness of certain of the Company's subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;

- enter into agreements that restrict certain of the Company's subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

Optional Redemption

At any time and from time to time on or after 31 July 2017, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve month period beginning on 31 July of each of the years indicated below.

Period Redemption Price

2017	106.3750%
2018	103.1875%

At any time prior to 31 July 2017, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 31 July 2017, the Company may redeem up to 35% of the principal amount of the Notes at a redemption price of 112.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

Delisting Put Right

In the event the Company's shares cease to be listed or admitted to trading or have been suspended for a period equal to or exceeding 30 or more consecutive trading days on the Stock Exchange, each Holder of the Notes may require the Company to redeem all or some of such holder's Notes at 101% of their principal amount together with accrued interest to (but not including) the date of redemption.

Repurchase upon change of control

No later than 30 days following the occurrence of certain events constituting a change of control triggering event (as defined in the Notes), the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

Proposed use of proceeds

The Company is a property developer focused on the development of green, energy-saving and eco-friendly residences in the PRC. The Company commenced its property development business in Beijing in 2000, and has expanded its operations to Taiyuan, Changsha, Nanchang, Jiujiang and Xiantao located in Shanxi, Hunan, Jiangxi and Hubei provinces, respectively.

The Company intends to use the net proceeds from the Notes Issue to refinance certain existing indebtedness, fund existing and new property projects (including development costs and land acquisition costs) and for general corporate purposes. The Company may adjust its development plans in response to changing market conditions and may therefore reallocate the use of proceeds from the Notes Issue.

Listing and rating

The Company has received approval in-principle for the listing and quotation of the Notes on the Official List of the SGX-ST. Approval in-principle granted by SGX-ST for the listing and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes, the Company and/or the Subsidiary Guarantors. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.

The Notes are expected to be rated “B” by Fitch Ratings and “B2” by Moody’s Investor’s Service.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2013 Notes”	any and all currently outstanding notes of the Company’s 13.875% senior notes due 2018 issued on 4 November 2013;
“Board”	the board of Directors;
“CLSA”	CLSA Limited, one of the joint bookrunners and joint lead managers in respect of the Notes Issue;
“CNY”	Chinese yuan or renminbi, the lawful currency of the PRC;
“Collateral”	all collateral securing, or purported to be securing, directly or indirectly, the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, and shall consist of the charge over shares of the Subsidiary Guarantors;
“Company”	Modern Land (China) Co., Limited (當代置業(中國)有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange;
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Credit Suisse”	Credit Suisse Securities (Europe) Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Directors”	the directors of the Company;

“Dollar Equivalent”	With respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination;
“Guotai Junan”	Guotai Junan Securities (Hong Kong) Limited, one of the joint bookrunners and joint lead managers in respect of the Notes Issue;
“Group”	the Company and its subsidiaries;
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint bookrunners and joint lead managers in respect of the Notes Issue;
“January 2014 Notes”	any and all currently outstanding notes of the Company’s 11% CNY-denominated senior notes due 2017 issued on 15 January 2014;
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint bookrunners and joint lead managers in respect of the Notes Issue;
“Indenture”	the written agreement among the Company, the Subsidiary Guarantors and the trustee that specifies the terms of the Notes including the interest rate of the Notes and the maturity date;
“JV Subsidiary Guarantors”	Subsidiaries of the Company that will in the future provide limited-recourse guarantee for the Notes;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint bookrunners and joint lead managers in respect of the Notes Issue;
“Notes”	the 12.75% guaranteed senior notes due 2019 in the principal amount of US\$125,000,000 to be issued by the Company;
“Notes Issue”	the issue of the Notes by the Company;
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);

“Purchase Agreement”	the purchase agreement dated 24 July 2014 entered into among the Company, the Subsidiary Guarantors, Credit Suisse, Goldman Sachs, HSBC, J.P. Morgan, Guotai Junan, Morgan Stanley and CLSA in relation to the Notes Issue;
“Securities Act”	the United States Securities Act of 1933, as amended;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	certain subsidiaries of the Company organized outside the PRC which will jointly and severally guarantee the Company’s obligations under the Notes; and such guarantees are referred to as “Subsidiary Guarantees”;
“Subsidiary Guarantor Pledgor”	certain Subsidiary Guarantor that will provide pledges over the shares of the Subsidiary Guarantor held by it to secure the obligations of such Subsidiary Guarantor under its guarantee for the Notes;
“U.S.” or “United States”	United States of America;
“US\$” or “U.S. dollars” or “USD”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

By order of the Board
Modern Land (China) Co., Limited
Zhang Lei
Chairman

Hong Kong, 25 July 2014

As at the date of this announcement, the Board comprises eight directors, namely executive directors: Mr. Zhang Lei, Mr. Zhang Peng, Mr. Chen Yin, Mr. Fan Qingguo and Mr. Zhong Tianxiang, and independent non-executive directors: Mr. Qin Youguo, Mr. Cui Jian and Mr. Hui Chun Ho, Eric.