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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)

DISCLOSEABLE AND CONNECTED TRANSACTION TERMINATION OF THE JOINT VENTURE INVOLVING ACQUISITION OF SHARES IN THE JOINT VENTURE COMPANY AND THE JV SUBSIDIARY AND TERMINATION OF A CONTINUING CONNECTED TRANSACTION

TERMINATION OF THE JOINT VENTURE

References are made to the Company's announcements dated 10 September 2014 and 10 October 2014 in relation to, *inter alia*, the Joint Venture between the Company and Great Wall in relation to the development of the Lands and the entering into of the Great Wall Management Agreement.

The Board wishes to announce that the Company, Great Wall and the Joint Venture Company have entered into the Termination Agreement on 29 April 2016, pursuant to which the parties agreed to terminate the Joint Venture by way of (i) terminating the Shareholders' Agreement, the Great Wall Management Agreement and related arrangements, and (ii) the Company purchasing back from Great Wall the JV Sale Shares and the JV Subsidiary Sale Shares at the Agreed Consideration.

As at the date of this announcement, the Joint Venture Company is owned as to 51% by the Company and 49% by Great Wall, and the JV Subsidiary is owned as to 99.00% by the Joint Venture Company, 0.51% by the Company and 0.49% by Great Wall. As further set out in the Company's announcement dated 12 September 2014, the Joint Venture Company is classified as a jointly-controlled entity under the IFRSs with its financial results not consolidated into the accounts of the Company. Following completion of the Share Transfers, each of the Joint Venture Company and the JV Subsidiary will become a wholly-owned subsidiary of the Company and their results will be consolidated with the Group's results.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Share Transfers exceed 5% but all of them are less than 25%, the Share Transfers constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, the Joint Venture Company is owned as to 51% by the Company and 49% by Great Wall and Great Wall is thus a substantial shareholder of the Joint Venture Company under the Listing Rules and accordingly, a connected person of the Company at the subsidiary level. The Directors (including the independent non-executive Directors) have approved the Termination Agreement and the related arrangements and the Directors (including the independent non-executive Directors) have confirmed that the terms of such arrangements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the Termination Agreement will constitute a connected transaction only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Termination Agreement and the transactions contemplated thereunder, and therefore none of the Directors has abstained from voting on the board resolution approving the Termination Agreement and the transactions contemplated thereunder.

TERMINATION OF THE JOINT VENTURE

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The Termination Agreement

Date: 29 April 2016

Parties:

- (1) the Company;
- (2) Great Wall; and
- (3) the Joint Venture Company.

As at the date of this announcement, the Joint Venture Company is owned as to 51% by the Company and 49% by Great Wall and Great Wall is thus a substantial shareholder of the Joint Venture Company under the Listing Rules and accordingly, a connected person of the Company at the subsidiary level.

Assets to be acquired

- (i) the JV Sale Shares, representing 49% of the issued share capital of the Joint Venture Company being held by Great Wall as at the date of this announcement; and
- (ii) the JV Subsidiary Sale Shares, representing 0.49% of the issued share capital of the JV Subsidiary being held by Great Wall as at the date of this announcement.

Consideration

The Agreed Consideration payable for the JV Sale Shares and the JV Subsidiary Sale Shares is HK\$98, comprising HK\$49 and HK\$49 for the JV Sale Shares and the JV Subsidiary Sale Shares, respectively.

Basis of consideration

The Agreed Consideration was arrived at after arms-length negotiations, with reference to the net asset values of the JV Company and the JV Subsidiary, respectively.

The Agreed Consideration was funded by internal resources of the Group.

The original subscription price paid by Great Wall for the JV Sale Shares and the JV Subsidiary Sale Shares at the formation of the Joint Venture were HK\$49, respectively.

Completion of the Share Transfers

Pursuant to, and in accordance with, the terms of the Termination Agreement, the Share Transfers were completed on the same day as the date of the Termination Agreement.

TERMINATION OF THE JOINT VENTURE

Pursuant to the terms of the Termination Agreement, the Shareholders' Agreement and the Great Wall Management Agreement were terminated with immediate effect.

Pursuant to the Termination Agreement, all rights, obligations and liabilities of the respective parties under the Shareholders' Agreement and the Great Wall Management Agreement have ceased and determined and no party shall have any claim against the others in respect of the Shareholders' Agreement and the Great Wall Management Agreement. In connection with the termination of the Joint Venture, the Joint Venture Company has also fully repaid the shareholders' loan owed to Great Wall in the principal amount of RMB500 million as at the date of this announcement.

INFORMATION ABOUT THE JOINT VENTURE COMPANY AND THE JV SUBSIDIARY

The Joint Venture Company and the JV Subsidiary are respectively incorporated in Hong Kong with limited liability and their purpose is for the development of the Lands and the sale of the properties thereon.

According to the unaudited management accounts of the Joint Venture Company for the financial year ended 31 December 2015, the total and net asset values of the Joint Venture Company as at 31 December 2015 were approximately RMB1,038.6 million and negative RMB133.7 million, respectively (equivalent to approximately HK\$1,246.3 million and negative HK\$160.4 million, respectively).

According to the unaudited management accounts of the JV Subsidiary for the financial year ended 31 December 2015, the total and net asset values of the JV Subsidiary as at 31 December 2015 was approximately RMB1,020.4 million and negative RMB2.7 million, respectively (equivalent to approximately HK\$1,224.5 million and negative HK\$3.2 million, respectively).

The net loss (both before and after taxation) of the Joint Venture Company and the JV Subsidiary, respectively, from their respectively dates of incorporation till 31 December 2014 are as follows:

	Joint Venture Company 27 December 2013 (date of incorporation) to 31 December 2014 audited RMB	JV Subsidiary 28 August 2013 (date of incorporation) to 31 December 2014 audited RMB
Loss before tax	59,782,178	2,691,523
Loss after tax	54,295,918	2,691,523

REASONS FOR TERMINATION OF THE JOINT VENTURE

The Group is a property developer focused on the development of green, energy-saving and eco-friendly residences in the PRC. The JV Company currently holds 99% of the issued share capital of the JV Subsidiary which in turn holds 100% of the registered capital of each of the Project Companies which are the project companies for development of the Lands in Changsha, Hunan Province, the PRC. By acquiring the remaining 49% of the issued share capital of the JV Company and the remaining 0.49% of the issued share capital of the JV Subsidiary, both the JV Company and the JV Subsidiary will become wholly-owned subsidiaries of the Company. Upon completion of the Share Transfers, the results of the JV Company, the JV Subsidiary and the Project Companies will be consolidated into the results of the Group. The Company will have complete control over the property development project in respect of the Lands which can maximise its autonomy to manage its operations and enhance the profit return of the project.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Termination Agreement, including the Share Transfers and the termination of the Joint Venture to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY

The Company is incorporated in the Cayman Islands with limited liability and its Shares have been listed on the Stock Exchange. The Group is a property developer focused on the development on green, energy-saving and eco-friendly residences in the PRC.

INFORMATION ON GREAT WALL

Great Wall Pan Asia International Investment Co., Limited (長城環亞國際投資有限公司) was incorporated in Hong Kong in 1993 with limited liability. It is an overseas wholly-owned subsidiary of China Great Wall Asset Management Corporation (中國長城資產管理公司), a financial asset management company established by the PRC government to mitigate financial risks and promote the reform and development of state-owned banks and enterprises in response to financial crisis in Asia.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Share Transfers exceed 5% but all of them are less than 25%, the Share Transfers constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, the Joint Venture Company is owned as to 51% by the Company and 49% by Great Wall and Great Wall is thus a substantial shareholder of the Joint Venture Company under the Listing Rules and accordingly, a connected person of the Company at the subsidiary level. The Directors (including the independent non-executive Directors) have approved the Termination Agreement and the related arrangements and the Directors (including the independent non-executive Directors) have confirmed that the terms of such arrangements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the Termination Agreement will constitute a connected transaction only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Termination Agreement and the transactions contemplated thereunder, and therefore none of the Directors has abstained from voting on the board resolution approving the Termination Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Agreed Consideration”	the consideration payable by the Company for the JV Sale Shares and the JV Subsidiary Sale Shares, comprising HK\$49 and HK\$49 for the JV Sale Shares and the JV Subsidiary Sale Shares, respectively
“Board”	the board of Directors
“Company”	Modern Land (China) Co., Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Great Wall”	Great Wall Pan Asia International Investment Co., Limited (長城環亞國際投資有限公司), a company incorporated in Hong Kong with limited liability
“Great Wall Management Agreement”	the management service agreement dated 29 September 2014 (as amended and supplemented by a supplemental agreement thereto dated 17 October 2014) entered into among the Company, the Joint Venture Company and Great Wall
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Joint Venture”	the joint venture between the Company and Great Wall in relation to the development of the Lands
“Joint Venture Company”	Modern Land (HKNo.5) Limited, a company incorporated in Hong Kong with limited liability
“JV Sale Shares”	the 49 shares in the Joint Venture Company held by Great Wall
“JV Subsidiary”	Modern Land (HKNo.1) Limited, a company incorporated in Hong Kong with limited liability

“JV Subsidiary Sale Shares”	the 49 shares in the JV Subsidiary held by Great Wall
“Lands”	two parcels of lands in Changsha, Hunan Province, the PRC with gross floor area of approximately 569,113 sqm
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Project Companies”	collectively, Hunan Modern Green Development Co., Ltd.* (湖南當代綠建置業有限公司), a company incorporated in the PRC with limited liability, and Hunan Modern MOMA Development Co., Ltd.* (湖南當代摩碼置業有限公司), a company incorporated in the PRC with limited liability
“Shareholders”	holders of the Shares
“Shareholder’s Agreement”	the shareholder’s agreement dated 29 September 2014 entered into among the Company, the Joint Venture Company and Great Wall
“Shares”	the shares of the Company
“Share Transfers”	the acquisition of the JV Sale Shares and the JV Subsidiary Sale Shares by the Company pursuant to the terms of the Termination Agreement
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Termination Agreement”	the termination agreement dated 29 April 2016 entered into among the Company, Great Wall and the Joint Venture Company in relation to the termination of the Joint Venture
“%”	per cent.

The figures in RMB are converted into HK\$ at the rate of RMB1: HK\$1.2 throughout this announcement for indicative purpose only.

By Order of the Board of
MODERN LAND (CHINA) CO., LIMITED
當代置業(中國)有限公司
Zhang Peng
President and executive Director

Hong Kong, 29 April 2016

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

* *For identification purpose only*