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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 TRANSACTION**

#### **ACQUISITION OF 5% EQUITY INTEREST IN WUHAN MODERN GREEN**

##### **THE ACQUISITION**

The Board hereby announces that, on 27 June 2016, Modern Green Development (an indirect wholly-owned subsidiary of the Company) and Pingan Dahua entered into the Equity Transfer Agreement whereby Modern Green Development agreed to acquire from Pingan Dahua 5% equity interest in Wuhan Modern Green for the Consideration of RMB10,000,000 (equivalent to approximately HK\$11,700,000).

Upon completion of the Acquisition, the equity interest attributable to the Group in Wuhan Modern Green will increase from 94.95% to 99.95% and Wuhan Modern Green will become an indirect non wholly-owned subsidiary of the Company.

##### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Acquisition exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

##### **BACKGROUND**

On 29 August 2014, Modern Green Development and Pingan Dahua entered into the equity transfer agreement and the supplemental agreement thereto pursuant to which, among other things, Pingan Dahua shall be entitled to dispose of its 5% equity interest in Wuhan Modern Green to Modern Green Development at the consideration of RMB10,000,000 within two years.

On 27 June 2016, Modern Green Development and Pingan Dahua entered into the Equity Transfer Agreement whereby Modern Green Development agreed to acquire from Pingan Dahua 5% equity interest in Wuhan Modern Green for the Consideration of RMB10,000,000 (equivalent to approximately HK\$11,700,000). The salient terms of the Equity Transfer Agreement are set out as follows:

## **EQUITY TRANSFER AGREEMENT**

- Date:** 27 June 2016
- Parties:** (1) Modern Green Development (an indirect wholly-owned subsidiary of the Company) (as purchaser); and  
(2) Pingan Dahua (as vendor)
- Equity interest to be acquired:** The Sale Interest, representing 5% equity interest in Wuhan Modern Green
- Consideration:** RMB10,000,000 (equivalent to approximately HK\$11,700,000), which shall be payable by Modern Green Development to Pingan Dahua in cash on the date of the Equity Transfer Agreement. The Group will fund the Consideration by its internal resources.
- The Consideration was pre-determined between Modern Green Development and Pingan Dahua and set out in the equity transfer agreement and the supplemental agreement thereto dated 29 August 2014. It represents 5% of the registered capital of Wuhan Modern Green.
- Completion:** After full payment of the Consideration is made by Modern Green Development pursuant to the terms of the Equity Transfer Agreement, Modern Green Development and Pingan Dahua shall proceed to register the transfer of the Sale Interest with the relevant PRC administration for industry and commerce.
- As at the date of this announcement, the Group has a 94.95% attributable interest in Wuhan Modern Green. Wuhan Modern Green is accounted for as a joint venture of the Group as relevant activities of Wuhan Modern Green require unanimous consent from all equity holders according to the articles of association of Wuhan Modern Green.

Upon completion of the Acquisition, the equity interest attributable to the Group in Wuhan Modern Green will increase from 94.95% to 99.95% and Wuhan Modern Green will become an indirect non wholly-owned subsidiary of the Company. The remaining 0.05% equity interest in Wuhan Modern Green is indirectly held by Independent Third Parties.

## **INFORMATION ON WUHAN MODERN GREEN**

Wuhan Modern Green is a company established in the PRC with limited liability on 23 December 2013. As at the date of this announcement, Wuhan Modern Green has a registered capital of RMB200,000,000 (equivalent to approximately HK\$234,000,000), all of which has been paid up.

Wuhan Modern Green is principally engaged in property development and sales in the PRC and is the project company of Wuhan Guanggu Man Ting Chun MOMA project which is located at the intersection point of Gaoxinsan Road and Guanggusi Road of Wuhan City.

### **Financial information of Wuhan Modern Green**

Set out below is the audited financial information of Wuhan Modern Green for the two years ended 31 December 2015 prepared according to the PRC accounting standards:

	<b>For the year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2014</b>	<b>2015</b>
	<i>RMB</i>	<i>RMB</i>
(Loss)/profit before tax	(22,387,132.02)	7,449,279.91
(Loss)/profit after tax	(17,029,559.53)	5,555,149.21

The net asset value of Wuhan Modern Green as at 31 December 2015 is RMB187,387,097.85 (equivalent to approximately HK\$219,242,904.48).

## **INFORMATION ON THE COMPANY AND PARTIES TO THE EQUITY TRANSFER AGREEMENT**

### **The Company**

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

## **Modern Green Development**

Modern Green Development is incorporated in the PRC with limited liability. It is principally engaged in property development, investment and hotel operation businesses. As at the date of this announcement, Modern Green Development is an indirect wholly-owned subsidiary of the Company.

## **Pingan Dahua**

Pingan Dahua is a company established in the PRC which is principally engaged in asset management business in the PRC.

As at the date of this announcement, save for its 5% equity interest in Wuhan Modern Green, each of Pingan Dahua and its ultimate beneficial owner(s) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

Wuhan Modern Green is the project company for development of Wuhan Guanggu Man Ting Chun MOMΛ project located in Wuhan City, Hubei Province, the PRC.

By acquiring the Sale Interest in Wuhan Modern Green, the equity interest attributable to the Group in Wuhan Modern Green will increase from 94.95% to 99.95% and Wuhan Modern Green will be accounted for an indirect non wholly-owned subsidiary of the Company. The Acquisition will enable the Company to maximise its autonomy to manage its operations and enhance the profit return of its property development project.

In view of the above, the Board is of the view that the terms of the Equity Transfer Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Acquisition exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Acquisition”	the acquisition of the Sale Interest by Modern Green Development from Pingan Dahua pursuant to the Equity Transfer Agreement
“Board”	the board of Directors
“Director(s)”	director(s) of the Company
“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 ascribed to it in the Listing Rules
“Consideration”	the consideration for the Acquisition in the sum of RMB10,000,000 (equivalent to approximately HK\$11,700,000)
“Equity Transfer Agreement”	the equity transfer agreement dated 27 June 2016 between Modern Green Development and Pingan Dahua relating to the Acquisition
“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
“Independent Third Party”	third party independent of and are not connected with (within the meaning of the Listing Rules) any member of the Group, the Directors, chief executive and substantial Shareholders of the Company and its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Modern Green Development”	當代節能置業股份有限公司 (Modern Green Development Co., Ltd.*), a company incorporated in the PRC with limited liability on 21 September 2000 and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Pingan Dahua”	深圳平安大華匯通財富管理有限公司 (Shenzhen Pingan Dahua Huitong Wealth Management Company Limited*), a company established in the PRC with limited liability
“Wuhan Modern Green”	武漢當代節能置業有限公司 (Wuhan Modern Green Development Co., Ltd.*), a company established under the laws of the PRC
“Sale Interest”	5% equity interest in Wuhan Modern Green
“Shares”	the Shares of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.17. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Hong Kong, 27 June 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 purposes only