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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
IN RELATION TO
ACQUISITION OF 49% EQUITY INTEREST IN A PRC COMPANY
HOLDING LAND PARCEL IN CHONGQING CITY**

DISCLOSEABLE TRANSACTION

The Board is pleased to announce that on 15 September 2020, Modern Green Development (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Equity Transfer Agreement with the Vendor, whereby Modern Green Development agreed to acquire 49% equity interest of the Target Company from the Vendor at the Consideration of RMB352,310,000. The Target Company indirectly holds the entire equity interest of the Project Company, which currently holds the land use right of the Land Parcel, all for residential use located at Bishan District, Chongqing City, the PRC, with an aggregate site area of approximately 133,334.8 square metres.

Upon completion of the Acquisition, the equity interest attributable to the Group in the Target Company will be 49% and the Target Company will become a joint venture of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition under the Equity Transfer Agreement is/are more than 5% but less than 25%, the entering into of the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 September 2020, Modern Green Development (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Equity Transfer Agreement with the Vendor, whereby Modern Green Development agreed to acquire 49% equity interest of the Target Company from the Vendor at the Consideration of RMB352,310,000. The Target Company indirectly holds the entire equity interest of the Project Company, which currently holds the land use right of the Land Parcel, which is for residential use located at Bishan District, Chongqing City, the PRC, with an aggregate site area of approximately 133,334.8 square metres.

Upon completion of the Acquisition, the equity interest attributable to the Group in the Target Company will be 49% and the Target Company will become a joint venture of the Group.

THE EQUITY TRANSFER AGREEMENT

The salient terms of the Equity Transfer Agreement are set out as follows:

Date

15 September 2020

Parties

- (1) Modern Green Development (an indirect wholly-owned subsidiary of the Company);
and
- (2) the Vendor

Subject assets to be acquired

As at the date of this announcement, the Target Company had a registered capital of RMB50,000,000, which has been fully paid up. The equity interest of the Target Company is held as to 51% by Konka Group Co., Ltd. (康佳集團股份有限公司) and 49% by the Vendor. Pursuant to the terms of the Equity Transfer Agreement, Modern Green Development agreed to acquire 49% equity interest of the Target Company from the Vendor at the Consideration of RMB352,310,000.

The Target Company indirectly holds the entire equity interest of the Project Company, which currently holds the land use right of the Land Parcel located at Bishan District, Chongqing City, the PRC with total site area of approximately 133,334.8 square metres, which is planned for residential use.

Consideration

The aggregate Consideration payable by Modern Green Development for the Acquisition is RMB352,310,000. The Consideration was agreed after arm's length negotiations between the parties to the Equity Transfer Agreement on common commercial terms with reference to,

among other things, the financial statements of the Target Company and the Project Company as at 31 July 2020 and the prevailing market price of the land in the vicinity of the Land Parcel.

The Consideration will be payable by Modern Green Development in cash as described below:

Within two (2) working days after the Equity Transfer Agreement has become effective, Modern Green Development and the Vendor shall open a joint bank account (the “**Joint Account**”) in a bank in Shenzhen. Modern Green Development shall pay the Consideration in full at RMB352,310,000 to the Joint Account within two (2) working days upon the Joint Account has been opened and the Vendor has executed all necessary documents for registration of the 49% equity interest transfer at the administration for industry and commerce.

Within ten (10) working days upon Modern Green Development has paid the Consideration to the Joint Account, the Vendor shall complete the registration procedures of 49% equity interest transfer of the Target Company with the administration of industry and commerce. Within two (2) working days upon the completion of such registration, the full amount of the Consideration shall be released from the Joint Account to the Vendor.

The Consideration will be funded partly by internal resources of the Group and partly by financing from bank(s) and/or financial institution(s).

Completion

The completion of the Acquisition shall take place upon completion of the registration of 49% equity interest transfer of the Target Company with the relevant administration of industry and commerce.

Upon completion of the Acquisition, the equity interest attributable to the Group in the Target Company will be 49% and the Target Company will become a joint venture of the Group.

INFORMATION ABOUT THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

The Company and Modern Green Development

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

Modern Green Development is a company established in the PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in real estate development in the PRC as at the date hereof.

The Vendor

The Vendor is a company established in the PRC with limited liability and is principally engaged in tourism project development, cultural event planning, internet technology development and agroforestry technology development. According to public information, as at the date hereof, the Vendor is held as to 100% by Yichun City Sanlukang Cultural Tourism Industry Development Co., Ltd. (宜春市三陸康文旅產業發展有限公司), the entire equity interest of which is held by Jiangxi Sanlukang Group Co., Ltd. (江西三陸康集團有限公司), which is in turn held as to 50% and 50% by two PRC individual merchants, Chen Junyao and Chen Xianglin, respectively. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ABOUT THE TARGET COMPANY, THE PROJECT COMPANY AND THE LAND PARCEL

The Target Company

The Target Company is a company established in the PRC with limited liability. As at the date of this announcement, it had a registered capital of RMB50,000,000, which has been fully paid up. The equity interest of the Target Company is held as to 51% by Konka Group Co., Ltd. (康佳集團股份有限公司) and 49% by the Vendor. It is principally engaged in real estate development and operation and real estate lease operation in the PRC.

The Target Company was established in November 2019 and has not generated any revenue or profit for the year ended 31 December 2019. The total asset value and net asset value of the Target Company as at 31 July 2020 were RMB50,000,000 and RMB50,000,000, respectively.

The Project Company

The entire equity interest of the Project Company is indirectly held by the Target Company. The Project Company is a company established in the PRC with limited liability. As at the date of this announcement, it had a registered capital of RMB50,000,000, which has been fully paid up. It is principally engaged in real estate development and operation and real estate lease operation in the PRC.

The Project Company was established in November 2019 and has not generated any revenue or profit for the year ended 31 December 2019. The total asset value and net asset value of the Project Company as at 31 July 2020 were approximately RMB647,724,177 and RMB47,826,166, respectively.

The Project Company currently holds the land use right of the Land Parcel located at Bishan District, Chongqing City, the PRC with total site area of approximately 133,334.8 square metres, which is planned for residential use.

REASONS FOR AND BENEFIT OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The Group is a property developer focused on the development on green, energy-saving and eco-friendly residences in the PRC.

The Acquisition will enable the Group to acquire 49% equity interest of the Target Company, which through the Project Company, holds the land use right of the Land Parcel. In view of the location and the designated use of the Land Parcel, the Board considers that the Acquisition offers a good opportunity for the Group to enhance its portfolio in the property market in Chongqing City, the PRC with a view to bringing more investment return for the Shareholders.

The Board is of the view that the terms of the Equity Transfer Agreement are on normal commercial terms after arm's length negotiations between the parties, 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 ratio(s) calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition under the Equity Transfer Agreement is/are more than 5% but less than 25%, the entering into of the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of 49% equity interest of the Target Company pursuant to the terms and conditions of the Equity Transfer Agreement
“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
“Consideration”	the consideration payable by Modern Green Development for the Acquisition in the amount of RMB352,310,000
“Directors”	the directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 15 September 2020 entered into between Modern Green Development (an indirect wholly-owned subsidiary of the Company) (as purchaser) and the Vendor relating to the Acquisition

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company
“Land Parcel”	the parcel of land located at Bishan District, Chongqing City, the PRC with total site area of approximately 133,334.8 square metres
“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 established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“PRC”	the People’s Republic of China
“Project Company”	重慶康佳福澤置業有限公司(Chongqing Konka Fuze Real Estate Co., Ltd.), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	重慶康佳置業發展有限公司 (Chongqing Konka Real Estate Development Co., Ltd.), a company established in the PRC with limited liability

“Vendor” 深圳市人間花海生態科技旅遊開發有限公司 (Shenzhen City Renjia Huahai Ecological Technology Tourism Development Co., Ltd.), a company established in the PRC with limited liability

“%” per cent.

In this announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

By order of the Board
Modern Land (China) Co., Limited
Zhang Peng
President and Executive Director

Hong Kong, 15 September 2020

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