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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\$250,000,000 9.8% GREEN SENIOR NOTES DUE 2023

Reference is made to the announcement of the Company dated 5 January 2021 in respect of the Notes Issue.

The Board is pleased to announce that on 5 January 2021 (New York Time), the Company, the Subsidiary Guarantors and the Initial Purchasers entered into the Purchase Agreement in connection with the issue of the Notes.

Subject to completion of the Notes Issue, the Company will issue the Notes for an aggregate principal amount of US\$250,000,000.

The estimated net proceeds of the Notes Issue will amount to approximately US\$243,677,730 and the Company intends to use the proceeds from the Notes Issue for refinancing certain existing indebtedness of the Company.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum.

Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

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THE PURCHASE AGREEMENT

Date: 5 January 2021 (New York Time)

Parties to the Purchase Agreement

- (a) the Company as issuer;
- (b) the Subsidiary Guarantors;
- (c) Deutsche Bank;
- (d) Guotai Junan International;
- (e) Morgan Stanley;
- (f) Credit Suisse;
- (g) HSBC;
- (h) UBS;
- (i) Haitong International;
- (j) BofA Securities;
- (k) Nomura; and
- (l) HeungKong Financial.

Deutsche Bank, Guotai Junan International, Morgan Stanley, Credit Suisse, HSBC, UBS, Haitong International, BofA Securities, Nomura and HeungKong Financial have been appointed as the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes under the Notes Issue and Deutsche Bank and HSBC have been appointed as the joint green structuring advisors for the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Initial Purchasers 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 U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States (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 U.S. Securities Act. The Notes will only be offered outside the United States in accordance with Regulation S under 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 the fulfillment or waiver of the conditions precedent to the Notes Issue, the Company will issue the Notes in the aggregate principal amount of US\$250,000,000 which will mature on 11 April 2023, unless earlier redeemed pursuant to the terms thereof.

Issue Price

The offering price of the Notes will be 98.848% of the principal amount with respect to the Notes.

Interest

The Notes will bear interest from and including 11 January 2021 at the rate of 9.8% per annum, payable semi-annually in arrears on 11 January and 11 July of each year (except that the last payment of interest, to be made on 11 April 2023, will be in respect of the period from and including 11 January 2023 to but excluding 11 April 2023), commencing 11 July 2021.

Ranking of the Notes

The Notes will, upon their issue, constitute 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 Existing Notes and all other unsecured and unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law); (3) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations on the issue date of the Notes; (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 principal amount of US\$20.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall hereafter be created, (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 such persons to exceed US\$20.0 million (or the Dollar Equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) an involuntary case or other proceeding is commenced against the Company or certain of its significant 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 of its significant subsidiaries or for any substantial part of the property and assets of the Company or certain of its significant 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 of its significant 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 JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is 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 (other than an event of default specified in paragraph (7) or (8) above) occurs and is continuing under the Indenture, 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 written 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 paragraph (7) or (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 caused the initial Subsidiary Guarantor Pledgors 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 March 2018 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder; (b) the Company under the April 2019 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder; (c) the Company under the February 2020 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder; (d) the Company under the March 2020 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder; (e) the Company under the July 2020 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder; and (f) the Company and the relevant Subsidiary Guarantor Pledgor under any other permitted *pari passu* secured indebtedness.

The Company has agreed to extend, or cause each of 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 acceding to the related 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 the ability of certain of the Company's subsidiaries 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 prior to 11 April 2023, 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 the redemption date.

At any time and from time to time prior to 11 April 2023, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 109.8% 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.

Redemption for Taxation Reasons

Subject to certain exceptions, the Company or a surviving person with respect to the Company may at its option redeem the Notes, in whole but not in part, at any time, upon giving not less than 30 days' nor more than 60 days' notice to the holders (which notice shall be irrevocable) and upon reasonable notice in advance of such notice to holders to the trustee and the paying and transfer agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company or the surviving person, as the case may be, for redemption, if the Company or a Subsidiary Guarantor would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

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 (or, if applicable, an alternative stock exchange), each holder of the Notes shall have the right, at such holder's option, to require the Company to redeem all or some of such holder's Notes at 101% of their principal amount together with accrued interest calculated up to but excluding 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.

INFORMATION OF THE GROUP

The Group is a property developer focusing on the development of green, energy-saving and eco-friendly residences in the PRC. The Group commenced its property development business in Beijing in 2000, and has expanded its operations to Shanghai, Guangzhou, Suzhou, Nanjing, Changsha, Taiyuan, Wuhan, Nanchang, Jiujiang, Zhangjiakou, Foshan, Huizhou, Wuxi, Zhuzhou, Jingzhou, Huangshi, Hefei, Quanzhou, Xiantao, Dongdaihe, Tianjin, Xi'an, Jinzhong, Qingdao, Jiaxing, Huzhou, Fuyang, Chizhou, Fúzhou, Shangrao, Zhengzhou, Xuchang, Hengyang, Xiaogan, Tianmen, Fúzhou, Guiyang and Xingyi.

PROPOSED USE OF PROCEEDS FROM THE NOTES ISSUE

The estimated net proceeds of the Notes Issue will amount to approximately US\$243,677,730.

The Company intends to use the proceeds from the Notes Issue for refinancing certain existing indebtedness of the Company.

LISTING

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

GENERAL

The Notes are expected to be rated “B3” by Moody’s Investors Service and “B” by Fitch Ratings Inc. The Company cannot assure investors that these ratings will not be adversely revised or withdrawn either before or after delivery of the Notes.

Shareholders, holders of the Existing Notes and potential investors should note that completion of the Notes Issue remains subject to the fulfillment or waiver of the conditions precedent to the Notes Issue as summarized in this announcement. No assurance can be given that the Notes Issue will be completed and the Company reserves the right to amend, withdraw or terminate the Notes Issue with or without conditions.

The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Notes Issue. As the Notes Issue may or may not proceed or complete, shareholders, holders of other securities and potential investors of the Company should exercise caution when dealing in the securities of the Company.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions.

DEFINITIONS

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

“April 2019 Notes”	any and all outstanding notes of the Company’s 12.85% senior notes due 2021 issued on 25 April 2019;
“Board”	the board of Directors;
“BofA Securities”	Merrill Lynch (Asia Pacific) Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Collateral”	means all collateral securing, or purported to be securing, directly or indirectly, the Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, pursuant to the security documents, and initially consists of the capital stock of all of the initial 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 main board of the Stock Exchange;

“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint global coordinators, joint bookrunners, joint lead managers and the joint green structuring advisors in respect of the Notes Issue;
“Director(s)”	the director(s) 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;
“Existing Notes”	the March 2018 Notes, the April 2019 Notes, the February 2020 Notes, the March 2020 Notes and the July 2020 Notes;
“February 2020 Notes”	any and all outstanding notes of the Company’s 11.8% senior notes due 2022 issued on 26 February 2020;
“Group”	the Company and its subsidiaries;
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Haitong International”	Haitong International Securities Company Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“HeungKong Financial”	HeungKong Securities Limited, 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 PRC;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint global coordinators, joint bookrunners, joint lead managers and the joint green structuring advisors in respect of the Notes Issue;
“Indenture”	the indenture to be entered into among the Company as issuer of the Notes, the Subsidiary Guarantors as guarantors and Citicorp International Limited as the trustee of the Notes, setting out the terms of the Notes including the interest rate of the Notes and the maturity date, pursuant to which the Notes will be issued;

“Initial Purchasers”	Deutsche Bank, Guotai Junan International, Morgan Stanley, Credit Suisse, HSBC, UBS, Haitong International, BofA Securities, Nomura and HeungKong Financial;
“July 2020 Notes”	any and all outstanding notes of the Company’s 11.5% senior notes due 2022 issued on 13 July 2020;
“JV Subsidiary Guarantees”	limited-recourse guarantees executed by the JV Subsidiary Guarantors on the Notes;
“JV Subsidiary Guarantors”	subsidiaries of the Company that execute JV Subsidiary Guarantees;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“March 2018 Notes”	any and all outstanding notes of the Company’s 7.95% senior notes due 2021 issued on 5 March 2018;
“March 2020 Notes”	any and all outstanding notes of the Company’s 11.95% senior notes due 2024 issued on 4 March 2020;
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Nomura”	Nomura International (Hong Kong) Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“Notes”	the US\$-denominated green senior notes due 2023 in the aggregate principal amount of US\$250,000,000 to be issued by the Company subject to the terms and conditions of the Purchase Agreement;
“Notes Issue”	the issue of the Notes by the Company;
“PRC”	the People’s Republic of China;
“Purchase Agreement”	the purchase agreement dated 5 January 2021 entered into among the Company, the Subsidiary Guarantors and the Initial Purchasers in respect of the Notes Issue;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors on the Notes;
“Subsidiary Guarantors”	certain subsidiaries of the Company which guarantee the Company’s obligations under the Notes;

“Subsidiary Guarantor Pledgor”	certain Subsidiary Guarantors 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;
“UBS”	UBS AG Hong Kong Branch (UBS AG is incorporated in Switzerland with limited liability), one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue;
“U.S.” or “United States”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

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

Hong Kong, 6 January 2021

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. Zeng Qiang; and independent non-executive Directors: Mr. Qin Youguo, Mr. Cui Jian, Mr. Hui Chun Ho, Eric and Mr. Gao Zhikai.