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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Modern Land (China) Co., Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A notice convening the EGM of the Company to be held at 18/F, Shanghai Commercial Bank Tower, 12 Queen's Road Central, Central, Hong Kong on Wednesday, 29 November 2023 at 10:15 a.m. (or immediately following the AGM to be convened at 10:00 a.m. on the same day) is set out on pages 42 to 43 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.modernland.hk).

A letter from the Board is set out on pages 4 to 17 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 34 of this circular.

If you are not able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

31 October 2023

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DEFINITIONS

In this circular, the following terms and expressions have the following meanings unless the context otherwise requires:

“2019 Continuing Connected Transactions Agreements”	the renewed master property management agreement dated 4 December 2019, the master contracting services agreement dated 4 December 2019, the renewed master lease agreement dated 4 December 2019 (as supplemented by the supplemental agreement dated 1 April 2020) and the master elevator services agreement dated 1 April 2020 entered into by the Company. For details, please refer to the announcements of the Company dated 4 December 2019 and 1 April 2020
“AGM”	the annual general meeting of the Company to be convened on Wednesday, 29 November 2023 at 10:00 a.m.
“Announcement”	the announcement of the Company dated 17 November 2022 in relation to, among other things, the Continuing Connected Transactions Agreements
“associate(s)”	has the meaning given to it under the Listing Rules
“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 (Stock Code: 1107)
“connected person(s)”	has the meaning given to it under the Listing Rules
“Continuing Connected Transactions Agreements”	collectively, the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve by poll, among other things, the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps)
“First Moma Asset”	First Moma Asset Management (Beijing) Co., Ltd., a company established in the PRC with limited liability

DEFINITIONS

“First Moma Asset Group”	First Moma Asset and its subsidiaries
“First Moma Renju Construction”	First Moma Renju Construction Engineering (Beijing) Co., Ltd., a company established in the PRC with limited liability
“First Moma Renju Construction Group”	First Moma Renju Construction and its subsidiaries, holding company or a fellow subsidiary of its holding company
“First Service”	First Service Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Main Board of the Stock Exchange (Stock Code: 2107)
“First Service Group”	First Service and its subsidiaries
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Cui Jian, Mr. Hui Chun Ho, Eric and Mr. Gao Zhikai, formed to advise the Independent Shareholders in respect of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps)
“Independent Financial Adviser” or “VBG Capital”	VBG Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps)
“Independent Shareholders”	Shareholders who are not prohibited from voting at the EGM in respect of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps)
“Independent Third Party(ies)”	third party(ies) independent of the Company and are not connected persons of the Company
“Latest Practicable Date”	26 October 2023, the latest practicable date before the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Renewed Master Contracting Services Agreement”	the renewed master agreement entered into between First Moma Renju Construction and the Company dated 17 November 2022 for the provision of contracting services by First Moma Renju Construction Group to the Group
“Renewed Master Elevator Services Agreement”	the renewed master agreement entered into between First Moma Asset and the Company dated 17 November 2022 for the provision of installation and maintenance services of elevators and escalators and related services by the First Moma Asset Group to the Group
“Renewed Master Property Management Agreement”	the renewed master agreement entered into between First Service and the Company dated 17 November 2022 for the provision of property management services by the First Service Group to the Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent



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)

Executive Directors:

Mr. Zhang Peng (*Chairman and President*)
Mr. Zhang Lei
Mr. Chen Yin

Non-executive Directors:

Mr. Tang Lunfei
Mr. Zeng Qiang

Independent Non-executive Directors:

Mr. Cui Jian
Mr. Hui Chun Ho, Eric
Mr. Gao Zhikai

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

18/F, Shanghai Commercial Bank Tower
12 Queen's Road Central
Central, Hong Kong

31 October 2023

To the Shareholders:

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company dated 17 November 2022 in relation to, among other things, the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps).

The purpose of this circular is to provide you with information regarding, among other things, (i) details of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps); (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM.

LETTER FROM THE BOARD

CONTINUING CONNECTED TRANSACTIONS

(1) Renewed Master Property Management Agreement

On 17 November 2022, the Company entered into the Renewed Master Property Management Agreement with First Service whereby members of the First Service Group shall provide property management services to members of the Group for a term of three years commencing from 1 January 2023 to 31 December 2025.

The principal terms of the Renewed Master Property Management Agreement are as follows:

- Date:** 17 November 2022
- Parties:** (1) the Company (as recipient of service); and
(2) First Service (as service provider)
- Term:** 1 January 2023 to 31 December 2025
- Nature of transactions:** The First Service Group will provide property management services to the Group, which include but not limited to security, cleaning, maintenance, carpark management, gas station management, staff catering management services and other agreed services.

It is envisaged that from time to time and as required, members of the Group will enter into individual property management services agreements with members of the First Service Group which will set out specific terms and conditions such as the type of management service required, management fees and service period.

- Management fees and pricing policy:** The management fees will be determined by the parties having regard to the area of the properties served, fair market prices, historical management fees and costs of management services as required under the individual property management services agreement to be entered into between members of the Group and members of the First Service Group.

The management fees shall be determined in a fair and reasonable manner and the terms and conditions offered by the First Service Group to the Group shall be on an arm's length basis and on normal commercial terms, and shall not be less favorable than those of the same type of property management service offered to an Independent Third Party.

LETTER FROM THE BOARD

Payment terms: The payment terms shall be agreed between the parties under each individual property management agreement. Generally, the management fees shall be paid after the relevant services are provided.

Historical transactions amount

The historical recognised management fees paid by the Group to the First Service Group for the three years ended 31 December 2020, 2021 and 2022 are as follows:

	<i>RMB</i>
For the year ended 31 December 2020	111,298,466
For the year ended 31 December 2021	112,695,388
For the year ended 31 December 2022	15,990,536

Annual caps and basis for determining the annual caps

The annual caps for the Renewed Master Property Management Agreement for the three years ending 31 December 2025 are as follows:

	<i>RMB</i>
For the year ending 31 December 2023	40,000,000
For the year ending 31 December 2024	41,000,000
For the year ending 31 December 2025	44,000,000

The Group's real estate plans on hand are subject to comprehensive overall planning before the construction work begins. Once the development proposal in respect of a forthcoming real estate project has been formulated, the Group will start to identify the most suitable service provider for provision of the various services for that particular real estate plan. The First Service Group has been selected to provide property management services for various ongoing/forthcoming real estate plans of the Group. Therefore, when determining the annual caps for the three years ending 31 December 2025, the Company has primarily considered the expected schedule and progress, contract sum and payment terms, etc. of the relevant individual property management services agreements.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the First Service Group has been selected to provide property management services for around 25 ongoing/forthcoming real estate plans of the Group involving around 50 individual property management services memorandums (out of which around 30 were signed). When determining the annual caps for the three months ending 31 December 2025, the Company primarily considered the expected schedule and progress, services fees and payment terms, etc. of the relevant individual property management services memorandums. The contracted service fees to be charged by the First Service Group under the said around 50 individual property management services memorandums for the three years ending 31 December 2025 represent around 80%, 50% and 50% of the annual caps for the three years ending 31 December 2023, 2024 and 2025, respectively.

Moreover, in estimating the annual caps for 2024 and 2025, the Directors further took into account the possible service requirements of the real estate plans which may be conducted by the Group in the near future largely based on existing contracted amount for the year ending 31 December 2023.

The annual caps of the management fees to be charged by the First Service Group under the Renewed Master Property Management Agreement of RMB40 million to RMB44 million for the three years ending 31 December 2025 represent a 60% to 65% decrease as compared to the actual management fees of approximately RMB112.7 million charged by the First Service Group for the year ended 31 December 2021, reflecting the anticipated reduction in the number of real estate plans operated by the Group in 2023 to 2025. For the year ended 31 December 2022, the total management fees charged by the First Service Group dropped to approximately RMB16 million due to the downturn of the real estate industry in the PRC and the reduction in the number of the Group's real estate projects managed by the First Service Group during the year. For the six months ended 30 June 2023, the total management fees charged by the First Service Group amounted to approximately RMB5.79 million, representing approximately 14.5% of the annual cap for the year ending 31 December 2023 of RMB40 million.

Reasons for and benefits of the Renewed Master Property Management Agreement

The First Service Group has been providing property management services to the Group for many years and has established good cooperation relationship with the Group. It is familiar with the property projects and the needs of the Group and the Directors believe that the continued provision of property management services by the First Service Group will enhance the development of the Group's business. The Directors (including the independent non-executive Directors whose views are set forth in "Letter from the Independent Board Committee" in this circular, after considering the advice of the Independent Financial Adviser, and excluding Mr. Zhang Lei) consider that the Renewed Master Property Management Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms; and the terms contained therein (including the annual caps stated above) are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

(2) Renewed Master Contracting Services Agreement

On 17 November 2022, the Company entered into the Renewed Master Contracting Services Agreement with First Moma Renju Construction whereby the First Moma Renju Construction Group shall provide contracting services to members of the Group for a term of three years commencing from 1 January 2023 to 31 December 2025.

Date: 17 November 2022

Parties: (1) the Company (as recipient of service); and
(2) First Moma Renju Construction (as service provider)

Term: 1 January 2023 to 31 December 2025

Nature of transactions: The First Moma Renju Construction Group will provide contracting services to the Group, which include but not limited to design, supply of equipment and materials, installation, debugging, acceptance and maintenance of the haze clearing instruments systems and the energy machine room systems.

It is envisaged that from time to time and as required, members of the Group will enter into individual contracting services agreement with members of the First Moma Renju Construction Group which will set out specific terms and conditions such as particulars of the services, service fees, payment terms and method, quality standard and service period.

Service fees and pricing policy: The service fees will be determined by the parties having regard to the type of the properties developed by the Group, fair market prices, materials costs, labor costs and reasonable profit of the contracting services as required under the individual contracting services agreement to be entered into between members of the Group and members of the First Moma Renju Construction Group.

The service fees shall be determined in a fair and reasonable manner and the terms and conditions offered by the First Moma Renju Construction Group to the Group shall not be less favorable than those of the same type of contracting services offered to an Independent Third Party.

Payment terms: The payment terms shall be agreed between the parties under each individual contracting services agreement. Generally, the service fees shall be paid after the relevant services are provided.

LETTER FROM THE BOARD

Historical transactions amount

The historical recognised service fees paid by the Group to the First Moma Renju Construction Group for the three years ended 31 December 2020, 2021 and 2022 are as follows:

	<i>RMB</i>
For the year ended 31 December 2020	28,383,490
For the year ended 31 December 2021	30,907,038
For the year ended 31 December 2022	23,684,837

Annual caps and basis for determining the annual caps

The annual caps for the Renewed Master Contracting Services Agreement for the three years ending 31 December 2025 are as follows:

	<i>RMB</i>
For the year ending 31 December 2023	8,000,000
For the year ending 31 December 2024	7,000,000
For the year ending 31 December 2025	7,000,000

The Group's real estate plans on hand are subject to comprehensive overall planning before the construction work begins. Once the development proposal in respect of a forthcoming real estate plan has been formulated, the Group will start to identify the most suitable service provider for provision of the various services for that particular real estate plan. The First Moma Renju Construction Group has been selected to provide contracting services for certain ongoing/forthcoming real estate plans of the Group. Therefore, when determining the annual caps for the three years ending 31 December 2025, the Company has primarily considered the expected schedule and progress, service fees and payment terms, etc. of the relevant individual contracting services memorandums.

As at the Latest Practicable Date, the Group entered into nine individual contracting services memorandums with the First Moma Renju Construction Group with total contracted amount of approximately RMB18 million for the forthcoming three years. For the six months ended 30 June 2023, the total service fees charged by the First Moma Renju Construction Group amounted to RMB nil.

LETTER FROM THE BOARD

Reasons for and benefits of the Renewed Master Contracting Services Agreement

First Moma Renju Construction's expertise and experience on installation of the haze clearing instruments systems and the energy machine room systems and other similar instruments and appliances in property development projects can provide better contracting services to the Group. The Directors (including the independent non-executive Directors whose views are set forth in "Letter from the Independent Board Committee" in this circular, after considering the advice of the Independent Financial Adviser, and excluding Mr. Zhang Lei) consider that the Renewed Master Contracting Services Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms; and the terms contained therein (including the annual caps stated above) are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

(3) Renewed Master Elevator Services Agreement

On 17 November 2022, the Company entered into the Renewed Master Elevator Services Agreement with First Moma Asset whereby members of the First Moma Asset Group shall provide installation and maintenance services of elevators and escalators and related services to members of the Group for a term of three years commencing from 1 January 2023 to 31 December 2025.

Date:	17 November 2022
Parties:	(1) the Company (as recipient of service); and (2) First Moma Asset (as service provider)
Term:	1 January 2023 to 31 December 2025
Nature of transactions:	The First Moma Asset Group will provide installation and maintenance services of elevators and escalators and related services to the Group.

It is envisaged that from time to time and as required, members of the Group will enter into individual elevator services agreements with members of the First Moma Asset Group which will set out specific terms and conditions such as the type of service required, service fees and service period.

LETTER FROM THE BOARD

**Service fees
and pricing policy:**

The service fees will be determined by the parties having regard to the fair market prices, historical service fees and costs of installation and maintenance services of elevators and escalators and related services as required under the individual elevator services agreements to be entered into between members of the Group and members of the First Moma Asset Group.

The service fees shall be determined in a fair and reasonable manner and the terms and conditions offered by the First Moma Asset Group to the Group shall be on an arm's length basis and on normal commercial terms, and shall not be less favorable than those of the same type of installation and maintenance services of elevators and escalators and related services offered by the First Moma Asset Group to an Independent Third Party.

Payment terms:

The payment terms shall be agreed between the parties under each individual elevator services agreement. Generally, the service fees shall be paid after the relevant services are provided and approved with the required inspections conducted by the authorised bodies.

Historical transactions amount

The historical recognised service fees paid by the Group to the First Moma Asset for the three years ended 31 December 2020, 2021 and 2022 are as follows:

	<i>RMB</i>
For the year ended 31 December 2020	29,200,412
For the year ended 31 December 2021	29,587,368
For the year ended 31 December 2022	27,963,805

LETTER FROM THE BOARD

Annual caps and basis for determining the annual caps

The annual caps for the Renewed Master Elevator Services Agreement for the three years ending 31 December 2025 are as follows:

	<i>RMB</i>
For the year ending 31 December 2023	41,000,000
For the year ending 31 December 2024	46,000,000
For the year ending 31 December 2025	49,000,000

The Group's real estate plans on hand are subject to comprehensive overall planning well before the construction work begins. Once the development proposal in respect of a forthcoming real estate plan has been formulated, the Group will start to identify the most suitable service provider for provision of the various services for that particular real estate plan. The First Moma Asset Group has been selected to provide contracting services for various ongoing/forthcoming real estate plans of the Group. Therefore, when determining the annual caps for the three years ending 31 December 2025, the Company has primarily considered the expected schedule and progress, service fees and payment terms, etc. of the relevant individual elevator services memorandums.

As at the Latest Practicable Date, the Group signed or expected to sign around 130 individual elevator services memorandums with the First Moma Asset Group. The contracted service fees of those around 130 individual property management services memorandums represent around 90%, 75% and 50% of the annual caps for the three years ending 31 December 2023, 2024 and 2025, respectively. In estimating the annual caps for 2024 and 2025, the Directors have further taken into account the possible service requirements of the real estate plans which may be conducted by the Group in the near future largely based on existing contracted amount for 2023. The total service fees charged by the First Moma Asset Group of approximately RMB7.99 million for the six months ended 30 June 2023 represented approximately 19.5% of the annual cap for the year ending 31 December 2023 of RMB41 million.

Reasons for and benefits of the Renewed Master Elevator Services Agreement

The First Moma Asset Group has been providing the installation and maintenance services of elevators and escalators and related services to the Group for many years and has established good cooperation relationship with the Group. It is familiar with the needs of the Group and the Directors believe that the continued provision of the installation and maintenance services of elevators and escalators and related services by the First Moma Asset Group will enhance the development of the Group's business. The Directors (including the independent non-executive Directors whose views are set forth in "Letter from the Independent Board Committee" in this circular, after considering the advice of the Independent Financial Adviser, and excluding Mr. Zhang Peng) consider that the Renewed Master Elevator Services Agreement is entered into in the ordinary and usual

LETTER FROM THE BOARD

course of business of the Group and on normal commercial terms; and the terms contained therein (including the annual caps stated above) are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INTERNAL CONTROL MEASURES FOR THE CONTINUING CONNECTED TRANSACTIONS

The Directors are of the view that, in respect of the Continuing Connected Transactions Agreements, the Group has implemented complete internal control procedures and steps in executing the transaction terms including pricing policy and payment method of the continuing connected transactions under the relevant Continuing Connected Transactions Agreements.

To safeguard the interest of the Group, the Group has adopted and will continue to adopt the following internal control measures:

1. the relevant personnel of the Group who are independent of the relevant connected persons and their associates will closely monitor the aggregate transactions of the Group under each of the Continuing Connected Transactions Agreements to ensure that the total consideration does not exceed the stipulated annual caps;
2. prior to entering into an individual agreement contemplated under the Continuing Connected Transactions Agreements, the relevant personnel of the Group who are independent of the relevant connected persons and their associates will ensure the terms are negotiated on an arm's length basis and will be consistent with the principles and terms of the relevant Continuing Connected Transactions Agreements;
3. the relevant personnel of the Group who are independent of the relevant connected persons and their associates will conduct regular checks every time when an individual agreement under the respective Continuing Connected Transactions Agreements is entered into to review and assess whether the transactions contemplated under the relevant continuing connected transactions are conducted in accordance with the terms set out in the Continuing Connected Transactions Agreements and whether the consideration for the transactions are fair and reasonable and in accordance with the pricing policies set out in the Continuing Connected Transactions Agreements;
4. the Company's external auditors will conduct an annual review of the transactions under the Continuing Connected Transactions Agreements to ensure the transactions amount are within the annual caps and the transactions are conducted in accordance with the terms set out in the Continuing Connected Transactions Agreements; and
5. the Company's independent non-executive Directors will conduct an annual review of the status of the transactions under the Continuing Connected Transactions Agreements to ensure the Group has complied with its internal approval process, the terms of the Continuing Connected Transactions Agreements and the relevant Listing Rules.

LETTER FROM THE BOARD

INFORMATION OF THE PARTIES

The Company and the Group

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.

First Service

First Service is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Main Board of the Stock Exchange (Stock Code: 2107), which is principally engaged in providing property management services and green living solutions that cover the full property life-cycle in the PRC. According to public information, as at the Latest Practicable Date, First Service is held as to approximately 33.49%, 17.9% and 48.61% by Mr. Zhang Lei, Mr. Zhang Peng and other shareholders, respectively.

First Moma Renju Construction

First Moma Renju Construction is a company established in the PRC with limited liability, which is principally engaged in construction general contracting, professional contracting and technology development. It is an indirect wholly-owned subsidiary of First Service.

First Moma Asset

First Moma Asset is a company established in the PRC, which is principally engaged in the provision of asset management services. It is owned as to 99.9% by Mr. Zhang Peng and 0.1% by Mr. Long Han, a non-executive director of First Service and an Independent Third Party.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, (i) First Service is owned as to approximately 33.49% by Mr. Zhang Lei; (ii) First Moma Asset is owned as to 99.9% by Mr. Zhang Peng; and (iii) First Moma Renju Construction is an indirect wholly-owned subsidiary of First Service.

Mr. Zhang Lei is an executive Director and a controlling Shareholder and thus a connected person of the Company. Accordingly, each of First Service and First Moma Renju Construction is an associate of Mr. Zhang Lei and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Mr. Zhang Peng is the chairman of the Board, the president of the Company and an executive Director. As such, First Moma Asset is an associate of Mr. Zhang Peng and a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under each of the Continuing Connected Transactions Agreements will therefore constitute as continuing connected transactions of the Company under Chapter 14A of the Listing Rules, respectively.

LETTER FROM THE BOARD

As the transactions under each of the Renewed Master Contracting Services Agreement and the Renewed Master Property Management Agreement involve the Group being a recipient of services and are conducted within a 12-month period, the transactions thereunder shall be aggregated under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) (other than the profit ratio) in respect of the transactions contemplated under the Renewed Master Contracting Services Agreement when aggregated with the Renewed Master Property Management Agreement for each of the three years ending 31 December 2023, 2024 and 2025 will exceed 5% on an annual basis and the annual consideration is more than HK\$10 million, the transactions contemplated under each of the Renewed Master Contracting Services Agreement and the Renewed Master Property Management Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For the period between 1 January 2023 and the Latest Practicable Date, the aggregate transaction amount under the Renewed Master Property Management Agreement and the Renewed Master Contracting Services Agreement has not exceeded HK\$10 million.

As one or more applicable percentage ratio(s) (other than the profit ratio) in respect of the transactions contemplated under the Renewed Master Elevator Services Agreement will exceed 5% on an annual basis and the annual consideration is more than HK\$10 million, the transactions contemplated under the Renewed Master Elevator Services Agreement are thus subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For the period between 1 January 2023 and the Latest Practicable Date, the transaction amount under the Renewed Master Elevator Services Agreement has not exceeded HK\$10 million.

Since Mr. Zhang Lei is considered to have material interests in the transactions contemplated under each of the Renewed Master Property Management Agreement and the Renewed Master Contracting Services Agreement, he has not voted or been counted in the quorum on the Board resolutions for approving the said agreements and the transactions contemplated thereunder. Since Mr. Zhang Peng is considered to have material interests in the transactions contemplated under the Renewed Master Elevator Services Agreement, he has not voted or been counted in the quorum on the Board resolutions for approving the said agreement and the transactions contemplated thereunder. Save and except for the aforesaid, none of the Directors has any material interest in any of the Continuing Connected Transactions Agreements and was required to abstain from voting on the Board resolutions to approve the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps).

LETTER FROM THE BOARD

EGM AND PROXY ARRANGEMENT

The notice of the EGM is set out on pages 42 to 43 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. To the best of the knowledge, information and belief of the Directors, save for Mr. Zhang Lei, Mr. Zhang Peng and their respective associates shall abstain from voting on the proposed resolutions approving the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps), none of the Shareholders is required to abstain from voting on the resolutions to be proposed at the EGM. An announcement on the poll results will be published by the Company after the EGM is held in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use in connection with the EGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.modernland.hk). If you are not able to attend the EGM, please complete, sign and return it. To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or its adjournment should you so wish and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining the identity of members who are entitled to attend and vote at the EGM, from Wednesday, 22 November 2023 to Wednesday, 29 November 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to be entitled to attend the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 21 November 2023.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 18 to 19 of this circular which contains the recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps); and (ii) the letter from the Independent Financial Adviser set out on pages 20 to 34 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps).

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps) are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the EGM in respect of the approval of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps).

The Directors (including the independent non-executive Directors who have formed their views after considering the advice from the Independent Financial Adviser and excluding Mr. Zhang Lei (in respect of the Renewed Master Property Management Agreement and the Renewed Master Contracting Services Agreement) and Mr. Zhang Peng (in respect of the Renewed Master Elevator Services Agreement) consider the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps) are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and its Shareholders as a whole. The Board considers that the resolutions proposed in the notice of EGM are in the best interests of the Company and the Shareholders and therefore recommends you to vote in favor of the relevant resolutions to be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board
Modern Land (China) Co., Limited
Zhang Peng
Chairman, President and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders in respect of approving the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps).



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)

31 October 2023

To the Independent Shareholders:

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 31 October 2023 (the “**Circular**”), in which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps) are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser as set out on pages 20 to 34 of the Circular and the letter from the Board as set out on pages 4 to 17 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information set out in the letter from the Board, the terms and conditions of the Continuing Connected Transactions Agreements, the factors and reasons considered by, and the opinion of Independent Financial Adviser as stated in its letter of advice, we consider that the terms of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favor of the ordinary resolutions in relation to the approval of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder (including their respective annual caps) to be proposed at the EGM.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Cui Jian
Independent
Non-executive Director

Mr. Hui Chun Ho, Eric
Independent
Non-executive Director

Mr. Gao Zhikai
Independent
Non-executive Director

LETTER FROM VBG CAPITAL LIMITED

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement for the purpose of inclusion in this circular.



21/F., Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

31 October 2023

To: The independent board committee and the independent shareholders
of Modern Land (China) Co., Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 31 October 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

References are made to the announcements of the Company dated 4 December 2019 and 1 April 2020 and the circular of the Company dated 27 May 2020 in relation to the 2019 Continuing Connected Transactions Agreements. As the 2019 Continuing Connected Transactions Agreements has expired by the end of 2022, on 17 November 2022, the Company entered into, amongst others, (i) the Renewed Master Property Management Agreement with First Service, (ii) the Renewed Master Contracting Services Agreement with First Moma Renju Construction, and (iii) the Renewed Master Elevator Services Agreement with First Moma Asset, pursuant to which the parties thereto will continue to conduct the relevant transactions contemplated thereunder until 31 December 2025.

According to the Letter from the Board, as the transactions contemplated under each of the Renewed Master Property Management Agreement and the Renewed Master Contracting Services Agreement involve the Group being a recipient of services and are conducted within a 12-month period, the transactions thereunder shall be aggregated under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) (other than the profit ratio) in respect of the transactions contemplated

LETTER FROM VBG CAPITAL LIMITED

under the Renewed Master Contracting Services Agreement when aggregated with the Renewed Master Property Management Agreement for each of the three years ending 31 December 2023, 2024 and 2025 will exceed 5% on an annual basis and the annual consideration is more than HK\$10 million, the transactions contemplated under each of the Renewed Master Contracting Services Agreement and the Renewed Master Property Management Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratio(s) (other than the profit ratio) in respect of the transactions contemplated under the Renewed Master Elevator Services Agreement will exceed 5% on an annual basis and the annual consideration is more than HK\$10 million, the transactions contemplated under the Renewed Master Elevator Services Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Cui Jian, Mr. Hui Chun Ho, Eric and Mr. Gao Zhikai (all being independent non-executive Directors), has been established to advise the Independent Shareholders on (i) whether the terms of each of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement (including the respective annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the transactions contemplated under each of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement (altogether, the "CCTs") are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement at the EGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any business relationship with the Company within the past two years. Save for the normal fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company or any of their associates. We consider ourselves independent to form our opinion in respect of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement.

LETTER FROM VBG CAPITAL LIMITED

BASIS OF OUR OPINION

In formulating our opinion with regard to the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement, we have reviewed, amongst others, (i) the interim results announcement of the Company for the six months ended 30 June 2023 and the annual results announcement of the Company for the year ended 31 December 2022; (ii) the announcements made by the Company after the suspension of trading in the Shares; (iii) the Continuing Connected Transactions Agreements; (iv) the company introduction, qualification certificate and existing client list of each of the First Service Group, the First Moma Renju Construction Group and the First Moma Asset Group; (v) the individual services agreements entered into between each of the aforesaid connected parties (as service provider) and the Group (as service recipient); (vi) the individual services agreements entered into between each of the aforesaid connected persons (as service provider) and its other Independent Third Party customers; (vii) documents regarding the Tender and Assessment Process (as being defined in the latter section of this letter of advice); (viii) calculations of the annual caps; (ix) the internal control measures of the Group; and (x) the relevant information contained in the Circular. Based on our discussion with the Directors and review of the annual caps calculations, we noted that the historical transaction amounts of the CCTs are relatively less relevant for determination of the annual caps as the annual caps were primarily determined with reference to the ongoing/forthcoming real estate plans of the Group. We consider such basis to be practical based on the Group's future business needs. A detailed analysis of the relevant basis will be set forth in the latter sections of this letter of advice.

We have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

LETTER FROM VBG CAPITAL LIMITED

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, the First Service Group, the First Moma Renju Construction Group, the First Moma Asset Group or their respective subsidiaries or associates (where applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the CCTs. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we did not conduct any independent investigation into the accuracy and completeness of such information.

In addition, Shareholders should note that as the proposed annual caps are relating to future events and estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2025, and they do not represent forecasts of revenues or costs to be recorded from the CCTs. Consequently, we express no opinion as to how closely the actual revenue and/or cost to be recorded under the CCTs will correspond with the proposed annual caps.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the CCTs

Information on the Group

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

According to the annual results announcement of the Company for the year ended 31 December 2022, the Group's audited revenue was mainly attributable to the sale of properties, property investment, hotel operation, real estate agency services and other businesses. For the year ended 31 December 2022, the Group's revenue from sale of properties was approximately RMB5,441.6 million, and the Group delivered 599,104 square meters (sq.m.) of properties in terms of total gross floor area (GFA) and 4,299 units of car parking spaces. The Group, its joint ventures and associates achieved contracted sales of approximately RMB4,938.7 million during 2022. As at 31 December

LETTER FROM VBG CAPITAL LIMITED

2022, the total GFA of land bank in the PRC (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 11,534,230 sq.m.

According to the interim results announcement of the Company for the six months ended 30 June 2023, the Group's revenue from sale of properties was approximately RMB3,283.7 million in the first half of 2023. The Group, its joint ventures and associates achieved contracted sales of approximately RMB3,325.3 million during the first half of 2023. As at 30 June 2023, the total GFA of land bank in the PRC (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 11,482,128 sq.m.

Information on the connected parties

As extracted from the Letter from the Board, First Service is principally engaged in providing property management services and green living solutions that cover the full property life-cycle in the PRC. First Moma Renju Construction is principally engaged in construction general contracting, professional contracting and technology development. First Moma Asset is principally engaged in the provision of asset management services.

Reasons for the CCTs

As advised by the Directors, the First Service Group has been providing property management services to the Group for many years and has established good cooperation relationship with the Group. It is familiar with the property projects and the needs of the Group and the Directors believe that the continued provision of property management services by the First Service Group will enhance the development of the Group's business.

The First Moma Renju Construction Group's expertise and experience on installation of the haze clearing instruments systems and the energy machine room systems and other similar instruments and appliances in property development projects can provide better contracting services to the Group.

The First Moma Asset Group has been providing the installation and maintenance services of elevators and escalators and related services to the Group for many years and has established good cooperation relationship with the Group. It is familiar with the needs of the Group and the Directors believe that the continued provision of installation and maintenance services of elevators and escalators and related services by the First Moma Asset Group will enhance the development of the Group's business.

Upon our further enquiry with the Directors, we understand that the First Service Group as well as the First Moma Asset Group have been providing their respective services to the Group for many years. Since listing of the Company on the main board of the Stock Exchange in 2013, the Company entered into a master property management agreement with First Moma Asset regarding the provision of property management services, while the provision of elevators and escalators installation and maintenance services by the First Moma Asset Group was also covered under the ambit of the said

LETTER FROM VBG CAPITAL LIMITED

master property management agreement and the subsequent renewed master agreements. On the other hand, the First Moma Renju Construction Group has been providing contracting services to the Group since 2017.

As such, each of the First Service Group, the First Moma Renju Construction Group and the First Moma Asset Group is familiar with the Group's business needs and service requirements. As for their qualifications and experience in carrying out their respective services, we have requested and obtained from the Company each of their (i) company introduction; (ii) qualification certificate issued by the relevant government authority; and (iii) existing client list (other than the Group). As further confirmed by the Directors, the Group has not encountered any material complaints and/or disputes with the First Service Group, the First Moma Renju Construction Group and the First Moma Asset Group throughout the entire term of their business cooperation. With the above being the case, we concur with the Directors that the First Service Group, the First Moma Renju Construction Group and the First Moma Asset Group possess the essential qualifications and experience in carrying out their respective services with good quality standard.

Having considered the principal business of the Group being property development in the PRC, together with the aforementioned reasons for the CCTs, we are of the view that the CCTs are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Renewed Master Property Management Agreement

As extracted from the Letter from the Board, the principal terms of the Renewed Master Property Management Agreement are as follows:

- Date:** 17 November 2022
- Parties:** (1) the Company (as recipient of service); and
(2) First Service (as service provider)
- Term:** 1 January 2023 to 31 December 2025
- Nature of transactions:** The First Service Group will provide property management services to the Group, which include but are not limited to security, cleaning, maintenance, carpark management, gas station management, staff catering management services and other agreed services.

It is envisaged that from time to time and as required, members of the Group will enter into individual property management services agreements with members of the First Service Group which will set out specific terms and conditions such as the type of management services required, service fees and services period.

LETTER FROM VBG CAPITAL LIMITED

Management fees and pricing policy:

The management fees will be determined by the parties having regard to the area of the properties served, fair market prices, historical management fees and costs of management services as required under the individual property management services agreement to be entered into between members of the Group and members of the First Service Group.

The management fees shall be determined in a fair and reasonable manner and the terms and conditions offered by the First Service Group to the Group shall be on an arm's length basis and on normal commercial terms, and shall not be less favourable than those of the same type of property management services offered to an Independent Third Party.

Pursuant to the Renewed Master Property Management Agreement, the management fees will be determined by the parties having regard to the area of the properties served, fair market prices, historical management fees and costs of management services as required under the individual property management services agreement to be entered into between members of the Group and members of the First Service Group. We are of the view that such determination basis is fair and reasonable. At the same time, the management fees shall not be less favourable than those of the same type of property management services offered to an Independent Third Party.

For our due diligence purpose, we have further requested the Company to provide us with (i) 15 individual property management services agreements entered into between the First Service Group (as service provider) and the Group (as service recipient); and (ii) 20 individual property management services agreements entered into between the First Services Group (as service provider) and its other Independent Third Party customers. Those samples were selected by us on a random basis and we consider them to be fair and representative. Our review of the aforesaid agreements reveal that their major terms (such as scope and standard of work) were largely comparable.

Besides, as advised by the Directors, the Group's real estate plans on hand are subject to comprehensive overall planning before the construction work begins. Once the development proposal in respect of a forthcoming real estate plan has been formulated, depending on the then situation, the Group may carry out an internal tender and assessment process (the "**Tender and Assessment Process**") to identify the most suitable service provider for provision of the various services required by that particular real estate plan. In this relation, we have obtained the relevant internal documents, such as qualifications of service providers, assessment criteria and scoring standard.

LETTER FROM VBG CAPITAL LIMITED

In light of that the Group has in place the Tender and Assessment Process for selection of the most suitable service provider for property management services, and the terms of the individual property management services agreement between the First Service Group and the Group were largely comparable with those between the First Service Group and its other Independent Third Party customers, we are of the view that the terms of the Renewed Master Property Management Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The annual caps

The annual caps for the Renewed Master Property Management Agreement for each of the three years ending 31 December 2023, 2024 and 2025 are as follows:

	<i>RMB</i>
For the year ending 31 December 2023	40,000,000
For the year ending 31 December 2024	41,000,000
For the year ending 31 December 2025	44,000,000

To assess the fairness and reasonableness of the above annual caps, we have enquired into the Directors for their basis of determination and independently reviewed the relevant calculations and supporting documents. We noted that as mentioned under the section headed “Principal terms of the Renewed Master Property Management Agreement” of this letter of advice, the Group’s real estate plans on hand are subject to comprehensive overall planning before the construction work begins. Once the development proposal in respect of a forthcoming real estate plan has been formulated, the Group will start to identify the most suitable service provider for provision of the various services required by that particular real estate plan. Upon our enquiry with the Directors, we understand that the First Service Group has been selected to provide property management services for around 25 ongoing/forthcoming real estate plans of the Group. Therefore, when determining the annual caps for the three years ending 31 December 2025, the Company has primarily considered the expected schedule and progress, service fees and payment terms etc. of the relevant individual property management services memorandums. Among those around 50 individual property management services memorandums as listed out for calculations of the annual caps, we have randomly selected and reviewed ten of them (all were signed already) to check as if the contract values and expected term of services as stated in the calculation worksheets match with the corresponding memorandum terms.

LETTER FROM VBG CAPITAL LIMITED

The contracted service fees of those around 50 individual property management services memorandums as listed out for calculations of the annual caps represent around 80%, 50% and 50% of the annual caps for the three years ending 31 December 2023, 2024 and 2025, respectively. In estimating the annual caps for 2024 and 2025, the Directors have further taken into account the possible service requirements of the real estate plans which may be conducted by the Group in the near future largely based on the annual cap for 2023. Given that (i) the service fees under signed memorandums represent a majority of around 80% of the annual cap for the year ending 31 December 2023; and (ii) the annual caps for the two years ending 31 December 2025 were projected largely based on the annual cap for 2023, and around 50% of the caps are based on service fees under signed memorandums, we consider that the annual caps are acceptable for catering the future business needs of the Group.

In view of the aforesaid basis of determination of the annual caps for the Renewed Master Property Management Agreement, we are of the opinion that they are fair and reasonable so far as the Independent Shareholders are concerned.

3. Principal terms of the Renewed Master Contracting Services Agreement

As extracted from the Letter from the Board, the principal terms of the Renewed Master Contracting Services Agreement are as follows:

- Date:** 17 November 2022
- Parties:** (1) the Company (as recipient of service); and
(2) First Moma Renju Construction (as service provider)
- Term:** 1 January 2023 to 31 December 2025
- Nature of transactions:** The First Moma Renju Construction Group will provide contracting services to the Group, which include but are not limited to design, supply of equipment and materials, installation, debugging, acceptance and maintenance of the haze clearing instruments systems and the energy machine room systems.

It is envisaged that from time to time and as required, members of the Group will enter into individual contracting services agreements with members of the First Moma Renju Construction Group which will set out specific terms and conditions such as particulars of the services, service fees, payment terms and method, quality standard and services period.

LETTER FROM VBG CAPITAL LIMITED

Service fees and pricing policy: The service fees will be determined by the parties having regard to the type of the properties developed by the Group, fair market prices, materials costs, labour costs and reasonable profit of the contracting services as required under the individual contracting services agreement to be entered into between members of the Group and members of the First Moma Renju Construction Group.

The service fees shall be determined in a fair and reasonable manner and the terms and conditions offered by the First Moma Renju Construction Group to the Group shall not be less favourable than those of the same type of contracting services offered to an Independent Third Party.

Pursuant to the Renewed Master Contracting Services Agreement, the service fees will be determined by the parties having regard to the type of the properties developed by the Group, fair market prices, materials costs, labour costs and reasonable profit of the contracting services as required under the individual contracting services agreement to be entered into between members of the Group and members of the First Moma Renju Construction Group. We are of the view that such determination basis is fair and reasonable. At the same time, the service fees shall not be less favourable than those of the same type of contracting services offered to an Independent Third Party.

For our due diligence purpose, we have further requested the Company to provide us with (i) 12 individual contracting services agreements entered into between the First Moma Renju Construction Group (as service provider) and the Group (as service recipient); and (ii) five individual contracting services agreements entered into between the First Moma Renju Construction Group (as service provider) and its other Independent Third Party customers. Those samples between the First Moma Renju Construction Group and the Group were selected by us on a random basis and we consider them to be fair and representative while those between the First Moma Renju Construction Group and its other Independent Third Party customers were exhaustive according to the Directors. Our review of the aforesaid agreements reveal that their major terms (such as scope and standard of work) were largely comparable.

In light of that the Group has in place the Tender and Assessment Process for selection of the most suitable service provider for contracting services, and the terms of the individual contracting services agreement between the First Moma Renju Construction Group and the Group were largely comparable with those between the First Moma Renju Construction Group and its other Independent Third Party customers, we are of the view that the terms of the Renewed Master Contracting Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM VBG CAPITAL LIMITED

The annual caps

The annual caps for the Renewed Master Contracting Services Agreement for each of the three years ending 31 December 2023, 2024 and 2025 are as follows:

	<i>RMB</i>
For the year ending 31 December 2023	8,000,000
For the year ending 31 December 2024	7,000,000
For the year ending 31 December 2025	7,000,000

To assess the fairness and reasonableness of the above annual caps, we have enquired into the Directors for their basis of determination and independently reviewed the relevant calculations and supporting documents. We noted that as mentioned under the section headed “Principal terms of the Renewed Master Property Management Agreement” of this letter of advice, the Group’s real estate plans on hand are subject to comprehensive overall planning before the construction work begins. Once the development proposal in respect of a forthcoming real estate plan has been formulated, the Group will start to identify the most suitable service provider for provision of the various services required by that particular real estate plan. Upon our enquiry with the Directors, we understand that the First Moma Renju Construction Group has been selected to provide contracting services for certain ongoing/forthcoming real estate plans of the Group. Therefore, when determining the annual caps for the three years ending 31 December 2025, the Company has primarily considered the expected schedule and progress, service fees and payment terms etc. of the relevant individual contracting services memorandums. Among those around nine individual contracting services memorandums as listed out for calculations of the annual caps, we have randomly selected and reviewed six of them (all were signed already) to check as if the contract values and expected term of services as stated in the calculation worksheets match with the corresponding memorandum terms.

In view of the aforesaid basis of determination of the annual caps for the Renewed Master Contracting Services Agreement, we are of the opinion that the annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

4. Principal terms of the Renewed Master Elevator Services Agreement

As extracted from the Letter from the Board, the principal terms of the Renewed Master Elevator Services Agreement are as follows:

Date:	17 November 2022
Parties:	(1) the Company (as recipient of service); and (2) First Moma Asset (as service provider)
Term:	1 January 2023 to 31 December 2025

LETTER FROM VBG CAPITAL LIMITED

Nature of transactions: The First Moma Asset Group will provide installation and maintenance services of elevators and escalators and related services to the Group.

It is envisaged that from time to time and as required, members of the Group will enter into individual elevator services agreements with members of the First Moma Asset Group which will set out specific terms and conditions such as the type of services required, service fees and services period.

Service fees and pricing policy: The service fees will be determined by the parties having regard to the fair market prices, historical service fees and costs of installation and maintenance services of elevators and escalators and related services as required under the individual elevator services agreement to be entered into between members of the Group and members of the First Moma Asset Group.

The service fees shall be determined in a fair and reasonable manner and the terms and conditions offered by the First Moma Asset Group to the Group shall be on an arm's length basis and on normal commercial terms, and shall not be less favourable than those of the same type of installation and maintenance services of elevators and escalators and related services offered by the First Moma Asset Group to an Independent Third Party.

Pursuant to the Renewed Master Elevator Services Agreement, the service fees will be determined by the parties having regard to the fair market prices, historical service fees and costs of installation and maintenance services of elevators and escalators and related services as required under the individual elevator services agreement to be entered into between members of the Group and members of the First Moma Asset Group. We are of the view that such determination basis is fair and reasonable. At the same time, the service fees shall not be less favourable than those of the same type of installation and maintenance services of elevators and escalators and related services offered by the First Moma Asset Group to an Independent Third Party.

For our due diligence purpose, we have further requested the Company to provide us with (i) 20 individual elevator services agreements entered into between the First Moma Asset Group (as service provider) and the Group (as service recipient); and (ii) three individual elevator services agreements entered into between the First Moma Asset Group (as service provider) and its other Independent Third Party customers. Those samples between the First Moma Asset Group and the Group were selected by us on a random basis and we consider them to be fair and representative while those between the First

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Moma Asset Group and its other Independent Third Party customers were exhaustive according to the Directors. Our review of the aforesaid agreements reveal that their major terms (such as scope and standard of work) were largely comparable.

In light of that the Group has in place the Tender and Assessment Process for selection of the most suitable service provider for installation and maintenance services for elevator and escalators, and the terms of the individual elevator services agreement between the First Moma Asset Group and the Group were largely comparable with those between the First Moma Asset Group and its other Independent Third Party customers, we are of the view that the terms of the Renewed Master Elevator Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The annual caps

The annual caps for the Renewed Master Elevator Services Agreement for each of the three years ending 31 December 2023, 2024 and 2025 are as follows:

	<i>RMB</i>
For the year ending 31 December 2023	41,000,000
For the year ending 31 December 2024	46,000,000
For the year ending 31 December 2025	49,000,000

To assess the fairness and reasonableness of the above annual caps, we have enquired into the Directors for their basis of determination and independently reviewed the relevant calculations and supporting documents. We noted that as mentioned under the section headed “Principal terms of the Renewed Master Property Management Agreement” of this letter of advice, the Group’s real estate plans on hand are subject to comprehensive overall planning before the construction work begins. Once the development proposal in respect of a forthcoming real estate plan has been formulated, the Group will start to identify the most suitable service provider for provision of the various services required by that particular real estate plan. Upon our enquiry with the Directors, we understand that the First Moma Asset Group has been selected to provide installation and maintenance services of elevators and escalators and related services for various ongoing/forthcoming real estate plans of the Group. Therefore, when determining the annual caps for the three years ending 31 December 2025, the Company has primarily considered the expected schedule and progress, service fees and payment terms etc. of the relevant individual elevator services memorandums. Among those around 130 individual elevator services memorandums as listed out for calculations of the annual caps, we have randomly selected (with priority of memorandums with annual service fees of over RMB2 million) and reviewed 15 of them (all were signed already) to check as if the contract values and expected term of services as stated in the calculation worksheets match with the corresponding memorandum terms.

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The contracted service fees of those around 130 individual property management services memorandums as listed out for calculations of the annual caps represent around 90%, 75% and 50% of the annual caps for the three years ending 31 December 2023, 2024 and 2025, respectively. In estimating the annual caps for 2024 and 2025, the Directors have further taken into account the possible service requirements of the real estate plans which may be conducted by the Group in the near future largely based on the annual cap amount for 2023. Given that (i) the service fees under signed memorandums represent a majority of around 90% of the annual cap for the year ending 31 December 2023; and (ii) the annual caps for the two years ending 31 December 2025 were projected largely based on the annual cap for 2023, and around 75% and 50% of the caps are based on services fees under signed memorandums, we consider that the annual caps are acceptable for catering the future business needs of the Group.

In view of the aforesaid basis of determination of the annual caps for the Renewed Master Elevator Services Agreement, we are of the opinion that the annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

5. Relevant internal control measures and compliance with the Listing Rules

We understand that the Group has implemented a series of internal control procedures for monitoring the CCTs, details of which are summarised in the section headed “Internal control measures for the continuing connected transactions” of the Letter from the Board.

In addition, the Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 and 14A.55 of the Listing Rules pursuant to which (a) the transaction amounts of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement must be restricted by the respective annual caps; (b) the terms of each of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement (together with the respective annual caps) must be reviewed by the independent non-executive Directors annually; and (c) details of independent non-executive Directors’ annual review on the terms of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement (together with the respective annual caps) must be included in the Company’s subsequent published annual reports and financial accounts. As also stipulated under Rule 14A.56 of the Listing Rules, auditors of the Company must provide a letter to the Board confirming, among other things, that the CCTs are carried out in accordance with the pricing policies of the Company, and the respective annual caps are not being exceeded. In the event that the total amounts of the CCTs exceed the respective annual caps, or that there is any material amendment to the terms of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement, the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

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With the Company's internal control measures and the stipulated requirements for continuing connected transactions of the Listing Rules in place, the CCTs would be monitored and thus the interest of the Independent Shareholders may be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of each of the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement (including the respective annual caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the CCTs are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Renewed Master Property Management Agreement, the Renewed Master Contracting Services Agreement and the Renewed Master Elevator Services Agreement, and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Managing Director

Ms. Doris Sing is a licensed person and responsible officer of VBG Capital Limited registered with the Securities and Futures Commission to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 18 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company were as follows:

Names of Directors	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Zhang Lei	Beneficiary of a trust	1,827,293,270 (L) <i>(Note 1)</i>	65.38%
	Beneficial owner	16,227,890 (L) <i>(Note 2)</i>	0.58%
Mr. Zhang Peng	Interest in a controlled corporation	5,982,240 (L) <i>(Note 3)</i>	0.21%
	Beneficial owner	13,007,000 (L) <i>(Note 4)</i>	0.47%
Mr. Chen Yin	Interest in a controlled corporation	6,911,520 (L) <i>(Note 5)</i>	0.25%
Mr. Hui Chun Ho, Eric	Beneficial owner	800,000 (L) <i>(Note 6)</i>	0.03%

Notes:

1. Such 1,827,293,270 Shares are held by Super Land Holdings Limited as a registered holder. The entire issued share capital of Super Land Holdings Limited is wholly-owned by Fantastic Energy Holdings Limited, which in turn is wholly-owned by TMF (Cayman) Limited as the trustee of a family trust. The family trust is a discretionary trust established by Mr. Zhang Lei as the settlor and protector and the capital and income beneficiaries thereof include Mr. Zhang Lei, Mr. Salum Zheng Lee, the younger brother of Mr. Zhang Lei and their family members.
2. 11,727,890 Shares out of the 16,227,890 Shares are beneficially held by Mr. Zhang Lei in his own capacity while the remaining 4,500,000 Shares are held pursuant to share options granted under the share option scheme of the Company adopted on 14 June 2013 (the “**Share Option Scheme**”).
3. Mr. Zhang Peng holds 100% of the issued share capital of Zhou Ming Development Ltd., which owns 5,982,240 Shares. Therefore, Mr. Zhang Peng is deemed to have the same interest in the Company.
4. 8,507,000 Shares out of the 13,007,000 Shares are beneficially held by Mr. Zhang Peng in his own capacity while the remaining 4,500,000 Shares are held pursuant to the share options granted under the Share Option Scheme.
5. Mr. Chen Yin holds 100% of the issued share capital of Dragon Shing Technology Ltd., which owns 6,911,520 Shares. Therefore, Mr. Chen Yin is deemed to have the same interest in the Company.
6. Mr. Hui Chun Ho, Eric’s interest in 800,000 Shares are held pursuant to the share options granted under the Share Option Scheme.
7. “L” stands for a long position in the Shares.

(b) Substantial Shareholders

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Names of Shareholders	Nature of interest	Number of Shares	Approximate percentage of shareholding
Ms. Yu Jinmei	Interest of a spouse	1,843,521,160 (L) <i>(Note 1)</i>	65.96%
Super Land Holdings Limited	Registered holder	1,827,293,270 (L) <i>(Note 2)</i>	65.38%
Fantastic Energy Holdings Limited	Interest in a controlled corporation	1,827,293,270 (L) <i>(Note 2)</i>	65.38%
TMF (Cayman) Limited	Trustee	1,827,293,270 (L) <i>(Note 2)</i>	65.38%
China Cinda (HK) Asset Management Co., Limited	Registered holder	267,877,500 (L) <i>(Note 3)</i>	9.58%
China Cinda (HK) Holdings Company Limited	Interest in a controlled corporation	267,877,500 (L) <i>(Note 3)</i>	9.58%
China Cinda Asset Management Co., Ltd.	Interest in a controlled corporation	267,877,500 (L) <i>(Note 3)</i>	9.58%
China Great Wall AMC (International) Holdings Company Limited	Registered holder	190,159,200 (L) <i>(Note 4)</i>	6.80%
China Great Wall Asset Management Co. Ltd.	Interest in a controlled corporation	190,159,200 (L) <i>(Note 4)</i>	6.80%

Notes:

1. Ms. Yu Jinmei is the spouse of Mr. Zhang Lei and is therefore deemed to be interested in 1,843,521,160 Shares held by Mr. Zhang Lei.
2. Such 1,827,293,270 Shares are held by Super Land Holdings Limited as a registered holder. The entire issued share capital of Super Land Holdings Limited is wholly-owned by Fantastic Energy Holdings Limited, which in turn is wholly-owned by TMF (Cayman) Limited as the trustee of a family trust. The family trust is a discretionary trust established by Mr. Zhang Lei as the settlor and protector and the capital and income beneficiaries thereof include Mr. Zhang Lei, Mr. Salum Zheng Lee, the younger brother of Mr. Zhang Lei and their family members.
3. China Cinda (HK) Asset Management Co., Limited is wholly-owned by China Cinda (HK) Holdings Company Limited, which in turn is wholly-owned by China Cinda Asset Management Co., Ltd. Accordingly, each of China Cinda Asset Management Co., Ltd. and China Cinda (HK) Holdings Company Limited is deemed to be interested in an aggregate of 267,877,500 Shares held by China Cinda (HK) Asset Management Co., Limited.
4. China Great Wall AMC (International) Holdings Company Limited is wholly-owned by China Great Wall Asset Management Co. Ltd. Accordingly, China Great Wall Asset Management Co. Ltd. is deemed to be interested in an aggregate of 190,159,200 Shares held by China Great Wall AMC (International) Holdings Company Limited.
5. “L” stands for a long position in the Shares.

Save as disclosed above, so far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, each of Mr. Zhang Lei and Mr. Chen Yin re-entered into an appointment contract with the Company to act as an executive Director for a term of three years with effect from 14 June 2022. Mr. Zhang Peng entered into an appointment contract with the Company to act as an executive Director for a term of three years with effect from 27 January 2023. Mr. Zeng Qiang entered into an appointment contract with the Company, pursuant to which he agreed to act as a non-executive Director for a term of three years with effect from 16 September 2023. Mr. Tang Lunfei entered into an appointment contract with the Company, pursuant to which he agreed to act as a non-executive Director for a term of three years with effect from 24 March 2022. Mr. Gao Zhikai entered into an appointment contract with the Company, pursuant to which he agreed to act as an independent non-executive Director for a term of three years with effect from 24 November 2020. Each of

Mr. Cui Jian and Mr. Hui Chun Ho, Eric re-entered into an appointment contract with the Company, pursuant to which each of them agreed to act as an independent non-executive Director for a term of three years with effect from 14 June 2022.

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

4. COMPETING BUSINESS INTEREST OF DIRECTORS

In order to eliminate competing business with the Group, Mr. Zhang Lei and Mr. Salum Zheng Lee, among others, entered into a deed of non-competition with the Company on 14 June 2013.

In compliance with the above-mentioned non-competition deed, each of Mr. Zhang Lei and Mr. Salum Zheng Lee made a declaration that all material terms of the non-competition deed have been fully complied with in all material aspects on an annual basis. Mr. Zhang Lei and Mr. Salum Zheng Lee (among others) have confirmed in the non-competition deed that save for the Modern Building Business Hotel project, none of them is engaged in, or is interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

By the Company on the websites of the Stock Exchange and the Company as at the Latest Practicable Date, save as disclosed above, so far as the Directors were aware, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

5. MATERIAL ADVERSE CHANGE

Save as disclosed in announcements published by the Company and/or the annual report for the year ended 31 December 2022, the Directors are not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 December 2022, the date to which the latest published audited accounts of the Company are made up.

6. EXPERT'S QUALIFICATION AND CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of the expert or professional adviser who has given its opinion or advice contained in this circular:

Name	Qualification
VBG Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, VBG Capital does not have any interest, direct or indirect, in any member of the Group or any right (whether legally enforceable or not), to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, VBG Capital does not have any interest, direct or indirect, in any assets which have been since 31 December 2022, being the date up to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

VBG Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion in this circular of its letter of advice or report and/or references to its name in the form and context in which it appears.

7. GENERAL

- (a) None of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Company were made up.
- (b) None of the Directors was materially interested in any contract, save the service contracts, or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The registered office of the Company is suited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (d) The principal place of business of the Company in Hong Kong is located at 18/F, Shanghai Commercial Bank Tower, 12 Queen's Road Central, Central, Hong Kong.

- (e) The Company's branch share registrar in Hong Kong is Tricor Investor Services Limited.
- (f) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

8. DOCUMENTS ON DISPLAY

The following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.modernland.hk) for a period of 14 days commencing from the date of this circular:

- (a) the Continuing Connected Transactions Agreements;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 18 to 19 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 20 to 34 of this circular;
- (d) the consent letter of the Independent Financial Adviser referred to in the section headed "Expert's Qualification and Consent" in this appendix; and
- (e) this circular.



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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Modern Land (China) Co., Limited (the “**Company**”) will be held at 18/F, Shanghai Commercial Bank Tower, 12 Queen’s Road Central, Central, Hong Kong on Wednesday, 29 November 2023 at 10:15 a.m. (or immediately following the AGM to be convened at 10:00 a.m. on the same day) or its adjournment to consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions of the Company.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 31 October 2023.

ORDINARY RESOLUTIONS

1. “**THAT** the continuing connected transactions contemplated under the Renewed Master Property Management Agreement entered into between the Company and First Service on 17 November 2022 and the proposed annual caps in relation thereto be and are hereby generally and unconditionally approved, confirmed and ratified and the Directors acting together or by committee, or any Director acting individually, be and are hereby authorized to do all such further acts and things and execute such further documents and take all such steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such continuing connected transactions.”
2. “**THAT** the continuing connected transactions contemplated under the Renewed Master Contracting Services Agreement entered into between the Company and First Moma Renju Construction on 17 November 2022 and the proposed annual caps in relation thereto be and are hereby generally and unconditionally approved, confirmed and ratified and the Directors acting together or by committee, or any Director acting individually, be and are hereby authorized to do all such further acts and things and execute such further documents and take all such steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such continuing connected transactions.”

NOTICE OF EGM

3. “**THAT** the continuing connected transactions contemplated under the Renewed Master Elevator Services Agreement entered into between the Company and First Moma Asset on 17 November 2022 and the proposed annual caps in relation thereto be and are hereby generally and unconditionally approved, confirmed and ratified and the Directors acting together or by committee, or any Director acting individually, be and are hereby authorized to do all such further acts and things and execute such further documents and take all such steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such continuing connected transactions.”

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

Hong Kong, 31 October 2023

Notes:

1. All votes of the Shareholders above at the EGM will be taken by poll pursuant to the Listing Rules except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The results of the poll will be published on the respective websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the EGM on a poll. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for the holding of the EGM or its adjournment. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
5. The register of members of the Company will be closed, for the purpose of determining the identity of members who are entitled to attend and vote at the EGM, from Wednesday, 22 November 2023 to Wednesday, 29 November 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to be entitled to attend the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 21 November 2023.
6. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the EGM, the meeting will be adjourned in accordance with the articles of association of the Company and the shareholders of the Company will be informed of the date, time and place of the adjourned meeting and, if necessary, be given notice thereof pursuant to the articles of association of the Company.
7. As at the date of this notice, the Board comprises eight Directors, namely executive Directors: Mr. Zhang Peng, Mr. Zhang Lei and Mr. Chen Yin; non-executive Directors: Mr. Tang Lunfei and Mr. Zeng Qiang; and independent non-executive Directors: Mr. Cui Jian, Mr. Hui Chun Ho, Eric and Mr. Gao Zhikai.