

**MODERN LAND (CHINA) COMPANY LTD:  
THE SHARE PRICE IS LIKELY TO FALL –  
FAST AND FURIOUSLY**

The Global Offering of Modern Land (China) Company Ltd ([]) (Code: 1107, Main Board, The Stock Exchange of Hongkong Ltd) was, as far as investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were concerned, a complete and utter failure.

This is not to suggest that there is anything wrong with Modern Land and/or its Global Offering Prospectus and/or its Management, but the investors of the HKSAR clearly determined that they want little to do with this Company.

Which, of course, raises the question as to the reason(s) that Management of Modern Land did not withdraw its proposed listing on the premier equity market of the HKSAR, prior to the second week of July.

On July 11, 2013, Modern Land announced that about 1.17 percent of the 40-million Share tranche – the Hongkong Offer Shares tranche, only – that is 4,676,000 shares of the Global Offering of 400 million Shares, was all that was taken up by Hongkong investors.

As for the International Placing tranche of 360 million Shares, one was told that this tranche had *'been slightly over-subscribed'*, that is 395,324,000 shares, which included those Offer Shares that HKSAR investors deigned not to consider as investment potential.

The 400 million, one-cent (US) Shares were Offered at the Indicative Offer Price Per Share, ranging from \$HK1.49 to \$HK2.36.

On July 11, it was announced that the Offer Price Per Share had been struck at the lowest, acceptable level to Management, at \$HK1.49.

The net proceeds of the Global Offering was estimated to be about \$HK545.40 million, Management stated.

That amount of money will be utilised as follows:

- About 90 percent – \$HK490.90 million – to purchase new parcels of land and the development of new projects in the PRC; and,
- About 10 percent -- \$HK54.50 million – to be tipped into the Working Capital Account.

Adding insult to injury and what must have been a rather painful situation that Senior Management of this Company must have felt on learning how HKSAR investors view this Company, on the first day of trading (Friday, July 12), the share price of Modern Land fluctuated between \$HK1.28 and \$HK1.49 with just 31,694,000 shares, changing hands.

The total amount of money, with regard to the sales and purchases of that number of shares, was just \$HK44.98 million.

Then, on the second day of trading (last Monday, July 15), the share price slid back 2.69 percent to \$HK1.45

on a turnover of 360,000 shares.

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