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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)

ANNOUNCEMENT PURSUANT TO RULES 13.51(2)(h) AND 13.51B(2) OF THE LISTING RULES

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of Modern Land (China) Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51(2)(h) and 13.51B(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the news release (the “**News Release**”) and the statement of disciplinary action (the “**Statement**”) published by the Stock Exchange on 8 June 2021 in relation to, among other things, the public censure (the “**Censure**”) against Baytacare Pharmaceutical Co., Ltd. (“**Baytacare**”, previous stock code: 8197, the listing of Baytacare’s shares on the Stock Exchange was cancelled with effect from 18 March 2020) and twelve of its directors and four of its supervisors, including Mr. Gao Zhikai (“**Mr. Gao**”), a former independent non-executive director of Baytacare. Mr. Gao is currently an independent non-executive Director of the Company.

According to the News Release and the Statement, among other things, (i) Baytacare was censured for breaching various rules under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) principally by failing to comply with the procedural requirements in relation to a number of transactions as detailed in the Statement; and (ii) Mr. Gao was censured by the GEM Listing Committee of the Stock Exchange (as reviewed and confirmed by the Listing Review Committee) for breach of Rule 5.01(6) of the GEM Listing Rules and his obligations under the declaration and undertaking with regard to directors given to the Stock Exchange in the form set out in Appendix 6B to the GEM Listing Rules, for failing to identify serious short-comings with the internal financial controls or provide oversight over the actions of management of Baytacare. Further details relating to the Censure are set out in the News Release and the Statement.

Mr. Gao has been an independent non-executive Director since November 2020, graduated from Yale Law School with a Juris Doctor degree in 1993 and is a licensed attorney-at-law in the State of New York of the United States of America. Mr. Gao has accumulated extensive experience by acting as a director or holding senior positions in various major corporations, both in China and internationally. He was a non-executive director of Huanxi Media Group Limited (Stock Code: 1003) from September 2015 to August 2018 and was a non-executive director of Baytacare from May 2017 to April 2019. Mr. Gao is currently an independent non-executive director of E-Commodities Holdings Limited (Stock Code: 1733).

The Board has reviewed and assessed the Censure and Mr. Gao's experience and contribution to the Company and considers that, notwithstanding the Censure, Mr. Gao is still suitable to act as a Director under Rules 3.08 and 3.09 of the Listing Rules, for the reasons set out below.

- (1) The nature of the Censure did not involve fraud or dishonesty or casted doubt on Mr. Gao's integrity. In the News Release and the Statement, the Stock Exchange acknowledged that Mr. Gao had cooperated with the investigation into Baytacare's affairs conducted by the Stock Exchange, while did not raise concern on Mr. Gao's suitability to act as an independent non-executive director of Baytacare. Mr. Gao's breaches of the relevant GEM Listing Rules were not found to be willful and persistent.
- (2) As an independent non-executive Director, Mr. Gao is not involved in the daily operations of the Group and, to the best knowledge and belief of the Board, the disciplinary action set out in the Statement is unrelated to other Directors or senior management of the Group or any business operations of the Group (except for the fact that Mr. Gao is one of the independent non-executive Directors), and will have no impact on the Group.
- (3) Mr. Gao will attend 24 hours of training on regulatory and legal topics including GEM Listing Rules compliance as directed by the Stock Exchange (the "**Training**") within a prescribed time period. Mr. Gao will have to provide the Stock Exchange with written certification of full compliance within two weeks after completion of the Training, and obtain the Stock Exchange's confirmation in relation to the Training.
- (4) Taking into account the background, expertise, skills and experience of Mr. Gao, the Board considers that, subject to completion of the Training in accordance with the direction of the Stock Exchange, it would be appropriate for Mr. Gao to remain as an independent non-executive Director.

Mr. Gao has confirmed to the Company that save as disclosed in this announcement, there is no other information relating to him that is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and he is not aware of any other matters that need to be brought to the attention of the shareholders of the Company.

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

Hong Kong, 16 June 2021

As at the date of this announcement, the Board comprises ten Directors, namely executive Directors: Mr. Zhang Lei, Mr. Zhang Peng and Mr. Chen Yin; non-executive Directors: Mr. Fan Qingguo, Mr. Chen Zhiwei and Mr. Zeng Qiang; and independent non-executive Directors: Mr. Cui Jian, Mr. Hui Chun Ho, Eric, Mr. Gao Zhikai and Mr. Liu Jiaping.