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 OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Modern Land (China) Co., Limited (the "**Company**" or "**Modern Land**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2022.

The Group's unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of financial position and explanatory notes as presented below are extracted from the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2022, which has been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022 — unaudited

	Note	**For the six months ended 30 June 2022** *RMB'000*	2021 *RMB'000*
Revenue	*3*	**2,417,356**	9,543,392
Cost of sales		**(2,310,915)**	(7,332,474)
Gross profit		**106,441**	2,210,918
Other income, gains and losses	*4*	**(876,219)**	192,354
Recognition of changes in fair value of completed properties held for sale and properties under development for sale upon transfer to investment properties		**–**	95,918
Changes in fair value of investment properties, net		**–**	31,990
Selling and distribution expenses		**(195,464)**	(309,669)
Administrative expenses		**(228,881)**	(402,632)
Finance costs	*5*	**(191,419)**	(205,671)
Share of profits less losses of joint ventures		**46,222**	(17,817)
Share of profits less losses of associates		**(990)**	(1,051)
(Loss)/profit before taxation		**(1,340,310)**	1,594,340
Income tax expense	*6*	**(143,629)**	(917,797)
(Loss)/profit for the period	*7*	**(1,483,939)**	676,543

	Note	For the six months ended 30 June **2022** *RMB'000*	2021 *RMB'000*
Other comprehensive income for the period:			
Item that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income ("**FVOCI**") — net movement in fair value reserves (non-recycling), net of RMB961,000 (2021: RMB83,000) tax		**(2,884)**	249
Item that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of nil tax		**(1,417)**	206
Total comprehensive income for the period		**(1,488,240)**	676,998
(Loss)/profit for the period attributable to:			
Owners of the Company		**(1,238,576)**	447,609
Non-controlling interests		**(245,363)**	228,934
		(1,483,939)	676,543
Total comprehensive income attributable to:			
Owners of the Company		**(1,242,877)**	448,064
Non-controlling interests		**(245,363)**	228,934
		(1,488,240)	676,998
(Losses)/earnings per share, in Renminbi ("RMB") cents:			
Basic and diluted	*9*	**(44.3)**	16.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022 — unaudited

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current assets			
Investment properties		**3,009,564**	3,032,700
Property, plant and equipment		**383,896**	395,700
Intangible assets		**20,689**	21,774
Freehold land held for future development		**30,538**	29,010
Interests in associates		**103,781**	104,449
Interests in joint ventures	*10*	**2,291,529**	2,233,385
Loans to joint ventures	*10*	**7,139,795**	7,088,140
Equity securities designated at FVOCI		**42,238**	46,083
Deferred tax assets		**1,230,507**	1,311,796
		14,252,537	14,263,037
Current assets			
Properties under development for sale		**36,886,572**	39,859,390
Completed properties held for sale		**4,832,537**	4,788,519
Other inventories and contract costs		**1,013,222**	1,052,545
Trade and other receivables, deposits and prepayments	*11*	**9,807,549**	9,909,068
Amounts due from related parties		**680,379**	786,348
Restricted cash		**2,138,824**	2,426,926
Bank balances and cash		**725,655**	1,585,043
Assets held-for-sale		**1,134,849**	2,947,689
		57,219,587	63,355,528

	Note	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Current liabilities			
Trade and other payables, deposits received and accrued charges	*12*	**12,034,123**	12,541,111
Contract liabilities		**24,755,645**	24,928,489
Amounts due to related parties		**1,992,383**	2,120,993
Taxation payable		**3,993,150**	3,826,958
Bank and other borrowings — due within one year		**10,913,099**	13,449,587
Corporate bonds — due within one year		**747,069**	710,812
Senior notes — due within one year		**8,957,831**	8,478,681
Liabilities held-for-sale		**818,908**	2,187,718
		64,212,208	68,244,349
Net current liabilities		**(6,992,621)**	(4,888,821)
Total assets less current liabilities		**7,259,916**	9,374,216
Capital and reserves			
Share capital		**175,693**	175,693
Reserves		**3,051,908**	4,293,188
Equity attributable to owners of the Company		**3,227,601**	4,468,881
Non-controlling interests		**1,624,300**	2,344,474
Total equity		**4,851,901**	6,813,355
Non-current liabilities			
Bank and other borrowings — due after one year		**1,856,184**	1,907,327
Deferred tax liabilities		**551,831**	653,534
		2,408,015	2,560,861
		7,259,916	9,374,216

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 STATEMENT OF COMPLIANCE

This interim financial report of Modern Land (China) Co., Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRSs.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company and approved for issue by the Board of Directors on 27 June 2023.

2 BASIC OF PREPARATION

(a) Changes in accounting policies

The Group has applied the following amendments to IFRSs for the current accounting period:

- Amendments to IFRS 16, *Property, plant and equipment: Proceeds before intended use*

- Amendments to IFRS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) Going concern basis

The Group incurred a loss of RMB1,483,939,000 during the six months ended 30 June 2022 and as at that date, the Group's current liabilities were in excess of current assets by RMB6,992,621,000. Included in the current liabilities were senior notes of RMB8,957,831,000, current bank and other borrowings of RMB10,913,099,000, corporate bond of RMB747,069,000 and provision for claims and litigations of RMB264,315,000.

On 25 October 2021, the Group defaulted payment of outstanding principal amount (the "**Default**") of 2019 USD Notes III totaling approximately USD250,002,000 (approximately RMB1,592,948,000). As a result of the Default, the senior note holders have a right at any time to require the senior notes to be immediately redeemed. The Default also triggered cross-default of other senior notes issued by the Group with carrying amount of USD1,084,864,000 (approximately RMB7,280,958,000) at 30 June 2022, such that they become due for immediate redemption once the relevant senior noteholder makes the request under the cross-default provision. If any of the senior note holders request immediate redemption of any of the senior notes and the Group cannot fulfill the request, the senior noteholders are entitled to take possession of the assets securing the senior notes. As further mentioned below, the Group subsequently competed restructuring of the senior notes and extended maturity.

The Group also breached certain covenants relating to bank and other borrowings of RMB4,862,556,000, and these borrowings became repayable on demand as at 30 June 2022. If any of the lenders request immediate repayment of any of these borrowings and the Group cannot fulfill the request, the lenders are entitled to take possession of the assets securing the borrowings. Included in the these borrowings were bank and other borrowings of RMB804,000,000 which has been demanded by lenders for early payment as of 30 June 2022 and has not been repaid by the Group. Therefore the lenders can at any time take possession of the office buildings and land use right with carrying amount of RMB580,000,000 (less than 3% of the Group's total assets) pledged for such borrowings. Other than that, up to the date of this audit report, the Group continues to be in breach of certain covenants and other lenders have not demanded for immediate repayment of other bank and other borrowings.

As at 30 June 2022, the Group's corporate bonds with carrying amount of RMB747,069,000 were due on 30 July 2022. As further mentioned below, the Group subsequently extended the due date to 30 July 2023.

In addition, the Group is involved in other various litigation and arbitration cases for various reasons for which the Group has made provision for claims and litigations of RMB264,315,000 as at 30 June 2022.

All these events or conditions indicate that multiple material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. The Directors are undertaking a debt restructuring plan (the "**Debt Restructuring Plan**"), which includes the following plans and measures, to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due:

- On 5 July 2022, the Grand Court of the Cayman Islands sanctioned the offshore debt restructuring scheme (the "**Scheme**") of the Company, where senior notes holders agreed to restructure the sum of the outstanding principal amount amounting to USD1,341,502,000 (approximately RMB8,478,681,000) as of 5 July 2022 and all accrued and unpaid interest on existing senior notes up to the restructuring effective date at a restructuring consideration that comprise (i) the cash redemption portion amounting to approximately USD23,000,000, and (ii) issuance of new notes which comprise five tranches to replace the existing senior notes with maturity ranging from one year to five years upon such issuance. The first tranche of the senior note of USD80,000,000 will be repayable in the first year following the date of completion of the Scheme. Furthermore, the Company also received approval from notes holders to elect a paid-in-kind option for its interest payments for the next 2-years;

  In December 2022, the Group has completed the Scheme and issued new notes to replace the outstanding senior notes;

- In July 2022, the Group reached an agreement with corporate bondholders of RMB corporate bonds with carrying amount of RMB747,069,000 as at 30 June 2022. Pursuant to the agreement, the repayment date of the corporate bond was extended to 30 July 2023;

- The Group is actively in discussions with the other existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions;

- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Recent relaxation of policies with regards to the property market in the PRC have been encouraging to increase buyer interests and stimulate demand. Subject to the improvement of the market sentiment, the Group will actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;

- The Group will continue to seek to obtain additional new sources of financing from existing shareholders and potential equity investment partners or to seek suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows. The Group's properties are predominantly located in higher tier cities that make them relatively more attractive to potential buyers and retain a higher value in current market conditions;

- The Group will continue to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending;

- The Group has been proactive in seeking ways to settle the outstanding litigations of the Group. The Group has made relevant provisions for litigations and claims and will seek to reach an amicable solution on the charges and payment terms to the claims and litigations which have not yet reached a definite outcome;

The Directors have reviewed the Group's cash flow projections prepared by management which cover a period of not less than eighteen months from 30 June 2022 and consider multiple material uncertainties exist as to whether the Group will be able to achieve the plans and measures as described above. Specifically, whether the Group will be able to continue as a going concern will depend on the following:

- Repayment of the first tranche of new senior note of USD80,000,000 by December 2023 following the completion of the Scheme in December 2022;

- Repayment of the corporate bonds of RMB712,812,000 by the subsequently extended maturity of 30 July 2023;

- Successful negotiation with the existing lenders on the renewal of the Group's certain borrowings and maintenance of the relationship with the Group's current finance providers so that they continue to provide finance to the Group and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the project construction projects and generated sufficient cash flows therefrom;

- Successful implementation of measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables;

- Successful obtaining of additional new sources of financing;

- Successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position; and

- Reaching an amicable solution on the charges and payment terms in respect of the claims and litigations which have not yet reached a definite outcome.

The Directors consider that, assuming the success of all the above-mentioned assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least eighteen months from 30 June 2022. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group fail to achieve one or more of the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. These consolidated financial statements do not include any of these adjustments.

3 REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing on (a) sale of properties, (b) property investment, (c) hotel operation, (d) real estate agency services, and (e) other services. The operating segment has been identified on the basis of internal management reports reviewed by chief operating decision maker of the Group ("**CODM**"), Mr. Zhang Peng, who is the President of the Group. The CODM mainly reviews the revenue information on sales of properties from property development, leasing of properties from property investment, hotel operation, real estate agency services and other services. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective types of revenue. The CODM reviews the overall results and organisation structure of the Group as a whole to make decision about resources allocation. Accordingly, no analysis of this single reportable and operating segment is presented.

Disaggregation of revenue from contracts with customers by major products or service lines and by timing of revenue recognition is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	**2,323,626**	9,316,247
Real estate agency services	**26,520**	131,236
Hotel operation	**19,034**	25,004
Other services	**30,132**	32,949
	2,399,312	9,505,436
Revenue from other sources		
Property investment	**18,044**	37,956
	2,417,356	9,543,392
Disaggregated by timing of revenue recognition		
Point in time	**1,488,450**	7,593,082
Over time	**928,906**	1,950,310
	2,417,356	9,543,392

The Group's operations are substantially located in the PRC. Therefore, no geographical segment reporting is presented.

4 OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June **2022** *RMB'000*	2021 *RMB'000*
Interest income	**7,283**	40,833
Government grants	**1,018**	10,186
Net exchange (loss)/gain	**(489,251)**	138,528
Gain on disposal of property, plant and equipment	**224**	1
Net loss on disposal of subsidiaries	**(274,209)**	–
Others	**(121,284)**	2,806
	(876,219)	192,354

5 FINANCE COSTS

	For the six months ended 30 June **2022** *RMB'000*	2021 *RMB'000*
Interest on bank and other borrowings	**(334,665)**	(769,913)
Interest expense on senior notes and corporate bonds	**(571,470)**	(603,572)
	(906,135)	(1,373,485)
Less: Amount capitalised in properties under development for sale and completed properties held for sale	**714,716**	1,167,814
	(191,419)	(205,671)

6 INCOME TAX EXPENSE

	For the six months ended 30 June **2022** *RMB'000*	2021 *RMB'000*
Current tax		
PRC Corporate Income Tax	**(32,734)**	(643,039)
Land appreciation tax ("**LAT**")	**(148,279)**	(428,290)
	(181,013)	(1,071,329)
Deferred tax		
PRC Corporate Income Tax	**37,384**	153,532
	37,384	153,532
Income tax expense	**(143,629)**	(917,797)

In accordance with the Corporate Income Tax Law of the PRC, the income tax rate applicable to the Company's subsidiaries in the PRC is 25%.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Pursuant to the rules and regulations of British Virgin Islands ("**BVI**") and the Cayman Islands, the Group is not subject to any income tax in these jurisdictions.

No provision for Hong Kong profits tax has been made as the income generated from the Group neither arose in, nor was derived from, Hong Kong for the six months ended 30 June 2022 and 2021.

7 (LOSS)/PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
(Loss)/profit for the period has been arrived at after charging:		
Depreciation of owned property, plant and equipment	**7,685**	10,982
Write-down of properties under development and completed properties held for sale	**63,835**	–
Operating lease rentals	**5,485**	15,186

8 DIVIDENDS

(i) Dividends payable to equity shareholders attributable to the interim period

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Declared interim dividend of HK$ nil per ordinary share (2021: HK$ nil per ordinary share)	**–**	–

The interim dividend has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK$ nil per ordinary share (six months ended 30 June 2021: HK$3.65 cents per ordinary share)	**–**	85,248

9 (LOSSES)/EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
(Losses)/earnings		
(Losses)/earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**(1,238,576)**	447,609

	For the six months ended 30 June	
	2022	2021
	'000	*'000*
Number of shares (basic)		
Weighted average number of ordinary shares in issue for the period	**2,794,994**	2,794,994

	For the six months ended 30 June	
	2022	2021
	'000	*'000*
Number of shares (diluted)		
Number of ordinary shares for the purpose of calculating diluted earnings per share	**2,794,994**	2,794,994

Note: The computation of diluted earnings per share for the six months ended 30 June 2022 does not assume the exercise of share options because they are antidilutive for the period.

The computation of diluted earnings per share for the six months ended 30 June 2021 does not assume the exercise of share options because they are antidilutive for the period.

10 INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

	At 30 June 2022 *RMB'000*	At 31 December 2021 *RMB'000*
Cost of investment in joint ventures	**1,877,165**	1,877,165
Share of post-acquisition gain and other comprehensive income	**414,364**	356,220
	2,291,529	2,233,385
Loans to joint ventures	**7,568,247**	7,504,546
Less: share of post-acquisition losses that are in excess of cost of investments	**(428,452)**	(416,406)
	7,139,795	7,088,140

Loans to joint ventures are unsecured, interest free, have no fixed term of repayment and expected to be recovered after one year.

11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly represent rental receivables and receivable from sale of properties. Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 45 days from the agreement date.

	At 30 June 2022 *RMB'000*	At 31 December 2021 *RMB'000*
Trade receivables, net of allowance *(note i)*	**409,542**	394,214
Amounts due from non-controlling interests	**3,082,556**	4,027,589
Other receivables, net of allowance *(note ii)*	**3,805,500**	2,511,980
Guarantee deposits for housing provident fund loans provided to customers *(note iii)*	**139,055**	211,185
Financial assets measured at amortised cost		
Loans and receivables	**7,436,653**	7,144,968
Prepayments to suppliers of construction materials	**371,155**	671,585
Deposits paid for acquisition of land use rights	**38,810**	38,810
Prepaid taxation	**1,960,931**	2,053,705
	9,807,549	9,909,068

Notes:

(i) The following is an ageing analysis of trade receivables based on due date for rental receivables and receivables from properties sold, which approximated the respective revenue recognition dates, at the end of the reporting period:

	At 30 June 2022	At 31 December 2021
	RMB'000	*RMB'000*
Less than 1 year	**99,047**	87,440
1–2 years	**12,635**	9,793
More than 2 years and up to 3 years	**297,860**	296,981
	409,542	394,214

All of the above trade receivables are overdue rental receivables and receivables from properties sold but not impaired at the end of the reporting period. For the overdue rental receivables, the Group does not hold any collateral over those balances. For receivables from properties sold, the Group holds the titles of the property units as collateral over those balances.

(ii) The amount mainly included refundable deposits for property development projects.

(iii) Guarantee deposits for housing provident fund loans provided to customers represent amounts placed with Housing Provident Fund Management Center, a state-owned organisation responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers and will be refunded to the Group upon customers obtaining the property individual ownership certificate.

12 TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	At 30 June 2022	At 31 December 2021
	RMB'000	*RMB'000*
Trade and notes payables *(note i)*	**2,354,690**	3,563,812
Accrued expenditure on construction *(note i)*	**3,996,518**	3,644,925
Amount due to non-controlling interests	**1,790,081**	1,972,009
Accrued interest	**994,683**	540,920
Accrued payroll	**17,396**	18,646
Dividend payable	**3,029**	2,898
Provision for claims and litigation	**264,315**	264,315
Other payables *(note ii)*	**2,348,840**	2,420,536
Financial liabilities measured at amortised cost	**11,769,552**	12,428,061
Other tax payables	**264,571**	113,050
	12,034,123	12,541,111

Notes:

(i) Trade and notes payables and accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe, if any.

The following is an ageing analysis of trade and notes payables based on invoice date at the end of the reporting period:

	At 30 June 2022	At 31 December 2021
	RMB'000	*RMB'000*
Less than 1 year	**1,497,780**	1,985,154
1–2 years	**215,526**	688,181
More than 2 years and up to 3 years	**641,384**	890,477
	2,354,690	3,563,812

(ii) Other payables mainly included deposits from customers and cash advanced from potential equity investment partners.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present the business review of the Group for the six months ended 30 June 2022 and its prospects.

SALES RESULTS

For the period ended 30 June 2022, the Company spared no effort to achieve the best sales results under the then market environment and operating conditions.

REVIEW OF THE FIRST HALF OF 2022

For the real estate industry was on the cusp of the crisis, the first half of 2022 was an eventful period along with ups and downs, with challenges and breakthroughs, owing to factors such as systematic fluctuations in macro policies, uncertainties in pandemic control, and calls for economic recovery. Given these combined effects, the scale of the industry remained low, and the market hovered around.

If we are to use key words to describe the industry characteristics of the first half of the year, we may use “quick clearing”, “tight liquidity” and “re-starting” for summarisation.

Firstly, quick clearing. Real estate companies tried their best to reduce debt and leverage, including clearing industry bubbles and risks, clearing corporate inventories, clearing companies’ overseas and domestic debts, and clearing non-performing assets to achieve balanced operations.

Secondly, tight liquidity. Affected by strict financial control policies, the traditional model was no longer sustainable, and liquidity continued to be tight.

Thirdly, re-starting. The traditional model of real estate has already been under tremendous pressure and urgently needs to be upgraded and reworked. Various options such as stock assets, entrusted construction, and technology allow traditional real estate companies to move towards a new track and start again.

During the first half of 2022, the Company has continued to experience unprecedented challenges and operating pressure, but has also achieved a comparable result under the extremely uneasy operations, which was the result of the joint efforts and commitment of our shareholders, creditors, customers and partners.

In the first half of 2022, based on the previous work, the Company continued its active effort to reduce liabilities and risks, and comprehensively promoted strategies such as debt restructuring, asset management, project restructuring and strategic attraction. These efforts led to the preservation of a large number of high-quality projects and assets, ensured the stability of corporate processes and operations, and achieved the goal of a fundamentally stable development basis.

In the first half of 2022, the Company achieved a sales revenue of approximately RMB2.4 billion. Gross profit decreased significantly compared with the corresponding period due to various factors including but not limited to the impact of inventory impairment and the decline in fair value of investment properties, laying a solid foundation for subsequent normal operations and complete delivery of the projects.

In the first half of 2022, the Company achieved a reduction in the size of its overall debt. In conjunction with the proposals of our overseas debt consultants, we will promote the proper settlement of debts in US dollar through restructuring + issuance of new bonds. For domestic debts, we have realised the best possible resolution through close communication and active consultation with various stakeholders. The above work can further improve the rational allocation of the Company's financial structure and, more importantly, ensure the planned operation, normal completion and smooth delivery of the projects in hand.

In the first half of 2022, the Company was determined to adhere to its core competitiveness in green technology and its pursuit of comfortable living products, achieving a high standard of delivery for nearly 3,000 residents and fulfilling its social commitment.

In the first half of 2022, the Company focused on its existing layout to keep the business presence on an even keel. At the same time, it actively explored directions for future transformation in the real estate industry and enhanced investment and deployment in innovative businesses by leveraging its advantages of green brand, technology research and development, technological products and whole-life cycle services, in order to pick up a new momentum.

OUTLOOK FOR THE SECOND HALF OF 2022

In the second half of 2022, we expect that, from the policy perspective, the policy tilt to the real estate industry will further increase, market confidence is expected to be significantly restored, and the overall market performance is expected to stop falling and start rebounding. From the perspective of the supply end, entrepreneurial decision-making and corporate investment willingness will be effectively improved, and the performance of the capital market will gradually heat up.

The Company will adhere to the principle of steady relief and prudent development, increase efforts to promote delivery, and scientifically plan new developments. In the second half of the year, the Company will strictly adopt three major strategies to achieve its strategic goals.

Platform first and asset restructuring to assist the Company in substantially turning danger into safety

A healthy balance sheet and investment and financing structure are the core competitiveness of real estate companies in the new era.

In the second half of the year, the Company will work with strategic partners to build a joint venture platform, financial platform, project platform, entrusted construction platform, a technology platform and other scenarios based on the existing platforms and projects and with a view to relieving our difficulties and achieving a win-win situation, effectively restructuring our key projects and consolidating our core assets.

On the other hand, the Company will maintain full communication and effective negotiation with banking institutions, partners, suppliers and client owners, and strive to achieve a larger scale debt reduction at the group level and project level, further improve the assets and liabilities position, further optimise the investment and financing structure, and realise the Company's ability to turn danger into safety.

Promote green technology, comfort and energy saving, always maintaining the core competitiveness of our products and services

Creating differentiated products and services for customers is an emphasised manifestation of outstanding enterprises in fulfilling their social citizenship responsibilities.

Guided by the goal of carbon neutrality, the Company will continue to adhere to the green technology strategy and utilise the enterprise technological accumulation and talent advantage to repeatedly compute and upgrade the four constant + four balance of the dual four HENG products and service concept. At the same time, we will expand the implementation of green technology in education, elderly care, hotels, catering, sports, office and other scenarios, and strive to create a low-carbon, environmentally friendly and sustainable space, gradually generalizing our differential competitiveness.

The Company will continue to strive to integrate the concept of "whole-life cycle industrialised communities" into each community, bringing the MOMΛ Living Home "4+1" community directly to each owner, with the service system covering all scenarios, all ages, and all hours of community life. It is safe and comfortable, low-carbon and energy-saving, showing the Company's efforts to cater for the daily needs of the owners.

Embracing certainty and technology empowerment to seek a more sustainable development path

In the face of an uncertain future with internal and external problems, a solid and stable strategy becomes the biggest source of motivation for the Company.

We remain firmly optimistic about the real estate industry, which is a 10 trillion-level pillar industry. The Company will further improve its city cultivation and regional focus, return to first-tier and second-tier cities, and focus its core resources on studying the rotation pattern of city and segment development. We will acquire land more prudently, flexibly and resiliently, and realise incremental projects to ensure the steady development of the real estate industry, taking small fast paces and a high-quality development route. In addition, we believe that the Company's real estate and real estate + businesses will gradually open up new development opportunities, as many areas of the pan-real estate ecosystem, including light asset construction, stock asset operation and upstream and downstream industrial chains, are also being rapidly deployed.

At the same time, the Company is actively exploring and practising more forward-looking and vital tracks that are newly emerging, including but not limited to technology + fund, platform + investment, incubation + investment and other new spaces and new businesses.

At this point in time, although the Company has passed the darkest days, the gloom before the dawn still hovers around. During this process, the Company has received a lot of love and support from many parties and would like to express our gratitude to the members of the Board, the management team and all the staff of the Group for their hard work.

The Company will not let the experience we gain from a crisis go to waste, and the new Modern Land that has survived the gloom and doom and passed the cycle will be more resilient, stable and vital in operation, leading us back to a long-term, stable and steady development path.

Modern Land (China) Co., Limited
Zhang Peng
Chairman of the Board

27 June 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue is mainly attributable to the sale of properties, property investment, hotel operation, real estate agency services and other businesses.

Sale of Properties

Due to the continued impact of COVID-19, the progress of gross floor area ("**GFA**") delivered had slowed down. The Group's revenue from sale of properties for the six months ended 30 June 2022 amounted to approximately RMB2,323.6 million, representing a decrease of approximately 75.1% as compared to the corresponding period in 2021.

Property Investment, Hotel Operation, Real Estate Agency Services and Other Services

During the six months ended 30 June 2022, the Group's revenue from property investment decreased by approximately 52.6% to approximately RMB18.0 million from approximately RMB38.0 million for the corresponding period of 2021.

For real estate agency services, leveraging on the unique products, brand recognition, management and credibility advantages supported by our MOMΛ green-technology products, the Group offers customised and whole-process entrusted development and operation management solutions to our customers. For the six months ended 30 June 2022, the Group's revenue from real estate agency services decreased by approximately 79.8% to approximately RMB26.5 million from approximately RMB131.2 million for the corresponding period of 2021.

Hotel MoMc, a boutique hotel owned and operated by the Group, has established its presence in Beijing and Taiyuan. The revenue from hotel operation for the six months ended 30 June 2022 decreased by approximately 24.0% to approximately RMB19.0 million from approximately RMB25.0 million for the corresponding period of 2021. During the six months ended 30 June 2022, the revenue from other services was approximately RMB30.1 million, representing a decrease of approximately 8.5% as compared to that of approximately RMB32.9 million for the corresponding period of 2021.

Contracted Sales

During the six months ended 30 June 2022, the Group, its joint ventures and associates achieved contracted sales of approximately RMB2,908.1 million, representing a decrease of approximately 86.5% as compared to the corresponding period in 2021. The Group, its joint ventures and associates sold 354,997 square metres ("**sq.m.**") in total GFA and 2,822 units of car parking spaces, representing a decrease of approximately 82.9% and an increase of approximately 3.3%, respectively, as compared to the corresponding period in 2021.

Table 1: Breakdown of contracted sales of the Group, its joint ventures and associates

	Six months ended 30 June					
	2022			2021		
Province/Municipality/ Autonomous Region	**Contracted Sales** *RMB'000*	**GFA** *(in sq.m.) or units*	**Average Selling Price** *RMB/sq.m. or unit*	Contracted Sales *RMB'000*	GFA *(in sq.m.) or units*	Average Selling Price *RMB/sq.m. or unit*
Anhui	**128,995**	**26,254**	**4,913**	2,646,552	362,918	7,292
Beijing	**153,942**	**6,088**	**25,286**	253,378	7,188	35,250
Fujian	**36,634**	**1,896**	**19,322**	306,808	14,120	21,729
Guangdong	**9,519**	**441**	**21,585**	542,651	11,561	46,938
Chongqing	**60,205**	**7,614**	**7,907**	2,224,886	238,665	9,322
Guizhou	**80,667**	**16,077**	**5,018**	818,175	87,230	9,380
Hebei	**326,743**	**43,194**	**7,565**	1,420,009	133,305	10,652
Henan	**35,795**	**6,319**	**5,665**	124,152	13,887	8,940
Hubei	**730,362**	**132,605**	**5,508**	4,235,161	600,266	7,055
Hunan	**369,794**	**43,650**	**8,472**	1,235,541	101,891	12,126
Inner Mongolia	**168,307**	**15,103**	**11,144**	380,107	30,360	12,520
Jiangsu	**171,743**	**14,208**	**12,088**	2,681,456	133,396	20,101
Jiangxi	**89,225**	**8,753**	**10,194**	858,151	66,918	12,824
Liaoning	**–**	**–**	**–**	1,094	191	5,728
Shaanxi	**34,441**	**4,724**	**7,291**	2,147,161	125,887	17,056
Shandong	**67,417**	**12,661**	**5,325**	642,758	87,558	7,341
Shanxi	**106,694**	**9,498**	**11,233**	538,269	45,537	11,820
Tianjin	**–**	**–**	**–**	70,011	9,008	7,772
Zhejiang	**40,819**	**5,912**	**6,904**	157,985	8,240	19,173
Properties Sub-total	**2,611,302**	**354,997**	**7,356**	21,284,305	2,078,126	10,242
Car Parking Spaces	**296,789**	**2,822 units**	**105,170/unit**	278,141	2,733 units	101,771/unit
Total	**2,908,091**			21,562,446		

Land Bank

As at 30 June 2022, total GFA of land bank in the People's Republic of China (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 12,857,339 sq.m..

The spread of the land bank held by the Group, its joint ventures and associates was as follows:

Table 2: Land bank held by the Group, its joint ventures and associates

Province/Municipality/Autonomous Region	As at 30 June 2022 Total GFA unsold* *(sq.m.)*
Anhui	**757,926**
Beijing	**471,607**
Chongqing	**1,123,957**
Fujian	**97,684**
Guangdong	**552,682**
Guizhou	**710,048**
Hebei	**757,422**
Henan	**52,102**
Hubei	**3,331,183**
Hunan	**718,276**
Inner Mongolia	**79,149**
Jiangsu	**242,956**
Jiangxi	**268,363**
Liaoning	**101,895**
Shaanxi	**1,611,915**
Shandong	**742,522**
Shanghai	**17,704**
Shanxi	**998,945**
Tianjin	**193,441**
Zhejiang	**27,562**
Total	**12,857,339**

* *Aggregated GFA sold but undelivered with sales contracts was included.*

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 74.7% to approximately RMB2,417.4 million for the six months ended 30 June 2022 from approximately RMB9,543.4 million for the corresponding period of 2021, which was mainly attributable to the decrease in area delivered, with a period-on-period decrease of approximately RMB6,992.6 million in revenue from sale of properties.

Cost of sales

The Group's cost of sales amounted to approximately RMB2,310.9 million for the six months ended 30 June 2022, representing a decrease of approximately 68.5% as compared to the corresponding period of 2021, which is in line with the decrease in revenue.

Gross profit and gross profit margin

For the six months ended 30 June 2022, the Group's gross profit was approximately RMB106.4 million and the gross profit margin was 4.4%, representing a decrease of approximately 18.8 percentage points as compared to that of approximately 23.2% for the corresponding period of 2021.

Other income, gains and losses

The Group's other income, gains and losses recorded a net loss of approximately RMB876.2 million during the six months ended 30 June 2022 as compared to a net gain of approximately RMB192.4 million for the six months ended 30 June 2021, which was mainly due to the loss from the rise of RMB to USD exchange rate.

Selling and distribution expenses

The selling and distribution expenses decreased by approximately 36.9% to approximately RMB195.5 million for the six months ended 30 June 2022 from approximately RMB309.7 million for the corresponding period of 2021, primarily due to the reducing scale of sales.

Administrative expenses

The administrative expenses of the Group amounted to approximately RMB228.9 million for the six months ended 30 June 2022, representing a decrease of approximately 43.1% as compared to the corresponding period of 2021, primarily due to the decrease in the business and management scale of the Group. The administrative expenses for the six months ended 30 June 2022 accounted for approximately 7.9% of contracted sales as compared to that of approximately 1.9% for the corresponding period of 2021.

Finance costs

The finance costs of the Group amounted to approximately RMB191.4 million for the six months ended 30 June 2022, representing a decrease of approximately 7.0% from approximately RMB205.7 million for the six months ended 30 June 2021.

Loss before taxation and loss for the period

The loss before taxation of the Group for the six months ended 30 June 2022 amounted to approximately RMB1,340.3 million, as compared to the profit before taxation of approximately RMB1,594.3 million for the six months ended 30 June 2021, and loss for the period amounted to approximately RMB1,483.9 million as compared to the profit amounted to approximately RMB676.5 million for the six months end 30 June 2021.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2022, the Group had cash, restricted cash and bank balances of approximately RMB2,864.5 million, representing a decrease of approximately 28.6% as compared to that of approximately RMB4,012.0 million as at 31 December 2021.

Borrowings and pledge of the Group's assets

As at 30 June 2022, the Group had aggregate remaining balance of approximately RMB22,474.2 million, including bank and other borrowings of approximately RMB12,769.3 million, senior notes of approximately RMB8,957.8 million and corporate bonds of approximately RMB747.1 million, representing a decrease of approximately 8.4% as compared to that of approximately RMB24,546.4 million as at 31 December 2021. As at 30 June 2022, certain banking and other facilities granted to the Group were secured by the Group's assets, such as investment properties, properties under development for sale, completed properties held for sale, property, plant and equipment, equity interests in subsidiaries and bank deposits, which had a carrying amount of approximately RMB17,714.3 million (31 December 2021: approximately RMB21,980.1 million). A majority of the carrying value of the Group's bank loans was denominated in RMB.

Breakdown of indebtedness

By type of borrowings and maturity

	30 June 2022 *RMB'000*	31 December 2021 *RMB'000*
Bank and other loans within one year or on demand	**10,913,099**	13,449,587
more than one year, but not exceeding two years	**1,647,663**	804,056
more than two years, but not exceeding five years	**92,160**	971,910
more than five years	**116,361**	131,361
Sub-total	**12,769,283**	15,356,914
Senior notes		
within one year	**8,957,831**	8,478,681
Sub-total	**8,957,831**	8,478,681
Corporate bonds		
within one year	**747,069**	710,812
Sub-total	**747,069**	710,812
TOTAL	**22,474,183**	24,546,407
Less:		
Bank balances and cash (including restricted cash)	**2,864,479**	4,011,969
Net debt	**(19,609,704)**	(20,534,438)
Total Equity	**4,851,901**	6,813,355
Net debt to equity	**404.2%**	301.4%
By currency denomination		
Bank and other loans		
— Denominated in RMB	**12,614,921**	14,884,499
— Denominated in US$	**154,362**	306,033
— Denominated in HK$	**–**	166,382
	12,769,283	15,356,914

Foreign currency risk

The functional currency of the Company's major subsidiaries is RMB. Most of the transactions are denominated in RMB. Transactions of the Group's foreign operations, such as purchasing land held for future development, and certain expenses incurred are denominated in foreign currencies. As at 30 June 2022, the Group had monetary assets denominated in US dollars and Hong Kong dollars of approximately RMB8.6 million and approximately RMB6.9 million, respectively, as well as liabilities denominated in US dollars of approximately RMB9,112.2 million. Those amounts were exposed to foreign currency risk. Considering the actual impacts caused to the Group arising from the market condition and fluctuations of foreign exchange rates during the six months ended 30 June 2022, the Group currently has no foreign currency hedging policy in place yet, but the management will constantly monitor foreign exchange exposure and identify a policy that will be appropriate to the Group. The Group will consider hedging against any significant foreign currency exposure when necessary.

Contingent liabilities

As at 30 June 2022, the Group had provided guarantees amounting to approximately RMB18,008,002,000 (31 December 2021: approximately RMB19,142,651,000) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the respective properties. The guarantee period commences from the date of grant of the relevant mortgage loans and ends when these purchasers obtain the individual property ownership certificate.

Additionally, a subsidiary of the Company has issued joint guarantee in respect of banking facility (the "**Facility**") made by a bank to a joint venture. In December 2021, due to the delay of a construction project, the Facility became overdue and the bank filed a claim against the joint venture and the joint guarantors which include the subsidiary of the Company. The Directors do not consider that the Group needs to bear the responsibility to repay the debt owed to the bank as the joint venture has sufficient assets to settle the amount. The maximum liability of the Group as at 30 June 2022 under the guarantees issued amounted to RMB1,125,000,000 (31 December 2021: RMB1,125,000,000), being the outstanding amount of the Facility utilised by the joint venture.

As at 30 June 2022, the Group was the defendant in various on-going litigations and arbitration cases primarily initiated by its creditors. In most of the cases, the creditors demanded immediate repayment of the debts owed to them, together with an interest and/or a penalty as a compensation. Our management has assessed the likelihood of the outcome of these cases and estimated the probable compensation that the Group may be liable to for each of these cases after taking into account of all available facts and circumstances and relevant legal advice. Based on the result of those assessments and estimation, RMB264,315,000 was accounted for as provision for these claims and litigations in the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 (31 December 2021: RMB264,315,000).

Employees and compensation policy

As at 30 June 2022, the Group had 1,437 employees (31 December 2021: 1,655). Employee's remuneration is determined based on his or her performance, skills, knowledge, experience and market trends. The Group regularly reviews compensation policies and programs, and will make any necessary adjustment in order to be in line with the remuneration levels in the industry. In addition to basic salaries, employees may be granted with share options, discretionary bonus and cash awards based on individual performance.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

EVENTS AFTER THE REPORTING PERIOD

Extension of maturity date of corporate bonds

On 30 July 2019, the Group issued corporate bonds to the public with aggregate nominal value of RMB880,000,000 at 98.7% of the principal amount, which carry fixed interest of 7.8% per annum (interest payable annually in arrears) and were due on 30 July 2022. Subsequently in July 2022, the Group reached an agreement with the bondholders to extend the maturity of such corporate bonds to 30 July 2023.

Debt restructuring

As disclosed in Note 2(b) to the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 and the announcement of the Company dated 30 December 2022, in December 2022, the Group has satisfied all the conditions under the scheme of arrangement under section 86 of the Cayman Islands Companies Act (2022 Revision) between the Company and the scheme creditors, and issued new notes with maturity dates expiring in one year to five years upon such issuance to replace the outstanding senior notes.

For details about the debt restructuring, please refer to the announcements of the Company dated 25 February 2022, 21 March 2022, 24 March 2022, 1 June 2022, 30 June 2022, 6 July 2022, 29 July 2022, 5 August 2022, 12 August 2022, 26 August 2022, 9 September 2022, 23 September 2022, 7 October 2022, 14 October 2022, 4 November 2022, 11 November 2022, 18 November 2022, 25 November 2022, 30 November 2022, 2 December 2022, 9 December 2022, 29 December 2022 and 30 December 2022.

Continuing connected transactions

Since all the master property management agreement dated 4 December 2019, the master contracting services agreement dated 4 December 2019, the 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 expired at the end of 2022, the Company has on 17 November 2022 respectively entered into (i) the renewed master property management agreement with First Service Holding Limited, (ii) the renewed master contracting services agreement with First Moma Renju Construction Engineering (Beijing) Co., Ltd., (iii) the renewed master elevator services agreement with First Moma Asset Management (Beijing) Co., Ltd. ("**First Moma Asset**") and (iv) the renewed master lease agreement with First Moma Asset, pursuant to which the parties thereto agreed to continue conducting the continuing connected transactions under these agreements until 31 December 2025. For further details about continuing connected transactions, please refer to the announcements of the Company dated 17 November 2022, 9 December 2022, 30 December 2022, 13 January 2023, 13 March 2023 and 31 May 2023 respectively.

PROSPECT

In the second half of 2022, we expect that, from the policy perspective, the policy tilt to the real estate industry will further increase, market confidence is expected to be significantly restored, and the overall market performance is expected to stop falling and rebound. From the perspective of the supply end. entrepreneurial decision-making and corporate investment willingness will be effectively improved, and the performance of the capital market will gradually heat up.

The Company will adhere to the principle of steady relief and prudent development, increase efforts to promote delivery, and scientifically plan new developments. In the second half of the year, the Company will strictly adopt the following three major strategies to achieve its strategic goals:

Platform first and asset restructuring to assist the Company in substantially turning danger into safety.

Promote green technology, comfort and energy saving, always maintaining the core competitiveness of our products and services.

Embracing certainty and technology empowerment to seek a more sustainable development path.

UPDATED INFORMATION OF DIRECTOR PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr. Zhang Lei ceased to serve as the Chairman of the Board with effect from 9 November 2022, but remains as an executive Director. The Company's President and an executive Director, Mr. Zhang Peng, was appointed as the Chairman of the Board with effect from 9 November 2022.

Mr. Fan Qingguo resigned as a non-executive Director and Mr. Liu Jiaping resigned as an independent non-executive Director, a member of the audit committee and a member of the environmental, social and governance committee, both with effect from 9 November 2022.

Save as disclosed above, after all reasonable inquiries, the Board is not aware of any information required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the six months ended 30 June 2022 or thereafter.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (2021: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors who together have substantial experience in the fields of auditing, legal, business, accounting, corporate internal control and regulatory affairs. The Audit Committee had reviewed the interim results of the Group for the six months ended 30 June 2022.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance. The Company complied with the code provisions in Part 2 — Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules to govern securities transactions by Directors. Further to the specific enquiries made by the Company to the Directors, all the Directors have confirmed their compliance with the Model Code for the six months ended 30 June 2022.

RESUMPTION PROGRESS AND PUBLICATION OF OUTSTANDING FINANCIAL INFORMATION

As mentioned in the announcement of the Company dated 31 March 2023, it was expected that the publication of the audited annual results for the year ended 31 December 2022 (the "**2022 Annual Results**") will be finalized and published no later than 30 June 2023.

However, as additional time is required for preparing the 2022 Annual Results, the Company is expected that there will be a further delay in the publication thereof. The auditors of the Company are still in the course of performing the audit procedures for the 2022 Annual Results and the Company has been using its best endeavors to assist the auditors in completing the audit procedures. Given the above status, it is expected that the publication of the 2022 Annual Results will be further delayed to around August 2023.

Save for the above, there is no further update on the progress of satisfying the resumption conditions. The Company shall publish further announcement(s) in compliance with the Listing Rules, or any update on the development of the Group as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the debt securities and shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 October 2021 and 9:00 a.m. on 1 April 2022 respectively. While listing of debt securities was withdrawn on 10 January 2023, trading in shares of the Company will remain suspended until further notice.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement of the Company is published on the Company's website at www.modernland.hk and the website of the Stock Exchange at www.hkexnews.hk respectively. The 2022 interim report of the Company will be published on the said websites and despatched to the shareholders of the Company in due course.

Shareholders and other investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 27 June 2023

As at the date of this announcement, 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.