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 2024

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Modern Land (China) Co., Limited (the "**Company**", together with its subsidiaries, collectively, the "**Group**") hereby announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2024.

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 2024, 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 2024 — unaudited

		For the six months ended 30 June	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**1,004,336**	3,334,253
Cost of sales		**(1,134,641)**	(3,147,128)
Gross (loss)/profit		**(130,305)**	187,125
Other income, gains and losses	*4*	**(2,459,555)**	(629,405)
Selling and distribution expenses		**(39,320)**	(140,416)
Administrative expenses		**(82,903)**	(89,791)
Finance costs	*5*	**(1,126,609)**	(237,684)
Share of profits less losses of joint ventures		**(30,273)**	(73,380)
Share of profits less losses of associates		**(636)**	(2,867)
Loss before taxation		**(3,869,601)**	(986,418)
Income tax expense	*6*	**(182,116)**	(141,590)
Loss for the period	*7*	**(4,051,717)**	(1,128,008)

		For the six months ended 30 June	
		2024	2023
	Note	***RMB'000***	*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 RMBnil (2023: RMB1,164,000) tax		**–**	(3,493)
Item that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of nil tax		**–**	(8,454)
Total comprehensive income for the period		**(4,051,717)**	(1,139,955)
Loss for the period attributable to:			
Owners of the Company		**(3,793,565)**	(1,002,465)
Non-controlling interests		**(258,152)**	(125,543)
		(4,051,717)	(1,128,008)
Total comprehensive income attributable to:			
Owners of the Company		**(3,793,565)**	(1,014,412)
Non-controlling interests		**(258,152)**	(125,543)
		(4,051,717)	(1,139,955)
Losses per share, in Renminbi ("RMB") cents:			
Basic and diluted	*9*	**(135.7)**	(35.9)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2024 — unaudited

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Non-current assets			
Investment properties		**2,377,500**	2,377,500
Property, plant and equipment		**371,488**	383,951
Intangible assets		**19,953**	20,834
Interests in associates		**27,392**	28,028
Interests in joint ventures	*10*	**1,668,335**	1,673,597
Loans to joint ventures	*10*	**1,236,110**	1,261,172
Equity securities designated at FVOCI		**580**	580
Deferred tax assets		**891,811**	1,063,212
		6,593,169	6,808,874
Current assets			
Properties under development for sale		**14,469,237**	16,515,288
Completed properties held for sale		**6,895,906**	7,052,952
Other inventories and contract costs		**650,978**	651,151
Trade and other receivables, deposits and prepayments	*11*	**9,021,030**	10,031,006
Amounts due from related parties		**673,014**	673,066
Restricted cash		**254,891**	391,073
Bank balances and cash		**206,646**	291,912
		32,171,702	35,606,448

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Current liabilities			
Trade and other payables, deposits received and accrued charges	12	**16,365,559**	15,946,285
Contract liabilities		**11,774,296**	12,158,846
Amounts due to related parties		**1,985,256**	2,055,005
Taxation payable		**3,922,299**	3,998,569
Bank and other borrowings — due within one year		**7,439,472**	7,695,497
Corporate bonds — due within one year		**844,636**	821,685
Senior notes — due within one year		**2,107,019**	1,997,077
		44,438,537	44,672,964
Net current liabilities		**(12,266,835)**	(9,066,516)
Total assets less current liabilities		**(5,673,666)**	(2,257,642)
Capital and reserves			
Share capital		**175,693**	175,693
Reserves		**(18,486,695)**	(14,691,083)
Equity attributable to owners of the Company		**(18,311,002)**	(14,515,390)
Non-controlling interests		**(901,521)**	(643,483)
Total equity		**(19,212,523)**	(15,158,873)
Non-current liabilities			
Bank and other borrowings — due after one year		**2,508,855**	2,465,570
Senior notes — due after one year		**10,586,476**	9,971,775
Deferred tax liabilities		**443,526**	463,886
		13,538,857	12,901,231
		(5,673,666)	(2,257,642)

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 ("**Hong Kong 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 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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 2023 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 30 September 2025.

2 BASIC OF PREPARATION

(a) Changes in accounting policies

Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")
Amendments to IAS 1	Non-current Liabilities with Covenants (the "**2022 Amendments**")

None of these new or revised standards have had a material impact on the Group's reported results or financial position for the current and prior reporting periods. The Group has not early applied any new or revised standards or interpretations that are not yet effective for the current accounting period.

(b) Going concern basis

The Group incurred a loss of RMB4,051,717,000 during the six months ended 30 June 2024 and as at that date, the Group's current liabilities were in excess of current assets by RMB12,266,835,000. Included in the current liabilities were current bank and other borrowings of RMB7,439,472,000, corporate bond of RMB844,636,000, senior notes of RMB2,107,019,000 and provision for claims and litigations of RMB752,401,000.

Moreover, as at 30 June 2024, the Group breached certain covenants relating to bank and other borrowings due after one year of RMB161,461,500, and these borrowings became repayable on demand. Therefore, these bank and other borrowings have been classified as current liabilities in the statement of financial position as at 30 June 2024. Further, bank and other borrowings of RMB5,279,136,000 were defaulted as at 30 June 2024. 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.

In 2022, the Group restructured all senior notes into five tranches (with staggered maturities from 30 December 2023 to 30 December 2027), and further adjusted the terms in 2023. However, due to prolonged severe liquidity pressure, as at the report approval date, the Group failed to fulfil the settlement obligations of the newly issued 2023 notes and 2024 notes when they became due in December 2024, and did not pay interest on the 2025, 2026 and 2027 notes throughout the year 2024. Given the principal and interest payment defaults as at 30 June 2025, notwithstanding that none of the noteholders have enforced their rights, the holders of the senior notes remain entitled to demand immediate repayment of all outstanding principal and interest.

Certain subsidiaries of the Group have provided guarantees for the senior notes, and such guarantees rank behind other secured liabilities of the guarantors to the extent of the value of the assets pledged as security. If any holder of the senior notes demands immediate repayment and the Group is unable to satisfy such demand, the senior noteholders would have the right to take possession of the pledged assets in accordance with the agreed terms.

As at 30 June 2024, the Group's corporate bond with carrying amount of RMB844,636,000 were due on 30 July 2024. The Group subsequently extended the maturity date to 31 January 2026. Subject to approval of corporate bondholders every three months, the corporate bond maturity date can be extended up to 30 July 2026.

In addition, the Group is involved in other various litigation and arbitration cases for various reasons for which the Group has made provision. As at 30 June 2024, provision for claims and litigations amounted to RMB752,401,000.

During the period ended 30 June 2024, the real estate sector in the PRC continued to experience volatility. This mainly includes the tightened policies adopted towards the real estate sector and the deteriorating consumer sentiment in the PRC, resulting in the whole real estate sector suffering from short-term liquidity pressures. As a result, pre-sale of Chinese property developers has generally decreased in 2024. The Group also experienced a significant decline of its contracted sales in 2024.

The Group's internal funds became increasingly limited. The Group also experienced liquidity pressure due to limited access to external capital to finance its construction projects. The current macroeconomic conditions and the timing of recovery in real estate industry has brought additional material uncertainties to the Group. It may be more challenging for the Group to generate operating cash inflows or refinance senior notes, corporate bond and bank and other borrowings than it has historically been.

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 these 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. Certain plans and measures have been taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

- With respect to the restructuring of the senior notes, management is in close negotiations with the senior noteholders regarding the restructuring and/or extension of the senior notes;

- With respect to the corporate bonds with a carrying amount of RMB844,636,000, the maturity date has been extended to 31 January 2026. Subject to bondholder approval, the maturity date may be further extended to 30 July 2026;

- 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 maintain active dialogue to secure a continuing and normal business relationship with major constructors and suppliers, including agreement on the payment arrangements with them and to complete the construction progress by them as scheduled;

- 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. Subject to 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 2024 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 principal amount plus accrued interest of each tranche of the senior note at their respective maturity date or successfully obtaining consents from the senior noteholders to further extend the maturity date;

- Obtaining bondholders' approval to further extend the maturity date of the corporate bonds to 30 July 2026, and the ability to repay the corporate bonds on the extended maturity date 30 July 2026, or obtaining bondholder approval to further extend the maturity date beyond 30 July 2026;

- 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 property construction projects and generated sufficient cash flows therefrom;

- Successful maintenance of a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled;

- 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 2024. 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 related 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	
	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	**960,392**	3,283,737
Real estate agency services	**740**	2,717
Hotel operation	**24,527**	24,778
Others	**4,220**	2,362
	989,879	3,313,594
Revenue from other sources		
Rental income	**14,457**	20,659
	1,004,336	3,334,253

Substantially all of revenue from sales of properties is recognised at a point in time.

4 OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interest income	**1,278**	3,293
Government grants	**33**	160
Net exchange loss	**(69,381)**	(428,130)
Loss on disposal of a joint venture	**–**	(56,471)
Net (loss)/gain on disposal of subsidiaries	**(1,409,150)**	3,316
Penalty, claims and litigations charges	**(48,801)**	(134,127)
Others	**(933,534)**	(17,446)
	(2,459,555)	(629,405)

5 FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**(516,472)**	(430,356)
Interest on senior notes and corporate bonds	**(680,428)**	(568,226)
	(1,196,900)	(998,582)
Less: Amount capitalised in properties under development for sale and completed properties held for sale	**70,291**	760,898
	(1,126,609)	(237,684)

6 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**(18,275)**	(17,411)
Land appreciation tax ("**LAT**")	**(13,823)**	(156,480)
	(32,098)	(173,891)
Deferred tax		
PRC Corporate Income Tax	**(150,018)**	32,301
	(150,018)	32,301
Income tax expense	**(182,116)**	(141,590)

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 2024 and 2023.

7 LOSS FOR THE PERIOD

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Loss for the period has been arrived at after charging:		
Depreciation of owned property, plant and equipment	**11,699**	9,875
Write-down of properties under development and completed properties held for sale	**78,280**	–
Operating lease rentals	**704**	605

8 DIVIDENDS

No interim dividend was declared and paid to equity shareholders for the interim period (2023: Nil).

9 LOSSES 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	
	2024	2023
	RMB'000	*RMB'000*
Losses		
Losses for the purpose of calculating basic and diluted earnings per share (loss for the period attributable to owners of the Company)	**(3,793,565)**	(1,002,465)

	For the six months ended 30 June	
	2024	2023
	'000	*'000*
Number of shares (basic and diluted)		
Weighted average number of ordinary shares in issue for the period	**2,794,994**	2,794,994

Note: The computation of diluted earnings per share for the six months ended 30 June 2024 and 30 June 2023 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 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Cost of investment in joint ventures	**1,876,311**	1,876,311
Share of post-acquisition gain and other comprehensive income	**(207,976)**	(202,714)
	1,668,335	1,673,597
Loans to joint ventures, gross	**4,448,425**	4,448,425
Less: share of post-acquisition losses that are in excess of cost of investments	**(491,376)**	(466,314)
Provision for impairment	**(2,720,939)**	(2,720,939)
	1,236,110	1,261,172

Loans to joint ventures are unsecured, interest free and have no fixed term of repayment. All the loans to joint ventures are expected to be recovered after one year and, in substance, form part of the Group's net investments in these joint ventures.

11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables mainly represent rental receivables and receivable from sale of properties.

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Trade receivables, net of allowance *(note i)*	**543,566**	390,210
Amounts due from non-controlling interests	**1,715,453**	1,855,795
Other receivables, net of allowance *(note ii)*	**4,578,285**	5,405,263
Guarantee deposits for housing provident fund loans provided to customers *(note iii)*	**56,306**	51,941
Loans and receivables	**6,893,610**	7,703,209
Prepayments to suppliers of construction materials	**1,143,086**	1,150,782
Deposits paid for acquisition of land use rights	**38,810**	38,810
Prepaid taxation	**945,524**	1,138,205
	9,021,030	10,031,006

Notes:

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

	At 30 June 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Less than 1 year	**154,458**	109,976
1–2 years	**108,875**	21,836
More than 2 years and up to 3 years	**280,233**	258,398
	543,566	390,210

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, proceeds from pre-sales of properties deposited in accounts of local governments and related agencies, and advances made to disposed subsidiaries.

(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 2024	At 31 December 2023
	RMB'000	*RMB'000*
Trade payables *(note i)*	**3,662,965**	4,553,148
Accrued expenditure on construction	**2,396,519**	1,924,750
Amount due to non-controlling interests	**1,335,170**	1,516,220
Accrued interest	**2,464,740**	1,197,397
Accrued payroll	**39,130**	43,736
Dividend payable	**3,235**	3,212
Provision for claims and litigation	**752,401**	765,028
Other payables *(note ii)*	**4,975,894**	5,271,646
Financial liabilities measured at amortised cost	**15,630,054**	15,275,137
Other tax payables	**735,505**	671,148
	16,365,559	15,946,285

Notes:

(i) The following is an ageing analysis of trade payables based on invoice date at the end of the reporting period:

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
Less than 1 year	**826,865**	2,955,861
1–2 years	**1,835,915**	142,289
More than 2 years and up to 3 years	**1,000,185**	1,454,998
	3,662,965	4,553,148

(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 2024 and its prospects.

SALES RESULTS

For the period ended 30 June 2024, the Company spared no effort to achieve sales results commensurate with the prevailing market environment and its existing resources.

REVIEW OF 2024

The China real estate market in 2024 gradually showed signs of stabilisation amidst deep adjustment. The overall situation can be characterised as "bottoming out", primarily reflected in three areas: market transactions, development investment, and price trends. The continuity of policy support and the restoration of consumer confidence are key underpinning factors.

Firstly, market transactions. After a sharp decline at the beginning of the year, market transactions gradually stabilised with strong policy support. The decline in sales narrowed, and structural differentiation gave rise to momentum for stabilisation. The scale of commercial property sales remains in an adjustment phase, but structural highlights are emerging: sales of completed properties have grown significantly, becoming a key force in stabilising the market; the trading activity of second-hand properties in core cities has significantly improved, with prices in some cities stopping the decline and achieving a rebound. Although overall inventory pressure persists, the market clearance process is accelerating, and transaction volumes are gradually hitting the bottom.

Secondly, development investment. Real estate development investment faces significant downward pressure, which is rooted in a deep adjustment and contraction of the land market, development investment is seeking balance amid pressure. The land market is highly differentiated, with the trend of "dot-like high heat" concentrated in a few high-quality plots in core cities, dominated by central state-owned enterprises and local government entities. Most regional land markets still face severe pressure. At the current stage, the sharp adjustments in the land market and the sustained decline in development investment essentially represent the industry's efforts to "bottom out" for healthier future development during a process of deep clearance process.

Finally, price trends. The trend of continuous price adjustments in the real estate market showed structural changes toward the end of the year, with a bottoming-out trend gradually emerging. The secondary real estate market stabilised after consecutive declines, particularly in core cities. This is mainly evidenced by the price turning around and recording significantly narrowed declines in the second-hand housing market. The new housing market presents a "high-end support, rigid demand under pressure" pattern: improvement-driven demand has become the market mainstream, with high-quality improvement projects driving structural price increases. Policy support measures have had a significant effect, with reduced home purchase costs and the implementation of subsidy policies effectively alleviating downward pressure on prices.

In 2024, the Company intensified the efforts to stabilise operations, reduce debt, and foster innovation, while fulfilling its primary responsibilities as a corporate entity. In terms of operational stability, the Company has concentrated its superior resources to fully achieve the three major objectives of ensuring quality, ensuring completion, and guaranting delivery. In terms of debt reduction, the Company has adopted a multi-pronged approach, coordinating efforts across departments and implementing various strategies. It has engaged in negotiations with bond issuers to effectively reduce debt and advance debt restructuring. In terms of innovation and revitalisation, the Company has actively sought high-quality opportunities to accelerate its diversification and transformation.

OUTLOOK 2025

In 2025, we predict that the real estate market in China will enter a stabilisation phase after a period of deep adjustment, but the momentum for recovery will remain uneven, presenting a pattern of "overall stabilisation with internal differentiation". On the demand side, consumer confidence in home purchases will gradually recover. Core cities and improvement-driven demand are expected to stabilise first, driving a narrowing decline in national commercial property sales. Some cities with strong policy support and sounded fundamentals may materialise the stabilisation in real estate sales. On the supply side, the land market's deep adjustment is nearing its end, but property developers' investment intentions remain constrained by funding pressures and inventory reduction efforts. New starts and development investment are likely to continue their moderate decline, though the pace of contraction is expected to slow.

It is crucial to emphasise that this "stabilisation" does not signify a broad-based recovery. The divergence across cities of varying tiers, different property sectors, and product types (new/second-hand housing, basic needs/upgrades) will continue to deepen. Consequently, the market will increasingly rely on the precise implementation of targeted structural policies and the effective revitalisation of existing resources. Overall, following a period of intense consolidation, the industry is entering a phase of gradual stabilisation, guided by policy and underpinned by genuine residential demand.

Concurrently, with the implementation of the "Quality Housing" construction standards and the promotion of green, low-carbon technologies, the industry will accelerate its shift from scale expansion to quality competition. During this process, core cities are expected to consolidate their stabilisation momentum by leveraging policy support and resilient demand, while smaller cities need to rebuild competitiveness through industrial upgrading and urban renewal. The industry as a whole will advance through differentiation toward a new phase of high-quality development.

In 2025, "delivery stabilisation" remains our paramount objective. Regardless of the challenges posed by the external environment, we will ensure that every project we undertake is delivered on time and with the highest quality standards. This remains the absolute bottom line for all our operations. The Company will collaborate with partners and financial institutions to ensure the efficiency and transparency of information and funds, and we are committed to maximising common interests among all stakeholders to guarantee the smooth delivery of projects.

In 2025, the Company will strengthen its core competitiveness, steadfastly adhere to the development strategy of Green & Low-Carbon + Technology Empowerment + Industrial Ecosystem, and strive to achieve iterative transformation and fundamental renewal.

Green & Low-Carbon as the Core

The Company's future direction will be firmly focused on the core driving force of green technology. This is not only to solidify our foundation in the real estate sector but also to achieve dual expansion in the green technology real estate landscape. While breaking through traditional development frameworks to extend the value chain into the front end (such as consulting, design, and cost estimation) and back end (construction management and operations) of green building, we will simultaneously integrate green technology into multiple dimensions of life and work, including property services, senior care services, education and training, health-oriented spaces, and smart offices. Ultimately, we aim to build a green home that serves customers of all ages.

Smart Technology for Empowerment

The Company will continue to leverage its distinctive strength in technology empowerment, focusing on exploring the following three core technological tools: "hard" technologies centered on building physics technology to develop more energy-efficient, eco-friendly construction products through continuously investing funds or collaborative partnerships; AI technology centered on VR/AR to develop artificial intelligence technologies that can synergise with real estate or related industrial chains in collaborating with sister companies; and "digital" technology centered on internal management systems or external market applications to help enterprises improve quality and efficiency. Utilising these three technological tools will empower enterprises to achieve the intelligent transformation of traditional business operations.

Industrial Ecosystem as a Driving Force

The Company will continue to deepen integration across the upstream and downstream value chain. Through service models including light-asset development or joint ventures, asset management and value enhancement, existing building renovation and operation, technology-driven solutions for the industry, energy management and conservation, and brand elevation, we will forge an industrial ecosystem centered on real estate, assets, technology and services, thereby providing new momentum for the Company's development.

Although 2025 will remain a year filled with uncertainties in terms of policies, markets, and industries, our resolve to explore new growth drivers is unwavering. We are committed to enhancing our green building initiatives, implementing technology-driven solutions, and building a robust industrial ecosystem. These persistent efforts and explorations will ultimately guide the Company toward a new chapter of growth and development.

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

30 September 2025

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

The Group's revenue from sale of properties for the six months ended 30 June 2024 amounted to approximately RMB960.4 million, representing a decrease of approximately 70.8% as compared to the corresponding period in 2023. The decrease in revenue from sales of properties was attributable to the decrease in gross floor area ("**GFA**") delivered.

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

During the six months ended 30 June 2024, the Group's revenue from property investment decreased by approximately 30.0% to approximately RMB14.5 million from approximately RMB20.7 million for the corresponding period of 2023.

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 2024, the Group's revenue from real estate agency services decreased by approximately 72.6% to approximately RMB0.7 million from approximately RMB2.7 million for the corresponding period of 2023.

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 2024 decreased by approximately 1.0% to approximately RMB24.5 million from approximately RMB24.8 million for the corresponding period of 2023. During the six months ended 30 June 2024, the revenue from other services was approximately RMB4.2 million, representing a increase of approximately 78.7% as compared to that of approximately RMB2.4 million for the corresponding period of 2023.

Contracted Sales

During the six months ended 30 June 2024, the Group, its joint ventures and associates achieved contracted sales of approximately RMB1,899.2 million, representing a decrease of approximately 42.9% as compared to the corresponding period in 2023. The Group, its joint ventures and associates sold 185,743 square metres ("**sq.m.**") in total GFA and 531 units of car parking spaces, representing a decrease of approximately 37.6% and 12.1%, respectively, as compared to the corresponding period in 2023.

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

	Six months ended 30 June					
	2024			2023		
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	**42,503**	**6,287**	**6,760**	159,070	18,822	8,451
Beijing	**–**	**–**	**–**	47,164	1,314	35,893
Chongqing	**6,316**	**864**	**7,310**	51,263	5,931	8,643
Guangdong	**497,511**	**13,427**	**37,053**	686,041	8,801	77,950
Guizhou	**–**	**–**	**–**	83,894	13,428	6,248
Hebei	**28,819**	**2,799**	**10,296**	140,399	13,659	10,279
Hubei	**484,482**	**89,087**	**5,438**	795,389	127,133	6,256
Hunan	**57,216**	**9,153**	**6,251**	70,093	13,302	5,269
Inner Mongolia	**–**	**–**	**–**	166,456	16,128	10,321
Jiangsu	**139,932**	**6,115**	**22,883**	134,554	8,680	15,502
Jiangxi	**–**	**–**	**–**	30,434	2,934	10,373
Shaanxi	**332,504**	**18,835**	**17,654**	681,865	36,823	18,517
Shandong	**84,671**	**14,536**	**5,825**	25,473	3,702	6,881
Shanxi	**197,633**	**24,640**	**8,021**	212,172	27,112	7,826
Properties Sub-total	**1,871,587**	**185,743**	**10,076**	3,284,267	297,769	11,030
Car Parking Spaces	**27,605**	**531 units**	**51,987/unit**	41,068	604 units	67,993/unit
Total	**1,899,182**			3,325,335		

Land Bank

As at 30 June 2024, 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 6,671,842 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 2024 Total GFA unsold*** *(sq.m.)*
Anhui	**161,542**
Beijing	**96,280**
Chongqing	**481,430**
Fujian	**97,684**
Guangdong	**447,048**
Guizhou	**479,676**
Hebei	**686,610**
Hubei	**1,879,757**
Hunan	**122,481**
Jiangsu	**79,155**
Jiangxi	**168,825**
Liaoning	**3,895**
Shaanxi	**707,257**
Shandong	**447,259**
Shanghai	**17,704**
Shanxi	**619,283**
Tianjin	**170,918**
Zhejiang	**5,038**
Total	**6,671,842**

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

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 69.9% to approximately RMB1,004.3 million for the six months ended 30 June 2024 from approximately RMB3,334.3 million for the corresponding period of 2023, which was mainly attributable to the decrease in area delivered, with a period-on-period decrease of approximately RMB2,323.35 million in revenue from sale of properties.

Cost of sales

The Group's cost of sales amounted to approximately RMB1,134.6 million for the six months ended 30 June 2024, representing a decrease of approximately 63.9% as compared to the corresponding period of 2023.

Gross loss and gross loss margin

For the six months ended 30 June 2024, the Group's gross loss was approximately RMB130.3 million and the gross loss margin was 13.0%, corresponding period of 2023 gross profit margin of approximately 5.6%.

Other income, gains and losses

The Group's other income, gains and losses recorded a net loss of approximately RMB2,459.6 million during the six months ended 30 June 2024 as compared to a net loss of approximately RMB629.4 million for the six months ended 30 June 2023, which was because of the loss of control due to bankruptcy of certain subsidiaries.

Selling and distribution expenses

The selling and distribution expenses decreased by approximately 72.0% to approximately RMB39.3 million for the six months ended 30 June 2024 from approximately RMB140.4 million for the corresponding period of 2023, primarily due to the reducing scale of sales.

Administrative expenses

The administrative expenses of the Group amounted to approximately RMB82.9 million for the six months ended 30 June 2024, representing a decrease of approximately 7.7% as compared to the corresponding period of 2023, primarily due to the decrease in the business and management scale of the Group.

Finance costs

The finance costs of the Group amounted to approximately RMB1,126.6 million for the six months ended 30 June 2024, representing an increase of approximately 374.0% from approximately RMB237.7 million for the six months ended 30 June 2023. The main reason is the decrease in capitalised loan interests in the completion of projects in the period.

Loss before taxation and loss for the period

The loss before taxation of the Group for the six months ended 30 June 2024 amounted to approximately RMB3,869.6 million, as compared to approximately RMB986.4 million for the six months ended 30 June 2023, and loss for the period amounted to approximately RMB4,051.7 million as compared to approximately RMB1,128.0 million for the six months end 30 June 2023.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2024, the Group had cash, restricted cash and bank balances of approximately RMB461.5 million, representing a decrease of approximately 32.4% as compared to that of approximately RMB683.0 million as at 31 December 2023.

Borrowings

As at 30 June 2024, the Group had aggregate remaining balance of approximately RMB23,486.5 million, including bank and other borrowings of approximately RMB9,948.3 million, senior notes of approximately RMB12,693.5 million and corporate bond of approximately RMB844.6 million, representing an increase of approximately 2.3% as compared to that of approximately RMB22,951.6 million as at 31 December 2023. A majority of the carrying value of the Group's bank loans was denominated in RMB.

The Group breached certain covenants relating to bank and other borrowings of RMB161,461,500, and these borrowings became repayable on demand as at 30 June 2024. For details, please refer to note 2(b) of the unaudited financial statement in this announcement.

Breakdown of indebtedness

By type of borrowings and maturity

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Bank and other loans		
within one year or on demand	**7,439,472**	7,695,497
more than one year, but not exceeding two years	**1,630,324**	1,092,390
more than two years, but not exceeding five years	**414,139**	1,158,788
more than five years	**464,392**	214,392
Sub-total	**9,948,327**	10,161,067
Senior Notes		
within one year	**2,107,019**	1,997,077
more than two years, but not exceeding five years	**10,586,476**	9,971,775
Sub-total	**12,693,495**	11,968,852
Corporate Bond		
within one year	**844,636**	821,685
Sub-total	**844,636**	821,685
TOTAL	**23,486,458**	22,951,604
Less:		
Bank balances and cash (including restricted cash)	**461,537**	682,985
Net Debt	**(23,024,921)**	(22,268,619)
Total Equity	**(19,212,523)**	(15,158,873)
By currency denomination		
— Denominated in RMB	**9,782,134**	9,998,165
— Denominated in USD	**13,704,324**	12,953,439
	23,486,458	22,951,604

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 2024, the Group had monetary assets denominated in US dollars and Hong Kong dollars of approximately RMB762.5 million and approximately RMB4.1 million, respectively, as well as liabilities denominated in US dollars of approximately RMB166.2 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 2024, 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 2024, the Group had provided guarantees amounting to approximately RMB15,687,007,000 (31 December 2023: approximately RMB16,266,436,000) 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 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 2024 under the guarantees issued amounted to RMB1,025,028,000 (31 December 2023: RMB1,046,388,000), being the outstanding amount of the facility utilised by the joint venture.

As at 30 June 2024, 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, RMB752,401,000 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 2024 (31 December 2023: RMB765,028,000).

Employees and compensation policy

As at 30 June 2024, the Group had 512 employees (31 December 2023: 661 employees). 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 2024.

EVENTS AFTER THE REPORTING PERIOD

Extension of maturity date of corporate bond

On 30 July 2019, the Group issued corporate bond 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) with extended maturity date due on 30 July 2023. Subsequently in July 2023, the Group reached an agreement with the bondholders to extend the maturity of such corporate bond to 30 October 2023. Subject to approval of corporate bondholders every 3 months, the corporate bond maturity can be extended up to 30 July 2024.

In July 2024, the Group reached another agreement with the bondholders to extend the repayment date to 31 January 2025. Subject to approval of the bondholders, the corporate bonds' maturity can be extended to 30 July 2025.

In July 2025, the Group reached another agreement with the bondholders to extend the repayment date to 31 January 2026. Subject to approval of the bondholders, the corporate bonds' maturity can be extended to 30 July 2026.

PROSPECT

In 2025, we predict that the real estate market in China will enter a stabilisation phase after a period of deep adjustment, but the momentum for recovery will remain uneven, presenting a pattern of "overall stabilisation with internal differentiation". On the demand side, consumer confidence in home purchases will gradually recover. Core cities and improvement-driven demand are expected to stabilise first, driving a narrowing decline in national commercial property sales. Some cities with strong policy support and sounded fundamentals may materialise the stabilisation in real estate sales. On the supply side, the land market's deep adjustment is nearing its end, but property developers' investment intentions remain constrained by funding pressures and inventory reduction efforts. New starts and development investment are likely to continue their moderate decline, though the pace of contraction is expected to slow.

In 2025, the Company will strengthen its core competitiveness, steadfastly adhere to the development strategy of Green & Low-Carbon + Technology Empowerment + Industrial Ecosystem, and strive to achieve iterative transformation and fundamental renewal.

Green & Low-Carbon as the Core

Smart Technology for Empowerment

Industrial Ecosystem as a Driving Force

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

For the six months ended 30 June 2024, 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 2024 (2023: 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 2024.

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 C3 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") 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 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance. Save as disclosed below, the Company has complied with the code provisions in Part 2 — Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2024 and, where appropriate, adopted the recommended best practices set out in the CG Code save for the deviations set out below:

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zhang Peng has served as both the chairman of the Board and the president of the Company since 9 November 2022, with the division of responsibilities between chairman and president clearly established and set out in writing.

The Company was not able to timely comply with the financial reporting provisions under the Listing Rules in (i) announcing the interim results for the six months ended 30 June 2024; and (ii) publishing the interim report for the six months ended 30 June 2024. Such delays constituted non-compliance with Rules 13.48(1) and 13.49(6) of the Listing Rules.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024 and will remain suspended until further notice.

For details, please refer to the announcement made by the Company dated 28 March 2024.

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 2024 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, 30 September 2025

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. Han Shuchang and Mr. Zeng Qiang; and independent non-executive Directors: Mr. Hui Chun Ho, Eric, Mr. Gao Zhikai and Ms. Zhu Caiqing.