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MODERN LAND (CHINA) CO., LIMITED
當代置業（中國）有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1107)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL 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 audited consolidated results of the Group for the year ended 31 December 2024 with the comparative figures for preceding financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024
(Expressed in Renminbi)

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	3,133,312	5,703,746
Cost of sales		<u>(3,588,883)</u>	<u>(10,147,850)</u>
Gross loss		(455,571)	(4,444,104)
Other income, gains and losses, net	6	(3,793,529)	(7,688,930)
Changes in fair value of investment properties, net		(318,312)	(83,859)
Selling and distribution expenses		(118,730)	(311,585)
Administrative expenses		(184,083)	(256,352)
Gain on restructuring of senior notes		–	144,066
Finance expenses	7	(2,234,475)	(2,852,953)
Share of results of associates		(769)	(1,486)
Share of results of joint ventures		<u>(56,935)</u>	<u>(34,175)</u>
Loss before taxation		(7,162,404)	(15,529,378)
Income tax expense	8	<u>(397,412)</u>	<u>(358,509)</u>
Loss for the year	9	<u>(7,559,816)</u>	<u>(15,887,887)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

for the year ended 31 December 2024

(Expressed in Renminbi)

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
Other comprehensive income for the year:			
<i>Item that will not be reclassified to profit or loss:</i>			
Equity investments at fair value through other comprehensive income (“FVOCI”) — net movement in fair value reserve (non-recycling), net of RMB326,000 (2023: RMB10,529,000) tax		<u>1,303</u>	<u>(45,461)</u>
Total comprehensive income for the year		<u>(7,558,513)</u>	<u>(15,933,348)</u>
Loss for the year attributable to:			
Owners of the Company		<u>(7,458,758)</u>	<u>(14,312,777)</u>
Non-controlling interests		<u>(101,058)</u>	<u>(1,575,110)</u>
		<u>(7,559,816)</u>	<u>(15,887,887)</u>
Total comprehensive income attributable to:			
Owners of the Company		<u>(7,457,455)</u>	<u>(14,358,238)</u>
Non-controlling interests		<u>(101,058)</u>	<u>(1,575,110)</u>
		<u>(7,558,513)</u>	<u>(15,933,348)</u>
Losses per share, in Renminbi cents:			
Basic	10	<u>(266.9)</u>	<u>(512.1)</u>
Diluted	10	<u>(266.9)</u>	<u>(512.1)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

(Expressed in Renminbi)

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Investment properties		2,010,805	2,377,500
Property, plant and equipment		361,409	383,951
Intangible assets		19,918	20,834
Interests in associates		27,259	28,028
Interests in joint ventures	<i>12</i>	1,751,739	1,673,597
Loans to joint ventures	<i>12</i>	1,203,324	1,261,172
Equity investments at FVOCI		1,883	580
Deferred tax assets		1,022,784	1,063,212
		6,399,121	6,808,874
Current assets			
Properties under development for sale		13,673,672	16,515,288
Completed properties held for sale		6,010,492	7,052,952
Other inventories and contract costs		610,930	651,151
Trade and other receivables, deposits and prepayments	<i>13</i>	7,954,916	10,031,006
Amounts due from related parties		645,949	673,066
Restricted cash		250,462	391,073
Bank balances and cash		87,166	291,912
		29,233,587	35,606,448

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 31 December 2024

(Expressed in Renminbi)

		2024	2023
	Notes	RMB'000	RMB'000
Current liabilities			
Trade and other payables, deposits received and accrued charges	14	18,300,276	15,946,285
Contract liabilities	15	9,834,068	12,158,846
Amounts due to related parties		1,926,821	2,055,005
Taxation payable		4,226,488	3,998,569
Bank and other borrowings — due within one year		7,431,654	7,695,497
Corporate bonds — due within one year		871,552	821,685
Senior notes — due within one year		13,499,634	1,997,077
		<u>56,090,493</u>	<u>44,672,964</u>
Net current liabilities		<u>(26,856,906)</u>	<u>(9,066,516)</u>
Total assets less current liabilities		<u>(20,457,785)</u>	<u>(2,257,642)</u>
Capital and reserves			
Share capital	16	175,693	175,693
Reserves		<u>(22,155,585)</u>	<u>(14,691,083)</u>
Equity attributable to owners of the Company		<u>(21,979,892)</u>	<u>(14,515,390)</u>
Non-controlling interests		<u>(669,881)</u>	<u>(643,483)</u>
Total equity		<u>(22,649,773)</u>	<u>(15,158,873)</u>
Non-current liabilities			
Bank and other borrowings — due after one year		1,881,317	2,465,570
Senior notes — due after one year		—	9,971,775
Deferred tax liabilities	17	310,671	463,886
		<u>2,191,988</u>	<u>12,901,231</u>
		<u>(20,457,785)</u>	<u>(2,257,642)</u>

Notes:

1 GENERAL

Modern Land (China) Co., Limited (the “**Company**”) was incorporated in the Cayman Islands on 28 June 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business is located at No. 1 Xiangheyuan Road, Dongcheng District, Beijing, the People’s Republic of China (the “**PRC**”).

The Company’s parent is Super Land Holdings Limited, a company incorporated in the British Virgin Islands (“**BVI**”) and its ultimate holding company is Fantastic Energy Holdings Limited, a company incorporated in BVI.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in real estate development, property investment, hotel operation, real estate agency services and other related services in the PRC.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 2013.

The consolidated financial statements are presented in Renminbi (“**RMB**”), the currency of the primary economic environment in which the group entities operate (the functional currency of the major subsidiaries of the Company).

2 ADOPTION OF IFRS ACCOUNTING STANDARDS

(a) Adoption of amended IFRSs — effective 1 January 2024

In the current year, the Group has applied for the first time the following amended IFRS Accounting Standards issued by the International Accounting Standard Board (“**IASB**”) to the Group’s financial statements for the annual period beginning on or after 1 January 2024:

- Amendments to IAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and HKFRS 7, Supplier Finance Arrangements

Other than the amendments to IAS 1, none of these new or amended IFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended IFRSs that is not yet effective for the current accounting period. Impact on the applications of these amended IFRSs are summarised below:

Amendments to IAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Amendments to IAS 1 *Presentation of Financial statements* in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the entity's expectations or event after the reporting date (e.g. the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(b) New or amended IFRS Accounting Standards that have been issued but are not yet effective

The following new or amended IFRS Accounting Standards, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

- Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴
- Amendments to IAS 21, Lack of Exchangeability¹
- Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments²
- IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, Annual Improvement to IFRS Accounting Standards — Volume 11²
- IFRS 18, Presentation and Disclosure in Financial Statements³

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ No mandatory effective date determined yet but available for adoption.

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below:

Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued in July 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for IFRS 18 which will have impact on presentation of income statement.

3 MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties and equity investments which are measured at fair value as explained in the accounting policies set out below.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(a) Basis of consolidation and preparation

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(ii) Basis of preparation and going concern assumption

During the year ended 31 December 2024, the Group incurred a loss of RMB7,559,816,000 and as at that date, the Group had net current liabilities and capital deficiency of RMB26,856,906,000 and RMB22,649,773,000, respectively. Included in the current liabilities were bank and other borrowings of RMB7,431,654,000, corporate bonds of RMB871,552,000, senior notes of RMB13,499,634,000 and provision for claims and litigations of RMB795,384,000 while the Group only had bank balances and cash of RMB87,166,000 as at 31 December 2024.

As at 31 December 2024, the Group breached certain covenants relating to bank and other borrowings totaling RMB161,462,000. Moreover, the Group was in default of repayments of bank and other borrowings of RMB4,845,997,000 which became due and overdue as at 31 December 2024. If any of these 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 pledged assets.

The Company restructured all of its senior notes in 2022 into 5 tranches of senior notes with maturity dates from 30 December 2023 to 30 December 2027 and further undertook changes of the terms and conditions of the senior notes in 2023. However, it is because the Group has been under severe liquidity pressure, the Company did not fulfil the settlement upon the maturity of the 2023 New Notes and the 2024 Notes in December 2024 and fail to meet the interest payments for the 2025 Notes, the 2026 Notes and the 2027 Notes throughout 2024. Subsequent to 2024, the Group did not make payment for the cash interests in respect of the 2025 Notes, the 2026 Notes and the 2027 Notes on the due date of 30 June 2025 and up to the date of approval of these consolidated financial statements. As a result of the default in payments of the principal amounts and interests subsequent to 31 December 2023 as explained above, the senior noteholders are entitled to demand immediate repayment of the outstanding principals and interests of the senior notes albeit none of the noteholders demanded such immediate repayments up to the date of approval of these consolidated financial statements.

The senior notes are guaranteed by certain of the Company's subsidiaries and the guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security. If any of the senior noteholders request immediate repayment of any of the senior notes and the Group cannot fulfill the request, the senior noteholders are entitled to execute the guarantee to recover their investments.

The Group since July 2023 has successively reached agreements with the bondholders to extend the maturity date of the corporate bonds. In July 2025, the Group further 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 date can be extended to 30 July 2026.

In addition, the Group is involved in various litigation and arbitration cases with different counterparties for various reasons for which the Group has made provision for claims and litigations of RMB795,384,000 as at 31 December 2024.

The PRC property market for the year ended 31 December 2024, and continuing into the present, has been characterized by a significant downturn, marked by a decline in the start of housing development projects and sales, driven by buyer concerns over developer stability and uncertain prices. Despite some government efforts to stabilize the market and policy shifts like easing purchase restrictions in major cities, property investment and sales volumes remained low. As a result, pre-sale for PRC property developers remained weak.

With the above backdrop, the Group's internal funds have been shrinking and the Group has been facing liquidity pressure to finance its construction projects and to settle interest bearing borrowings including the aforementioned bank and other borrowings, senior notes and corporate bonds. The current macroeconomic conditions and the timing of recovery in real estate industry has brought additional material uncertainties to the Group. It may be challenging for the Group to generate operating cash inflows or refinance its senior notes, corporate bonds and bank and other borrowings than it has historically been.

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

- The management is in close negotiation with the senior noteholders for restructuring and/or extension of the senior notes;
- With respect to the corporate bonds, the maturity date was extended to 31 January 2026. Subject to approval of the bondholders, the corporate bonds' maturity can be extended to 30 July 2026. The management will liaise with the bondholders to obtain their approval to further extend the maturity date if necessary;
- 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 inflows 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 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 and claims 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 the management which cover a period of fifteen months from the date of approval of these consolidated financial statements and consider 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:

- Successful negotiation with the senior noteholders for restructuring and/or extension of the senior notes;
- Obtaining approval from the bondholders to further extend the corporate bonds maturity date to 30 July 2026 and the ability to repay the corporate bonds by the subsequently extended maturity date of 30 July 2026 or obtain approval from the bondholders to further extend the corporate bonds maturity date beyond 30 July 2026;
- Successful negotiation with other 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 inflows 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 fifteen months from the date of approval of these consolidated financial statements. 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 amount 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.

(b) Changes in accounting policies

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior years have been prepared or presented in the consolidated financial statements (Note 2(a)).

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Going concern assumption

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the most important assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that may individually or collectively cast a significant doubt upon the going concern assumption are set out in Note 3(a)(ii) to the consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the other key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Valuation of investment properties

Investment properties are stated at fair value based on the valuation performed by an independent firm of professional valuers after taking into consideration the market evidences of transaction prices, and where appropriate, the rental income allowing for reversionary income potential.

In determining the fair value, the valuers have taken into consideration the market conditions existed at the end of each reporting period or where appropriate, a method of valuation where involves, inter alia, certain estimates including market prices, prevailing market rents for comparable properties in the same location and condition, appropriate discount rate and expected future market rents. In relying on the valuation report, the management has exercised their judgement and are satisfied that the method of valuation is reflective of the prevailing market conditions as at the end of each reporting period.

(b) Write-down of properties under development for sale and completed properties held for sale

Management performs a regular review on the carrying amount of properties under development for sale and completed properties held for sale. Based on management's review, write-down will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value, management refers to prevailing market data such as recent sales transactions as the basis for evaluation.

(c) Deferred tax assets

The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The Directors of the Company determine the deferred tax assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. The Directors of the Company have reviewed the assumptions and profit projections at the end of the reporting period. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a recognition or reversal takes place.

(d) Revenue recognition

Revenue from the sale of properties is recognised at a point in time when the buyers obtain control of the completed properties. Management makes judgement on when control of properties are transferred to customers.

(e) Provision for claims and litigations

The Group is the defendant in various litigation and arbitration cases for various reasons. Management assesses the likelihood of the outcome and estimated the probable charges the Group is liable to for each of the cases, taking into account of all available facts and circumstances and relevant legal advice. Such assessment involved significant management's judgement on the likelihood of the case outcome and estimate on the charges. Where the final outcomes of these cases are different from the amounts originally estimated and recorded by management, the differences will impact on the expenses in the period in which the differences realise.

(f) Impairment of financial assets

The loss allowances for loans to joint ventures and other financial assets are based on the credit risk of the respective financial instruments. Management uses judgement in making assumptions and estimations to estimate expected credit losses based on past history, existing market conditions and forward looking information at the end of each reporting period. The assessment involves a high degree of estimation and uncertainty about future economic conditions which might have a significant effect on debtors' business and creditworthiness. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly.

5 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 the 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 related 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 organization 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.

Revenue represents the fair value of the consideration received or receivable.

An analysis of the Group's revenue by type is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	2,997,746	5,621,762
Real estate agency services	1,064	22,168
Hotel operation	44,258	18,819
Others	60,900	9,991
	<u>3,103,968</u>	<u>5,672,740</u>
Revenue from other sources		
Rental income	29,344	31,006
	<u>3,133,312</u>	<u>5,703,746</u>

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

Geographic information

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

No revenue from transactions with single external customer amounted to 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

6 OTHER INCOME, GAINS AND LOSSES, NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income	18,017	19,082
Government grants (<i>note a</i>)	49	252
Net exchange loss (<i>note b</i>)	(193,311)	(119,804)
Loss on disposal of associates	–	(23,800)
Loss on disposal of joint ventures	–	(416,972)
Loss on disposal of subsidiaries	(1,239,827)	(563,895)
Allowance for expected credit losses	(2,225,755)	(5,567,791)
Penalty, claims and litigations charges (<i>note c</i>)	(134,630)	(600,605)
Impairment on interests in joint ventures	–	(367,221)
Sundries	(18,072)	(48,176)
	<u>(3,793,529)</u>	<u>(7,688,930)</u>

Notes:

- (a) Government grants represent incentive subsidies from various PRC governmental authorities. There are no conditions or future obligations attached to these subsidies.
- (b) The net exchange loss for the years ended 31 December 2024 and 2023 mainly arose from retranslation of senior notes issued by the Company denominated in US\$ due to depreciation of RMB against US\$.
- (c) The Group is subject to various litigation and arbitration matters and the associated provisions are measured based on actual settlement, court order or best estimate of the consideration required to settle the claims at the end of the reporting period.

7 FINANCE EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank and other borrowings	(1,117,246)	(1,566,719)
Interest on senior notes and corporate bonds	(1,401,185)	(1,793,781)
	(2,518,431)	(3,360,500)
Less: Amount capitalised in properties under development for sale	283,956	507,547
	<u>(2,234,475)</u>	<u>(2,852,953)</u>

The borrowing costs have been capitalised at a rate of 2.8%–10.5% (2023: 2.8%–24.0%) per annum.

8 INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax		
PRC Corporate Income Tax	(211,039)	(156,187)
Land Appreciation Tax (“LAT”)	(300,143)	(435,681)
Deferred tax	113,810	235,247
Under provision of PRC Corporate Income Tax in respect of prior years	(40)	(1,888)
Income tax expense	<u>(397,412)</u>	<u>(358,509)</u>

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 on the appreciated amount at progressive rates ranging from 30% to 60%, with certain allowable exemptions and deductions.

Pursuant to the rules and regulations of BVI and the Cayman Islands, the Group is not subject to any income tax in BVI and the Cayman Islands. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

No provision for Hong Kong Profits Tax has been made as the income generated from the Group was neither arose in nor was derived from Hong Kong for the years ended 31 December 2024 and 2023.

The actual tax expense for the year can be reconciled to the loss before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Loss before taxation	<u>(7,162,404)</u>	<u>(15,529,378)</u>
PRC Corporate Income Tax at 25%	1,790,601	3,882,344
Provision for LAT	(300,143)	(435,681)
Tax effect of LAT deductible for PRC Corporate Income Tax	75,036	108,920
Tax effect of share of results of associates	(192)	(372)
Tax effect of share of results of joint ventures	(14,234)	(8,544)
Tax effect of non-deductible expenses	(324,967)	(268,824)
Tax effect of unused tax losses previously recognised	(15,877)	(113,892)
Tax effect of unused tax losses not recognised	(783,854)	(1,852,000)
Tax effect of unrecognised temporary difference	(823,742)	(1,668,572)
Under provision of PRC Corporate Income Tax in respect of prior years	<u>(40)</u>	<u>(1,888)</u>
Income tax expense	<u>(397,412)</u>	<u>(358,509)</u>

9 LOSS FOR THE YEAR

	2024 RMB'000	2023 RMB'000
Loss for the year has been arrived at after charging:		
(a) Staff cost		
Salaries, wages and other benefits	110,098	206,369
Retirement benefit contributions	5,764	11,597
Share-based payment expenses	(1,933)	(3,590)
	<u>113,929</u>	<u>214,376</u>
(b) Other items		
Depreciation charge		
— owned property, plant and equipment	41,060	25,089
Amortisation of intangible assets	2,007	2,080
Auditors' remuneration		
— Audit services	6,500	6,500
— Non-audit services	150	150
Allowance for expected credit losses	2,225,755	5,567,791
Impairment on interests in joint ventures	—	367,221
Write-down of properties under development for sale and completed properties held for sale	337,688	2,843,102
Cost of completed properties sold	<u>2,662,422</u>	<u>6,966,633</u>

10 LOSSES PER SHARE

Diluted losses per share for the years ended 31 December 2024 and 2023 are the same with basic losses per share.

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

	2024 RMB'000	2023 RMB'000
Losses		
Losses for the purpose of calculating basic and diluted losses per share (loss for the year attributable to owners of the Company)	<u>(7,458,758)</u>	<u>(14,312,777)</u>
	2024 '000	2023 '000
Number of shares (basic and diluted)		
Weighted average number of ordinary shares in issue	<u>2,794,994</u>	<u>2,794,994</u>

Note: The computation of the diluted losses per share for the years ended 31 December 2024 and 2023 has not taken into consideration the outstanding shares options as they are anti-dilutive.

11 DIVIDEND

There is no dividend declared and paid during the year (2023: Nil).

12 INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

	At 31 December 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Cost of investment in joint ventures	1,953,591	1,876,311
Share of post-acquisition profits and other comprehensive income	<u>(201,852)</u>	<u>(202,714)</u>
	<u>1,751,739</u>	<u>1,673,597</u>
Loans to joint ventures, gross	4,448,425	4,448,425
Less: Share of post-acquisition losses that are in excess of cost of the investments	(524,162)	(466,314)
Provision of impairment	<u>(2,720,939)</u>	<u>(2,720,939)</u>
	<u>1,203,324</u>	<u>1,261,172</u>

Loans to joint ventures are unsecured, interest free and have no fixed term of repayment as at December 2024 and 2023. 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.

13 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables, net of allowance	399,259	390,210
Amounts due from non-controlling interests	1,776,092	1,855,795
Other receivables, net of allowance (<i>note i</i>)	3,453,731	5,405,263
Guarantee deposits for housing provident fund loans provided to customers (<i>note ii</i>)	43,642	51,941
Loans and receivables	5,672,724	7,703,209
Prepayments to suppliers of construction materials	1,246,078	1,150,782
Deposits paid for acquisition of land use rights	38,810	38,810
Prepaid taxation	997,304	1,138,205
	7,954,916	10,031,006

Notes:

- (i) 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.
- (ii) 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 individual property ownership certificate.

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 each reporting period:

	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Less than 1 year	99,082	109,976
1–2 years	86,212	21,836
More than 2 years and up to 3 years	213,965	258,398
	399,259	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 the receivables from properties sold, the Group holds the title of the property units as collateral over those balances.

Movements in the allowance for expected credit losses on trade receivables are set out as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	60,719	60,719
Provided during the year	<u>—</u>	<u>—</u>
At the end of the year	<u>60,719</u>	<u>60,719</u>

Movements in the allowance for expected credit losses on other receivables are set out as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	3,238,452	935,497
Provided during the year	2,225,755	2,457,809
Amounts written off as uncollectible	<u>(203,982)</u>	<u>(154,854)</u>
At the end of the year	<u>5,260,225</u>	<u>3,238,452</u>

14 TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Trade payables (<i>note i</i>)	5,410,925	4,553,148
Accrued expenditure on construction (<i>note i</i>)	1,427,794	1,924,750
Amounts due to non-controlling interests	1,368,024	1,516,220
Accrued interests	1,936,961	1,197,397
Accrued payroll	45,151	43,736
Dividend payable	1,458	3,212
Provision for claims and litigations (<i>note iii</i>)	795,384	765,028
Other payables (<i>note ii</i>)	<u>6,406,632</u>	<u>5,271,646</u>
Financial liabilities measured at amortised cost	17,392,329	15,275,137
Other tax payables	<u>907,947</u>	<u>671,148</u>
	<u>18,300,276</u>	<u>15,946,285</u>

Notes:

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

	At 31 December 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Less than 1 year	1,612,396	2,955,861
1 to 2 years	2,236,044	142,289
More than 2 years and up to 3 years	1,562,485	1,454,998
	<u>5,410,925</u>	<u>4,553,148</u>

Accrued expenditure on construction comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group. Therefore, no ageing analysis is presented.

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

- (iii) Movement in provision for claims and litigations:

	<i>RMB'000</i>
At 1 January 2024	765,028
Charged to profit or loss	134,630
Utilised	<u>(104,274)</u>
At 31 December 2024	<u>795,384</u>

15 CONTRACT LIABILITIES

	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Sales deposits	<u>9,834,068</u>	<u>12,158,846</u>
Movements in contract liabilities		
	2024 RMB'000	2023 RMB'000
Balance at 1 January	12,158,846	18,512,043
Revenue recognised during the year that was included in the contract liabilities at the beginning of the year	(3,468,566)	(4,878,514)
Disposal of subsidiaries	(36,222)	(2,230,331)
Sales deposits received	<u>1,180,010</u>	<u>755,648</u>
Balance at 31 December	<u>9,834,068</u>	<u>12,158,846</u>

The amount of sales deposits expected to be recognised as income after more than one year is RMB2,530,000,000 (2023: RMB4,313,438,000).

16 SHARE CAPITAL

	<i>Number of shares '000</i>	<i>Amount US\$'000</i>	<i>Equivalent to RMB'000</i>
Ordinary shares of US\$0.01 each			
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>8,000,000</u>	<u>80,000</u>	<u>524,014</u>
Issued and fully paid:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>2,794,994</u>	<u>27,941</u>	<u>175,693</u>

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Modern Land (China) Co., Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages [•] to [•], which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Multiple uncertainties relating to going concern

As described in Note 3(a)(ii) to the consolidated financial statements, for the year ended 31 December 2024, the Group incurred a loss of RMB7,559,816,000 and as at that date, the Group had net current liabilities and capital deficiency of RMB26,856,906,000 and RMB22,649,773,000, respectively. Included in the current liabilities were bank and other borrowings of RMB7,431,654,000 (Note 27), corporate bonds of RMB871,552,000 (Note 29), senior notes of RMB13,499,634,000 (Note 28) and provision for claims and litigations that were included in trade and other payables, deposits received and accrued charges of RMB795,382,000 (Note 25) as at 31 December 2024 while the Group only had bank balances and cash of RMB87,166,000.

As at 31 December 2024, the Group breached certain covenants relating to bank and other borrowings totaling RMB161,462,000. Moreover, the Group was in default of repayments of bank and other borrowings and bank and other borrowings of RMB4,845,997,000 became due and overdue as at 31 December 2024. If any of these 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 pledged assets for which the details are disclosed in Note 32.

The Company restructured all of its senior notes in 2022 into 5 tranches of senior notes with maturity dates from 30 December 2023 to 30 December 2027 and further undertook changes of the terms and conditions of the senior notes in 2023. However, it is because the Group has been under severe liquidity pressure, the Company did not fulfil the settlement upon the maturity of the 2023 New Notes and the 2024 Notes in December 2024 and fail to meet the interest payments for the 2025 Notes, the 2026 Notes and the 2027 Notes throughout 2024. Subsequent to 2024, the Group did not make payment for the cash interests in respect of the 2025 Notes, the 2026 Notes and the 2027 Notes on the due date of 30 June 2025 and up to the date of approval of these consolidated financial statements. As a result of the default in payments as explained above, the senior noteholders are entitled to demand immediate repayment of the outstanding principals and interests of the senior notes albeit none of the noteholders demanded such immediate repayments up to the date of approval of these consolidated financial statements.

The senior notes are guaranteed by certain of the Company's subsidiaries and the guarantees are effectively subordinated to the other secured obligations of each guarantor, to the extent of the value of assets serving as security. If any of the senior noteholders request immediate repayment of any of the senior notes and the Group cannot fulfill the request, the noteholders are entitled to execute the guarantee to recover their investments.

The Group since July 2023 has successively reached agreements with the bondholders to extend the maturity date of the corporate bonds. In July 2025, the Group further 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.

In addition, the Group is involved in various litigation and arbitration cases with different counterparties for various reasons for which the Group has made provision for claims and litigations of RMB795,384,000 as at 31 December 2024.

The PRC property market for the year ended 31 December 2024, and continuing into the present, has been characterized by a significant downturn, marked by a decline in the start of housing development projects and sales, driven by buyer concerns over developer stability and uncertain prices. Despite some government efforts to stabilize the market and policy shifts like easing purchase restrictions in major cities, property investment and sales volumes remained low. As a result, pre-sale for PRC property developers remained weak.

With the above backdrop, the Group's internal funds have also been shrinking and the Group has been facing liquidity pressure to finance its construction projects and to settle interest bearing borrowings including the aforementioned bank and other borrowings, senior notes and corporate bonds. The current macroeconomic conditions and the timing of recovery in real estate industry has brought additional material uncertainties

to the Group. It may be challenging for the Group to generate operating cash inflows or refinance its senior notes, corporate bonds and bank and other borrowings than it has historically been.

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

The directors of the Company are undertaking certain plans and measures to address the Group's liquidity issues, as disclosed in Note 3(a)(ii) to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the plans and measures, which is subject to material uncertainties, including whether the Group is able to (i) repay the principal amount plus accrued interests of each tranche of the senior notes at their respective maturity or due dates or successfully obtain consents from the senior noteholders to further extend the maturity or due dates; (ii) obtain approval from corporate bondholders to further extend the corporate bonds maturity date to 30 July 2026 and repay the corporate bonds by the subsequently extended maturity date on 30 July 2026 or obtain approval from the bondholders to further extend the corporate bonds maturity date beyond 30 July 2026; (iii) successfully negotiate 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 inflows therefrom; (iv) successfully maintain 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; (v) successfully 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; (vi) successfully obtain additional new sources of financing; (vii) successfully implement the Group's business plan and cost control measures so as to improve the Group's working capital and cash flow position; and (viii) reach an amicable solution on the charges and payment terms in respect of the claims and litigations which have not yet reached a definite outcome.

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 amounts 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.

Additional matter — scope limitation on the work of certain subsidiaries due to unavailability of books and records

As disclosed in Note 24, the Group disposed of certain subsidiaries through sales, deregistration or liquidation during the years ended 31 December 2023 and 2024 (the “**2023 Disposed Subsidiaries**” and the “**2024 Disposed Subsidiaries**”, respectively). Up to the respective disposal dates of these subsidiaries, revenue of RMB416,156,000 and RMB9,669,000, cost of sales of RMB390,942,000 and RMB9,728,000, other income and gains of RMB5,464,000 and RMB219,782,000, selling and distribution expenses of RMB10,720,000 and RMBnil, administrative expenses of RMB9,791,000 and RMB594,000, finance expenses of RMB25,772,000 and RMBnil and income tax credit of RMB39,912,000 and RMBnil of the 2023 Disposed Subsidiaries and 2024 Disposed Subsidiaries, respectively, were recognised in profit or loss of the Group and included in the respective lines of the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2023 and 2024 respectively. The aggregate results of these subsidiaries up to the respective disposal dates were a profit of RMB24,307,000 and a loss of RMB220,435,000 for the years ended 31 December 2023 and 2024 respectively. A net loss of RMB563,895,000 and RMB1,239,827,000 arising from the disposal of the 2023 Disposed Subsidiaries and 2024 Disposed Subsidiaries, respectively was recognised in profit or loss of the Group and included in other income, gains and losses in the consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2023 and 2024 respectively.

Moreover, in respect of the 2024 Disposed Subsidiaries, cost of sales of RMB16,066,000, other losses of RMB86,894,000, selling and distribution expenses of RMB1,062,000, administrative expenses of RMB5,630,000, finance expenses of RMB106,273,000, income tax expenses of RMB39,717,000 were recognised in profit or loss of the Group that gave rise to a net loss totaling RMB255,642,000 for the year ended 31 December 2023 and included in the respective lines of the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023. As at 31 December 2023, the 2024 Disposed Subsidiaries had property, plant and equipment of RMB65,000, intangible assets of RMB5,000, deferred tax assets of RMB1,023,000, properties under development for sale of RMB1,557,534,000, completed properties held for sale of RMB361,371,000, trade and other receivables, deposits and prepayments of RMB3,804,773,000, bank balances and cash of RMB6,412,000, trade and other payables, deposits received and accrued charges of RMB3,445,301,000, contract liabilities of RMB59,487,000, taxation payable of RMB40,980,000, bank and other borrowings of RMB791,000,000 that were included in the consolidated statement of financial position as at 31 December 2023.

For the audit of the consolidated financial statements for the year ended 31 December 2024, we commenced our work after completion of the disposal of the 2023 Disposed Subsidiaries and the 2024 Disposed Subsidiaries and therefore the accounting books and records of these subsidiaries were no longer available for our inspection.

Owing to the above scope limitation, we were unable to perform audit procedures that we considered necessary for the purposes of obtaining sufficient appropriate audit evidence for our audit and to determine whether the (i) revenue, (ii) cost of sales, (iii) other income, gains and losses, (iv) selling and distribution expenses, (v) administrative expenses, (vi) finance expenses and (vii) income tax expense for the years ended 31 December 2023 and 2024, and (viii) property, plant and equipment, (ix) intangible assets, (x) deferred tax assets, (xi) properties under development for sale, (xii) completed properties held for sale, (xiii) trade and other receivables, deposits and prepayments, (xiv) bank balances and cash, (xv) trade and other payables, deposits received and accrued charges, (xvi) contract liabilities, (xvii) taxation payable and (xviii) bank and other borrowings of the 2024 Disposed Subsidiaries as at 31 December 2023 are free from material misstatements. We are also required to perform audit procedures on the opening balances as at 1 January 2023 for our initial audit on the consolidated financial statements for the year ended 31 December 2023. However, given the above scope limitation, we were unable to perform audit procedures that we considered necessary on the opening balances of the 2023 Disposed Subsidiaries and the 2024 Disposed Subsidiaries. We requested but were unsuccessful to obtain the predecessor auditor's consent to grant us the access to and for our review of their audit documentation of the audit of the consolidated financial statements prior to the year ended 31 December 2023. As a result, we were unable to obtain sufficient appropriate audit evidence to determine whether Investment properties of RMB43,300,000, property, plant and equipment of RMB1,230,000, intangible assets of RMB89,000, interests in associates of RMB15,044,000, interests in joint ventures of RMB20,820,000, deferred tax assets of RMB73,236,000, properties under development for sale of RMB4,815,830,000, completed properties held for sale of RMB619,255,000, other inventories and contract costs of RMB56,000, trade and other receivables, deposits and prepayments of RMB6,126,978,000, bank balances and cash of RMB225,608,000, trade and other payables, deposits received and accrued charges of RMB5,633,880,000, contract liabilities of RMB2,551,797,000, taxation payable of RMB51,957,000 and bank and other borrowings of RMB1,464,106,000 as at 1 January 2023 are free from material misstatements, including whether these balances were correctly brought forward from those as at 31 December 2022.

For our audit of the consolidated financial statements for the year ended 31 December 2023, we modified our opinion in respect of the above matter due to our inability to inspect the accounting books and records, and this scope limitation remained unresolved and our audit opinion for the consolidated financial statements for the year ended 31 December 2024 is also modified accordingly.

Any adjustments in respect of the above amounts that might have been found necessary might have material consequential effects on (i) the financial performance and cash flows of the Group for the years ended 31 December 2023 and 2024, (ii) the financial position of the Group as at 31 December 2023 and as at 1 January 2023; and (iii) the related disclosures in the consolidated financial statements.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present the business review of the Group for the year ended 31 December 2024 and its prospects.

SALES RESULTS

For the year ended 31 December 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 guaranteeing 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

For the year ended 31 December 2024, the Group's revenue from sale of properties amounted to approximately RMB2,997.7 million, representing a decrease of approximately 46.7% as compared to the year ended 31 December 2023. The Group delivered 310,069 sq.m. of property in terms of GFA and 1,209 units of car parking spaces in 2024. Delivered average selling price ("ASP") for properties was RMB10,029 per sq.m. and that for car parking spaces was RMB58,737 per unit for the year ended 31 December 2024.

Hotel Operation, Real Estate Agency Services and Other Services

For real estate agency services, with the unique product, brand, management and credibility advantages supported by our MOMA green-technology products, the Group offered customised full-set development and operation management solutions to customers. For the year ended 31 December 2024, the revenue from real estate agency services amounted to approximately RMB1.1 million, representing a decrease of approximately 95.2% as compared to that of approximately RMB22.2 million for the corresponding period in 2023.

Hotel MoMc, a boutique hotel owned and operated by the Group, has established its presence in Beijing and Taiyuan, and revenue from hotel operation for the year ended 31 December 2024 amounted to RMB44.3 million, representing an increase of 135.2% as compared to that of approximately RMB18.8 million for the corresponding period in 2023.

For the year ended 31 December 2024, the revenue from other services was approximately RMB60.9 million, whereas revenue of approximately RMB10.0 million was recorded in the corresponding period in 2023.

Contracted Sales

For the year ended 31 December 2024, the Group, its joint ventures and associates achieved contracted sales of approximately RMB3,180 million, representing a decrease of 42.8% as compared to the year ended 31 December 2023, whereas 310,069 sq.m. in total GFA and 1,209 units of car parking spaces were sold, representing a decrease of approximately 40.0% and 30.9% respectively as compared to the year ended 31 December 2023.

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

Province/Municipality	2024			2023		
	Contracted	GFA	ASP	Contracted	GFA	ASP
	Sales			Sales		
	RMB'000	(in sq.m.) or units	RMB/sq.m. or unit	RMB'000	(in sq.m.) or units	RMB/sq.m. or unit
Anhui	58,212	9,841	5,915	195,940	22,799	8,594
Beijing	6,059	267	22,693	103,474	2,882	35,904
Chongqing	5,671	768	7,384	136,774	16,753	8,164
Guangdong	858,567	21,547	39,846	1,008,257	12,618	79,906
Guizhou	16,297	5,399	3,019	76,923	12,508	6,150
Hebei	66,589	6,637	10,033	199,307	19,828	10,052
Hubei	821,671	150,496	5,460	1,261,750	213,484	5,910
Hunan	77,966	12,683	6,147	138,809	25,998	5,339
Inner Mongolia	–	–	–	351,576	36,451	9,645
Jiangsu	190,123	8,573	22,177	312,411	22,023	14,186
Jiangxi	21,226	2,027	10,472	35,715	3,437	10,391
Shaanxi	550,703	33,185	16,595	366,899	46,210	7,940
Shandong	96,462	16,619	5,804	108,276	17,554	6,168
Shanxi	339,928	42,027	8,088	1,146,716	63,874	17,953
Properties Sub-total	3,109,474	310,069	10,029	5,442,827	516,419	10,540
Car Parking spaces	71,013	1,209 units	58,737/unit	114,165	1,749 units	65,274/unit
Total	3,180,487			5,556,992		

Land Bank

As at 31 December 2024, total land bank in the PRC (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 6,186,889 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	As at 31 December 2024 Total GFA unsold* (sq.m.)
Anhui	159,289
Beijing	75,600
Chongqing	477,429
Fujian	97,684
Guangdong	436,356
Guizhou	479,676
Hebei	678,458
Hubei	1,614,388
Hunan	121,761
Jiangsu	63,913
Jiangxi	166,650
Liaoning	3,895
Shaanxi	682,589
Shandong	374,734
Shanghai	17,704
Shanxi	560,807
Tianjin	170,918
Zhejiang	5,038
Total	6,186,889

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

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 45.1% to approximately RMB3,133.3 million for the year ended 31 December 2024 from approximately RMB5,703.7 million for the year ended 31 December 2023, which was mainly due to a year-over-year decrease of approximately RMB2,624.0 million in the income from sales of properties as a result of the increase in ASP.

Cost of sales

The Group's cost of sales amounted to approximately RMB3,588.9 million for the year ended 31 December 2024, representing a decrease of approximately 64.6% as compared to the corresponding period of 2023.

Gross loss and gross loss margin

For the year ended 31 December 2024, the Group's gross loss was approximately RMB455.6 million and the gross loss margin was approximately 14.5%.

Other income and expenses

The Group's other expenses decreased by approximately RMB3,895.4 million to RMB3,793.5 million for the year ended 31 December 2024 from approximately RMB7,688.9 million for the year ended 31 December 2023, which was mainly due to decreased in expected credit losses of approximately RMB3,342.0 million recorded during the year. For details, please refer to note 6 to the audited financial statements in this announcement.

Change in fair value of investment properties, net

The net losses change in fair value of investment properties increased from approximately RMB83.9 million for the year ended 31 December 2023 to approximately RMB318.3 million for the year ended 31 December 2024, representing an increase of approximately 279.6%.

Selling and distribution expenses

The selling and distribution expenses of the Group decreased by approximately 61.9% to approximately RMB118.7 million for the year ended 31 December 2024 from approximately RMB311.6 million for the year ended 31 December 2023.

Administrative expenses

The administrative expenses of the Group decreased by approximately 28.2% to approximately RMB184.1 million for the year ended 31 December 2024 from approximately RMB256.4 million for the corresponding period of 2023.

Finance costs

The finance costs of the Group amounted to approximately RMB2,234.5 million for the year ended 31 December 2024, representing a decrease of approximately 21.7% from approximately RMB2,853.0 million for the year ended 31 December 2023. The finance costs were due to decrease in senior notes and corporate bonds by RMB392.6 million and decrease in amount capitalised in properties under development for sale by RMB223.6 million.

Income tax expense

The income tax expense of the Group in the amount of RMB397.4 million for the year ended 31 December 2024 was primarily due to the increase in provision for PRC corporate income tax.

Loss for the year

The loss of the Group for the year ended 31 December 2024 decreased by approximately RMB8,328.1 million to approximately RMB7,559.8 million from approximately RMB15,887.9 million for the year ended 31 December 2023.

Loss for the year attributable to owners of the Company

As a result of the foregoing, the loss of the Group attributable to owners of the Group for the year ended 31 December 2024 decreased by approximately RMB6,854.0 million to approximately RMB7,458.8 million from approximately RMB14,312.8 million for the year ended 31 December 2023.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2024, the cash, restricted cash and bank balances of the Group was approximately RMB337.6 million, representing a decrease of approximately 50.6% as compared to approximately RMB683.0 million as at 31 December 2023.

Borrowings

As at 31 December 2024, the Group had aggregate balance of approximately RMB23,684.2 million, including bank and other borrowings of approximately RMB9,313.0 million, senior notes of approximately RMB13,499.6 million and corporate bond of approximately RMB871.6 million, representing an increase of approximately 3.2% as compared to that of approximately RMB22,951.6 million as at 31 December 2023.

Breakdown of borrowings

By type of borrowings and maturity

	31 December 2024 RMB'000	31 December 2023 RMB'000
Bank and other loans		
within one year or on demand	7,431,654	7,695,497
more than one year, but not exceeding two years	1,412,964	1,092,390
more than two years, but not exceeding five years	3,962	1,158,788
more than five years	464,391	214,392
Sub-total	9,312,971	10,161,067
Senior Notes		
within one year	13,499,634	1,997,077
more than two years, but not exceeding five years	–	9,971,775
Sub-total	13,499,634	11,968,852
Corporate Bond		
within one year	871,552	821,685
Sub-total	871,552	821,685
TOTAL	23,684,157	22,951,604
Less:		
Bank balances and cash (including restricted cash)	337,628	682,985
Net Debt	23,346,529	22,268,619
Total Equity	(22,649,773)	(15,158,873)

By currency denomination

	31 December 2024 RMB'000	31 December 2023 RMB'000
— Denominated in RMB	9,147,638	9,998,165
— Denominated in US\$	14,536,519	12,953,439
	<u>23,684,157</u>	<u>22,951,604</u>

Leverage

The Group's net current liabilities (being current assets less current liabilities) increased by approximately RMB17,790.4 million as at 31 December 2024 from net current liabilities of approximately RMB9,066.5 million as at 31 December 2023. Current ratio (being current assets to current liabilities) decreased from approximately 0.80 times as at 31 December 2023 to approximately 0.52 times as at 31 December 2024.

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 31 December 2024, the Group had monetary assets denominated in US dollars and Hong Kong dollars of approximately RMB777.5 million and approximately RMB2.0 million, respectively, as well as liabilities denominated in US dollars of approximately RMB13,665.0 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 year, the Group currently has no foreign currency hedging policy in place yet, but the management will constantly monitor foreign exchange exposure and identify one that will be appropriate to the Group. The Group will consider hedging against any significant foreign currency exposure when necessary.

Capital commitments

At the end of the reporting period, the Group had the following commitments:

	At 31 December 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Contracted but not provided for in the consolidated financial statements:		
Expenditure in respect of properties under development	<u>7,123,414</u>	<u>9,370,829</u>

Contingent liabilities

The Group has provided guarantees 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 a default of the mortgage payments by these purchasers, the Group will be 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 related properties. The guarantee period commences from the date of grant of the mortgage loan and ends after the purchaser has obtained the individual property ownership certificate. In the opinion of the Directors of the Company, the fair value of guarantee contracts is insignificant at initial recognition. Also, no provision for the guarantee contracts at the end of the reporting period is recognised as the default risk is low.

The amounts of the outstanding guarantees given to banks for mortgage facilities at the end of the reporting period are as follows:

	At 31 December 2024 <i>RMB'000</i>	At 31 December 2023 <i>RMB'000</i>
Mortgage guarantees	<u>15,113,507</u>	<u>16,266,436</u>

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 guarantors which include the subsidiary of the Company. The Directors do not consider it is probable that a claim will be made against the Group under the guarantee as the joint venture has sufficient assets to settle the amount. The maximum liability of the Group at the end of the reporting period under the guarantees issued is the outstanding amount of the banking facility utilised by the joint venture of RMB996,082,000 (2023: RMB1,046,388,000).

As at 31 December 2024, the Group was the defendant in various on-going litigation and arbitration cases primarily initiated by its creditors, in most of the cases the creditors demanded immediate repayment of the amounts owed to them, together with an interest and/or a penalty as compensation. The management of the Group assessed the likelihood of the outcome and estimated the probable compensation the Group is liable to for each of these cases, taking into account of all available facts and circumstances and relevant legal advice. Based on the result of those assessments, the management of the Group accrued compensation amounted to RMB795,384,000 as provision for claims and litigations in the consolidated financial statements as at 31 December 2024 (2023: RMB765,028,000).

Employees and compensation policy

As at 31 December 2024, the Group had 448 employees (31 December 2023: 661 employees). Employee's remuneration is determined based on the employee's 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 share options, discretionary bonus and cash awards based on individual performance.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year of 2024, as far as the Directors are aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Discloseable and connected transaction of set-off of outstanding payables

The capitalised terms used herein shall have the same meanings as defined in the announcement dated 23 December 2024. On 23 December 2024, members of the Company and members of First Service Holding Limited, an associate of Mr. Zhang Lei and Mr. Zhang Peng and thus a connected person of the Company entered into the Set-Off Agreements, pursuant to which, members of First Service agreed to offset the Outstanding Payables owed by members of the Company primarily by way of transfer of Properties.

For further details about the discloseable and connected transaction, please refer to the announcement of the Company dated 23 December 2024.

Save as disclosed above and/or the annual report, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures for the year ended 31 December 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 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

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**”) as its own code of conduct for dealing in securities of the Company by the Directors. Further to the specific enquiries made by the Company to the Directors, all Directors have confirmed their compliance with the Model Code for the year ended 31 December 2024.

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

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any of the Company’s listed securities.

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 year ended 31 December 2024 and, where appropriate, adopted the recommended best practices set out in the CG Code, save for the deviations set out below:

Code provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company has not held an annual general meeting since 29 November 2023. Accordingly, none of the Directors retired at the annual general meeting nor re-elected by the Shareholders. The Company will hold an annual general meeting at which the Directors will retire and offer themselves for re-election.

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.

Code provision F.2.2 stipulates that the chairman of the board should attend the annual general meeting and also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. The Company has not held an annual general meeting since 29 November 2023.

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 the annual results for the financial year ended 31 December 2024; and (ii) publishing the interim report for the six months ended 30 June 2024 and the annual report for the year ended 31 December 2024. Such delays constituted non-compliance with Rules 13.46(2), 13.48(1), 13.49(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.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (31 December 2023: HK nil per Share).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three current independent non-executive Directors, namely Mr. Hui Chun Ho, Eric, Mr. Gao Zhikai and Ms. Zhu Caiqing, 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 consolidated annual results of the Group for the year ended 31 December 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual 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 annual 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.