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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 UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of Modern Land (China) Co., Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) hereby announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2025.

The Group’s unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statement of financial position and explanatory notes as presented below are extracted from the Group’s unaudited condensed consolidated interim financial information for the six months ended 30 June 2025, which has been reviewed by the audit committee of the Company.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2025 — unaudited

		For the six months ended 30 June	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	417,587	1,004,336
Cost of sales		<u>(367,434)</u>	<u>(1,134,641)</u>
Gross profit		50,153	(130,305)
Other income, gains and losses	4	(159)	(2,459,555)
Selling and distribution expenses		(33,837)	(39,320)
Administrative expenses		(60,554)	(82,903)
Finance costs	5	(1,142,097)	(1,126,609)
Share of profits less losses of joint ventures		28,627	(30,273)
Share of profits less losses of associates		<u>(387)</u>	<u>(636)</u>
Loss before taxation		(1,158,254)	(3,869,601)
Income tax expense	6	<u>(776)</u>	<u>(182,116)</u>
Loss for the period	7	<u>(1,159,030)</u>	<u>(4,051,717)</u>

		For the six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
Other comprehensive income for the period:			
<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 reserves (non-recycling), net of RMBnil (2024: RMBnil) tax		—	—
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations, net of nil tax		—	—
Total comprehensive income for the period		(1,159,030)	(4,051,717)
Loss for the period attributable to:			
Owners of the Company		(1,107,953)	(3,793,565)
Non-controlling interests		(51,077)	(258,152)
		(1,159,030)	(4,051,717)
Total comprehensive income attributable to:			
Owners of the Company		(1,107,953)	(3,793,565)
Non-controlling interests		(51,077)	(258,152)
		(1,159,030)	(4,051,717)
Losses per share, in Renminbi (“RMB”) cents:			
Basic and diluted	9	(39.6)	(135.7)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
Non-current assets			
Investment properties		2,009,466	2,010,805
Property, plant and equipment		351,313	361,409
Intangible assets		18,920	19,918
Freehold land held for future development			
Interests in associates		26,873	27,259
Interests in joint ventures	10	1,784,289	1,751,739
Loans to joint ventures	10	1,199,360	1,203,324
Equity securities designated at FVOCI		1,883	1,883
Deferred tax assets		1,032,333	1,022,784
		6,424,437	6,399,121
Current assets			
Properties under development for sale		13,949,914	13,673,672
Completed properties held for sale		5,535,434	6,010,492
Other inventories and contract costs		607,853	610,930
Trade and other receivables, deposits and prepayments	11	8,580,909	7,954,916
Amounts due from related parties		641,337	645,949
Restricted cash		249,584	250,462
Bank balances and cash		68,159	87,166
		29,633,190	29,233,587

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
Current liabilities			
Trade and other payables, deposits received and accrued charges	12	19,223,801	18,300,276
Contract liabilities		9,646,586	9,834,068
Amounts due to related parties		1,943,117	1,926,821
Taxation payable		4,475,195	4,226,488
Bank and other borrowings — due within one year		7,370,251	7,431,654
Corporate bonds — due within one year		898,030	871,552
Senior notes — due within one year		14,168,150	13,499,634
		<u>57,725,130</u>	<u>56,090,493</u>
Net current liabilities		<u>(28,091,940)</u>	<u>(26,856,906)</u>
Total assets less current liabilities		<u>(21,667,503)</u>	<u>(20,457,785)</u>
Capital and reserves			
Share capital		175,693	175,693
Reserves		(23,263,538)	(22,155,585)
Equity attributable to owners of the Company		(23,087,845)	(21,979,892)
Non-controlling interests		(762,205)	(669,881)
Total equity		<u>(23,850,050)</u>	<u>(22,649,773)</u>
Non-current liabilities			
Bank and other borrowings — due after one year		1,876,856	1,881,317
Deferred tax liabilities		305,691	310,671
		<u>2,182,547</u>	<u>2,191,988</u>
		<u>(21,667,503)</u>	<u>(20,457,785)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 STATEMENT OF COMPLIANCE

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

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by the audit committee of the Company and approved for issue by the Board of Directors on 30 September 2025.

2 BASIC OF PREPARATION

(a) Changes in accounting policies

Amendments to IFRS 21

Lack of Exchangeability

The Group has determined that the adoption of new standards and amendments effective for accounting periods beginning on or after 1 January 2023 is unlikely to have a material impact on the consolidated financial statements. The Group is currently assessing the expected impacts of other changes arising on initial adoption. It has been concluded at present that the adoption of these new standards and amendments is unlikely to have a significant effect on the consolidated financial statements.

(b) Going concern basis

For the six months ended 30 June 2025, the Group incurred a loss of RMB1,159,030,000. As at the same date, the Group's current liabilities exceeded current assets by RMB28,091,940,000. Current liabilities include current bank and other borrowings amounting to RMB7,370,251,000, corporate bonds of RMB898,030,000, senior notes of RMB14,168,150,000 and provisions for claims and litigations of RMB764,252,000.

Moreover, as at 30 June 2025, the Group was in breach of certain covenants relating to bank and other borrowings amounting to RMB161,461,500, which would have been due in more than one year after the reporting date but now require to be repaid upon demand. Consequently, these borrowings have been reclassified as current liabilities in the statement of financial position as at 30 June 2025. In addition, bank and other borrowings of RMB6,024,164,000 were in default as at 30 June 2025. Should any lender demand immediate repayment of any such borrowings and the Group is unable to comply with the request, the lender has the right to take possession of the secured assets.

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

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

As at 30 June 2025, corporate bonds with a carrying amount of RMB898,030,000 had matured on 30 July 2025. In July 2025, the Group further reached an agreement with the bondholders to extend the repayment date to 31 January 2026. Subject to the approval of the bondholders, the maturity date of the corporate bonds may be further extended to 30 July 2026.

In addition, the Group has been involved in several litigation and arbitration cases with various counterparties for different reasons. As at 30 June 2025, the Group recognised provisions for claims and litigations amounting to RMB764,252,000.

During the period ended 30 June 2025, the real estate sector in China continued to experience volatility. This was mainly due to tightening policies targeted at the real estate sector and a sustained decline in consumer confidence, resulting in short-term liquidity pressures across the sector. As a result, there was a general decrease in pre-sales by property developers in the PRC in 2025. The Group also experienced a significant decline in contracted sales during 2025.

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

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

In view of these circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

- With respect to the restructuring of the senior notes, management is in close negotiations with the senior noteholders regarding the restructuring and/or extension of the senior notes;
- With respect to the corporate bonds with a carrying amount of RMB898,030,000, the maturity date has been extended to 31 January 2026. Subject to bondholder approval, the maturity date may be further extended to 30 July 2026;
- The Group is in active discussions with the other existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions;
- The Group will continue to maintain active dialogue to secure a continuing and normal business relationship with major constructors and suppliers, including agreement on the payment arrangements with them and to complete the construction progress by them as scheduled;

- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Subject to the market sentiment, the Group will actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;
- The Group will continue to seek to obtain additional new sources of financing from existing shareholders and potential equity investment partners or to seek suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows. The Group's properties are predominantly located in higher tier cities that make them relatively more attractive to potential buyers and retain a higher value in current market conditions;
- The Group will continue to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending;
- The Group has been proactive in seeking ways to settle the outstanding litigations of the Group. The Group has made relevant provisions for litigations and claims and will seek to reach an amicable solution on the charges and payment terms to the claims and litigations which have not yet reached a definite outcome;

The Directors have reviewed the Group's cash flow projections prepared by management which cover a period of not less than eighteen months from 30 June 2025 and consider multiple material uncertainties exist as to whether the Group will be able to achieve the plans and measures as described above. Specifically, whether the Group will be able to continue as a going concern will depend on the following:

- Successfully negotiating with the senior noteholders regarding the restructuring and/or extension of the senior notes;
- Obtaining bondholders' approval to further extend the maturity date of the corporate bonds to 30 July 2026, and the ability to repay the corporate bonds on the extended maturity date, or obtaining bondholder approval to further extend the maturity date beyond 30 July 2026;
- Successfully negotiating with other existing lenders to extend certain borrowings, maintaining relationships with the Group's current financing providers so that they would continue to provide funding and do not demand immediate repayment of bank and other borrowings until the Group successfully completes its real estate development projects and generates sufficient cash inflows;
- Maintaining ongoing and normal business relationships with major contractors and suppliers to agree payment arrangements with them and complete construction progress as planned;
- 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 amicable solutions on the charges and payment terms in respect of the claims and litigations which have not yet reached a definite outcome.

The Board considers that, assuming all of the above assumptions, plans and measures are successful, the Group will have sufficient working capital to meet its operational requirements and fulfil its obligations when these debts fall due, with such funds being available for at least fifteen months from the date of approval of these consolidated financial statements. Therefore, the Board considers it appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group fail to implement one or more of these plans and measures in a timely manner, it may be unable to continue as a going concern. In such event, adjustments would be necessary to write down the carrying amount of the Group's assets to their recoverable amounts, provide for any liabilities that may arise, and reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. These consolidated financial statements do not include any such adjustments.

3 REVENUE AND SEGMENT INFORMATION

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

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

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	389,919	960,392
Real estate agency services	182	740
Hotel operation	13,758	24,527
Other services	3,441	4,220
	<u>407,300</u>	<u>989,879</u>
Revenue from other sources		
Rental income	10,287	14,457
	<u>417,587</u>	<u>1,004,336</u>

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

4 OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	953	1,278
Government grants	37	33
Net exchange gain/(loss)	63,861	(69,381)
Net loss on disposal of subsidiaries	(43,755)	(1,409,150)
Allowance for expected credit losses	(15,637)	(927,736)
Penalty, claims and litigations charges	(13,397)	(48,801)
Other gains	8,246	(2,879)
Others	(467)	(2,920)
	<u>(159)</u>	<u>(2,459,555)</u>

5 FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest on bank and other borrowings	(426,785)	(516,472)
Interest on senior notes and corporate bonds	(751,892)	(680,428)
	(1,178,677)	(1,196,900)
Less: Amount capitalised in properties under development for sale and completed properties held for sale	36,580	70,291
	(1,142,097)	(1,126,609)

6 INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax		
PRC Corporate Income Tax	(17,890)	(18,275)
Land appreciation tax ("LAT")	(2,434)	(13,823)
	(20,324)	(32,098)
Deferred tax		
PRC Corporate Income Tax	19,548	(150,018)
	19,548	(150,018)
Income tax expense	(776)	(182,116)

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

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

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

No provision for Hong Kong profits tax has been made as the income generated from the Group neither arose in, nor was derived from, Hong Kong for the six months ended 30 June 2025 and 2024.

7 LOSS FOR THE PERIOD

**For the six months
ended 30 June**
2025 2024
RMB'000 **RMB'000**

Loss for the period has been arrived at after charging:

Depreciation of owned property, plant and equipment	9,508	11,699
Write-down of properties under development and completed properties held for sale	–	78,280
Operating lease rentals	603	704
	<u><u> </u></u>	<u><u> </u></u>

8 DIVIDENDS

No interim dividend was declared and paid to equity shareholders for the interim period (2024: nil).

9 LOSSES PER SHARE

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

**For the six months
ended 30 June**
2025 2024
RMB'000 **RMB'000**

Losses

Losses for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)

(1,107,953) (3,793,565)

**For the six months
ended 30 June**
2023 2022
'000 **'000**

Number of shares (basic and diluted)

Weighted average number of ordinary shares in issue for the period 2,794,994 2,794,994

Note: The computation of diluted earnings per share for the six months ended 30 June 2025 and 30 June 2024 does not assume the exercise of share options because they are anti-dilutive for the period.

10 INTERESTS IN JOINT VENTURES AND LOANS TO JOINT VENTURES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cost of investment in joint ventures	1,953,591	1,953,591
Share of post-acquisition gain and other comprehensive income	(169,302)	(201,852)
	<u>1,784,289</u>	<u>1,751,739</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 investments	(528,126)	(524,162)
Provision for impairment	(2,720,939)	(2,720,939)
	<u>1,199,360</u>	<u>1,203,324</u>

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

11 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables, net of allowance (<i>note i</i>)	402,129	399,259
Amounts due from non-controlling interests	1,746,849	1,776,092
Other receivables, net of allowance (<i>note ii</i>)	3,739,958	3,453,731
Guarantee deposits for housing provident fund loans provided to customers (<i>note iii</i>)	<u>54,071</u>	<u>43,642</u>
Loans and receivables	5,943,007	5,672,724
Prepayments to suppliers of construction materials	1,564,312	1,246,078
Deposits paid for acquisition of land use rights	38,810	38,810
Prepaid taxation	<u>1,034,780</u>	<u>997,304</u>
	<u>8,580,909</u>	<u>7,954,916</u>

Notes:

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

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Less than 1 year	90,416	99,082
1–2 years	96,429	86,212
More than 2 years and up to 3 years	215,284	213,965
	<u>402,129</u>	<u>399,259</u>

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

- (ii) The amount mainly included refundable deposits for property development projects, proceeds from pre-sales of properties deposited in accounts of local governments and related agencies, and advances made to disposed subsidiaries.
- (iii) Guarantee deposits for housing provident fund loans provided to customers represent amounts placed with Housing Provident Fund Management Center, a state-owned organisation responsible for the operation and management of housing provident fund, to secure the housing provident fund loans provided to customers and will be refunded to the Group upon customers obtaining the property individual ownership certificate.

12 TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables (<i>note i</i>)	5,872,250	5,410,925
Accrued expenditure on construction	1,255,418	1,427,794
Amount due to non-controlling interests	1,327,952	1,368,024
Accrued interest	2,329,386	1,936,961
Accrued payroll	49,509	45,151
Dividend payable	939	1,458
Provision for claims and litigation	764,252	795,384
Other payables (<i>note ii</i>)	6,664,873	6,406,632
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	18,264,579	17,392,329
	<hr/>	<hr/>
Other tax payables	959,222	907,947
	<hr/>	<hr/>
	19,223,801	18,300,276
	<hr/> <hr/>	<hr/> <hr/>

Notes:

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Less than 1 year	2,403,885	1,612,396
1–2 years	1,756,923	2,236,044
More than 2 years and up to 3 years	1,711,442	1,562,485
	<hr/>	<hr/>
	5,872,250	5,410,925
	<hr/> <hr/>	<hr/> <hr/>

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

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present the business review and prospects of the Group for the period ended 30 June 2025.

SALES RESULTS

For the period ended 30 June 2025, the Company achieved sales results in line with both the internal resources and external markets.

REVIEW OF FIRST HALF OF 2025

During the first half of 2025, China’s real estate market underwent further differentiation and restructuring under the “stabilisation” tone, and the industry had entered a high-quality development stage with quality and sustainability at the core. The market as a whole presented the characteristics of “weak recovery and strong differentiation”, with precise policy implementation and internal capabilities of enterprises becoming key variables.

Mild recovery on transaction end with structural differentiation continuing to deepen

During the first half of the year, the overall market showed signs of mild recovery, with core cities and upgrade-oriented products delivering solid results and becoming the main drivers for sales. Activity in the market of existing housing was further increased and prices gradually stabilised. The new housing market continued to be characterized by “high-end segment holding steady while basic demand facing pressure”, with buyers placing significantly greater emphasis on product quality, green and healthy living, and community services. Market competition has shifted from scale to a contest on product strength and service capabilities.

Investment side remained cautious, with land market continuing to show differentiation

Corporate investment willingness was still constrained by financial limitations and the pressure to reduce inventory level. Land market activity was concentrated in a few core regions with high-quality plots, primarily led by those relatively well capitalised real estate companies and state-owned enterprises. The industry as a whole remained in a period of acute adjustment of “deleveraging, restructuring, and stabilising equilibrium”, but certain companies had started to explore new growth paths through models such as asset-light operation and project management model.

Policy efforts continued to refine, focusing on the essence of housing demand and green development

During the first half of the year, coordinated policy efforts at both central and local levels introduced concrete measures centred on “ensuring delivery, stabilising expectations, and promoting transformation”, driving the industry towards green, low-carbon and digital development. The implementation of standards for “quality housing”, “quality residential complexes”, “quality communities” and “quality urban districts”, coupled with accelerated green building promotion, had been further accelerated, had provided clear direction for enterprises’ product upgrades.

During the first half of 2025, the Company has focused on the three key priorities of “stabilising operations, ensuring delivery, and promoting transformation”, actively responding to market changes, and continuously strengthening the Company’s resilience and innovation momentum.

Firmly fulfilling the commitment to “ensuring delivery”: In the complex environment in the first half of the year, the Company collaborated with upstream and downstream partners to ensure the high-quality and on-time delivery of multiple projects, fulfilling its responsibilities to homeowners and authorities.

Deepening core competitiveness of green technology: The Company continuously strengthened the application and iteration of green building technologies, promoted energy-saving and carbon-reduction achievements, and solidified its leading position in the industry’s green development.

Promoting integration of digitalisation and industrial ecosystems: Accelerating the empowerment of the entire business chain through technology, exploring the “real estate + industry” ecological synergy, and steadily advancing new business models such as asset-light project management and urban operations.

OUTLOOK OF THE SECOND HALF OF THE YEAR

Looking ahead to the second half of the year, we believe the real estate market will remain in a phase of “slow recovery and differentiated development”. The industry will increasingly focus on genuine housing demand, product quality, and sustainable operational capabilities of enterprises. Policy support and market-driven recovery will work together, but the recovery process will still face uncertainties. Enterprises will need to continue defending their bottom line and proactively adapt to changes.

In the second half of 2025, the Company will adhere to the overall approach of “seeking progress while maintaining stability, and promoting stability through progress”, continuously deepening transformation and focusing on advancing in the following areas:

Upholding the delivery bottom line and strengthening the foundation of trust

The Company will always prioritise “ensuring delivery and quality” as the top priority of operation and strengthen its financial coordination, project operations, and collaboration with partners. We will make every effort to ensure all projects are delivered as promised, continuously enhancing customer confidence and market reputation.

Deepening green technology and leading product upgrades

The Company will continue to increase investment in research and application of green building and energy-saving low-carbon technologies, integrating green principles throughout the entire product lifecycle. Meanwhile, we will actively expand services such as green consulting, project management, and operations, achieving a chain extension of the value of green technology.

Innovating business models and nurturing new growth curves

While optimising and upgrading its core business, the Company will further accelerate its light asset transformation, deeply advancing new business developments such as project management, asset operations, and industry collaboration. We aim to build an ecosystem of integrated development combining “real estate + services + technology” to strengthen the Company’s resilience to market cycles.

Although the future remains full of challenges, the Company firmly believes that through proactive transformation, focusing on core strengths, and seeking internal growth, we can seize the opportunity in the new phase of the industry. We will steadily advance our strategic transformation with a foundation of green development, powered by technology, and centred on quality, creating sustainable value for shareholders, customers and society.

Modern Land (China) Co., Limited

Zhang Peng

Chairman of the Board

30 September 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Sale of Properties

The Group's revenue from sale of properties for the six months ended 30 June 2025 amounted to approximately RMB389.9 million, representing a decrease of approximately 59.4% as compared to the corresponding period in 2024. The decrease in revenue from sales of properties was attributable to the decrease in gross floor area ("GFA") delivered.

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

During the six months ended 30 June 2025, the Group recorded property investment income of approximately RMB10.3 million, representing a decrease of approximately 28.8% from approximately RMB14.4 million for the corresponding period of 2024.

For real estate agency services, leveraging on the unique products, brand recognition, management and credibility advantages supported by our MOMΛ green-technology products, the Group offers customised and whole-process entrusted development and operation management solutions to our customers. For the six months ended 30 June 2025, the Group's revenue from real estate agency services decreased by approximately 75.4% to approximately RMB0.2 million from approximately RMB0.7 million for the corresponding period of 2024.

Hotel MoMc, a boutique hotel owned and operated by the Group, has established its presence in Beijing and Taiyuan. The revenue from hotel operation for the six months ended 30 June 2025 decreased by approximately 43.9% to approximately RMB13.8 million from approximately RMB24.5 million for the corresponding period of 2024. During the six months ended 30 June 2025, the revenue from other services was approximately RMB3.4 million, representing a decrease of approximately 18.5% as compared to that of approximately RMB4.2 million for the corresponding period of 2024.

Contracted Sales

During the six months ended 30 June 2025, the Group, its joint ventures and associates achieved contracted sales of approximately RMB1,040.8 million, representing a decrease of approximately 45.2% as compared to the corresponding period in 2024. The Group, its joint ventures and associates sold 108,801 square metres (“**sq.m.**”) in total GFA and 486 units of car parking spaces, representing a decrease of approximately 41.4% and 8.5%, respectively, as compared to the corresponding period in 2024.

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

Province/Municipality/ Autonomous Region	Six months ended 30 June					
	Contracted Sales RMB'000	2025		2024		
		GFA (in sq.m.) or units	Average Selling Price RMB/sq.m. or unit	Contracted Sales RMB'000	GFA (in sq.m.) or units	Average Selling Price RMB/sq.m. or unit
Anhui	24,000	4,987	4,813	42,503	6,287	6,760
Chongqing	–	–	–	6,316	864	7,310
Guangdong	291,702	8,643	33,750	497,511	13,427	37,053
Hebei	22,283	2,323	9,592	28,819	2,799	10,296
Hubei	344,872	61,905	5,571	484,482	89,087	5,438
Hunan	3,817	470	8,121	57,216	9,153	6,251
Jiangsu	51,125	3,395	15,059	139,932	6,115	22,883
Jiangxi	4,581	1,316	3,481	–	–	–
Shaanxi	133,078	9,956	13,367	332,504	18,835	17,654
Shandong	4,323	650	6,651	84,671	14,536	5,825
Shanxi	132,197	15,156	8,722	197,633	24,640	8,021
Properties Sub-total	1,011,978	108,801	9,301	1,871,587	185,743	10,076
Car Parking Spaces	28,818	486 units	59,296/unit	27,605	531 units	51,987/unit
Total	1,040,796			1,899,182		

Land Bank

As at 30 June 2025, total GFA of land bank in the People's Republic of China (excluding investment properties and properties held for own use) held by the Group, its joint ventures and associates was 5,915,657 sq.m..

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

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

Province/Municipality/Autonomous Region	As at 30 June 2025 Total GFA unsold* (sq.m.)
Anhui	159,289
Beijing	72,196
Chongqing	477,429
Fujian	97,684
Guangdong	427,909
Guizhou	479,676
Hebei	562,374
Hubei	1,506,987
Hunan	121,762
Jiangsu	60,509
Jiangxi	165,357
Liaoning	3,895
Shaanxi	669,175
Shandong	374,734
Shanghai	17,704
Shanxi	540,021
Tianjin	170,918
Zhejiang	5,038
Total	<u><u>5,915,657</u></u>

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

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 58.4% to approximately RMB417.6 million for the six months ended 30 June 2025 from approximately RMB1,004.3 million for the corresponding period of 2024, which was mainly attributable to the decrease in area delivered, with a period-on-period decrease of approximately RMB570.5 million in revenue from sale of properties.

Cost of sales

The Group's cost of sales amounted to approximately RMB367.4 million for the six months ended 30 June 2025, representing a decrease of approximately 67.6% as compared to the corresponding period of 2024.

Gross profit and gross profit margin

For the six months ended 30 June 2025, the Group's gross profit was approximately RMB50.2 million, and the gross profit margin was 12.0%, representing an increase of approximately 25 percentage points as compared to gross loss margin of 13.0% for the corresponding period of 2024.

Other income, gains and losses

The Group's other income, gains and losses recorded a net loss of approximately RMB0.2 million during the six months ended 30 June 2025 as compared to a net loss of approximately RMB2,459.5 million for the six months ended 30 June 2024, which was mainly due to the loss resulting from the disposal of subsidiaries in prior period and the substantial provision for doubtful debts.

Selling and distribution expenses

The selling and distribution expenses decreased by approximately 13.9% to approximately RMB33.8 million for the six months ended 30 June 2025 from approximately RMB39.3 million for the corresponding period of 2024, primarily due to the reducing scale of sales.

Administrative expenses

The administrative expenses of the Group amounted to approximately RMB60.5 million for the six months ended 30 June 2025, representing a decrease of approximately 27.0% as compared to the corresponding period of 2024, primarily due to the decrease in the business and management scale of the Group.

Finance costs

The finance costs of the Group amounted to approximately RMB1,142.1 million for the six months ended 30 June 2025, representing an increase of approximately 1.4% from approximately RMB1,126.6 million for the six months ended 30 June 2024.

Loss before taxation and loss for the period

The loss before taxation of the Group for the six months ended 30 June 2025 amounted to approximately RMB1,158.3 million, as compared to approximately RMB3,869.6 million for the six months ended 30 June 2024, and loss for the period amounted to approximately RMB1,159.0 million as compared to approximately RMB4,051.7 million for the six months end 30 June 2024.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 30 June 2025, the Group had cash, restricted cash and bank balances of approximately RMB317.7 million, representing a decrease of approximately 5.9% as compared to that of approximately RMB337.6 million as at 31 December 2024.

Borrowings

As at 30 June 2025, the Group had aggregate remaining balance of approximately RMB24,313.3 million, including bank and other borrowings of approximately RMB9,247.1 million, senior notes of approximately RMB14,168.2 million and corporate bond of approximately RMB898.0 million, representing an increase of approximately 2.7% as compared to that of approximately RMB23,684.2 million as at 31 December 2024. A majority of the carrying value of the Group's bank loans was denominated in RMB.

The Group breached certain covenants relating to bank and other borrowings of RMB6,185,625,000, and these borrowings became repayable on demand as at 30 June 2025. For details, please refer to note 2(b) of the unaudited financial statement in this announcement.

Breakdown of indebtedness

By type of borrowings and maturity

	30 June 2025 RMB'000	31 December 2024 RMB'000
Bank and other borrowings		
within one year or on demand	7,370,251	7,431,654
more than one year, but not exceeding two years	1,412,964	1,412,964
more than two years, but not exceeding five years	—	3,962
more than five years	463,892	464,391
Sub-total	9,247,107	9,312,971
Senior Notes		
within one year	14,168,150	13,499,634
Sub-total	14,168,150	13,499,634
Corporate bond		
within one year	898,030	871,552
Sub-total	898,030	871,552
TOTAL	24,313,287	23,684,157
Less:		
Bank balances and cash (including restricted cash)	317,743	337,628
Net Debt	(23,995,544)	(23,346,529)
Total Equity	(23,850,050)	(22,649,773)
By currency denomination		
— Denominated in RMB	10,041,259	10,019,190
— Denominated in USD	14,272,028	13,664,967
	24,313,287	23,684,157

Foreign currency risk

The functional currency of the Company's major subsidiaries is RMB. Most of the transactions are denominated in RMB. Transactions of the Group's foreign operations, such as purchasing land held for future development, and certain expenses incurred are denominated in foreign currencies. As at 30 June 2025, the Group had monetary assets denominated in US dollars and Hong Kong dollars of approximately RMB776.2 million and approximately RMB1.7 million, respectively, as well as liabilities denominated in US dollars of approximately RMB14,272.0 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 six months ended 30 June 2025, the Group currently has no foreign currency hedging policy in place yet, but the management will constantly monitor foreign exchange exposure and identify a policy that will be appropriate to the Group. The Group will consider hedging against any significant foreign currency exposure when necessary.

Contingent liabilities

As at 30 June 2025, the Group had provided guarantees amounting to approximately RMB15,059,103,000 (31 December 2024: approximately RMB15,113,507,000) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the respective properties. The guarantee period commences from the date of grant of the relevant mortgage loans and ends when these purchasers obtain the individual property ownership certificate.

Additionally, a subsidiary of the Company has issued joint guarantee in respect of banking facility made by a bank to a joint venture. In December 2021, due to the delay of a construction project, the facility became overdue and the bank filed a claim against the joint venture and the joint guarantors which include the subsidiary of the Company. The Directors do not consider that the Group needs to bear the responsibility to repay the debt owed to the bank as the joint venture has sufficient assets to settle the amount. The maximum liability of the Group as at 30 June 2025 under the guarantees issued amounted to RMB974,891,000 (31 December 2024: RMB996,082,000), being the outstanding amount of the facility utilised by the joint venture.

As at 30 June 2025, the Group was the defendant in various on-going litigations and arbitration cases primarily initiated by its creditors. In most of the cases, the creditors demanded immediate repayment of the debts owed to them, together with an interest and/or a penalty as a compensation. Our management has assessed the likelihood of the outcome of these cases and estimated the probable compensation that the Group may be liable to for each of these cases after taking into account of all available facts and circumstances and relevant legal advice. Based on the result of those assessments and estimation, RMB764,252,000 was accounted for as provision for these claims and litigations in the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 (31 December 2024: RMB795,384,000).

Employees and compensation policy

As at 30 June 2025, the Group had 377 employees (31 December 2024: 448 employees). Employee's remuneration is determined based on his or her performance, skills, knowledge, experience and market trends. The Group regularly reviews compensation policies and programs, and will make any necessary adjustment in order to be in line with the remuneration levels in the industry. In addition to basic salaries, employees may be granted with share options, discretionary bonus and cash awards based on individual performance.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

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 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

Looking ahead to the second half of the year, we believe the real estate market will remain in a phase of “slow recovery and differentiated development”. The industry will increasingly focus on genuine housing demand, product quality, and sustainable operational capabilities of enterprises. Policy support and market-driven recovery will work together, but the recovery process will still face uncertainties. Enterprises will need to continue defending their bottom line and proactively adapt to changes.

In the second half of 2025, the Company will adhere to the overall approach of “seeking progress while maintaining stability, and promoting stability through progress”, continuously deepening transformation and focusing on advancing in the following areas:

Upholding the delivery bottom line and strengthening the foundation of trust

Deepening green technology and leading product upgrades

Innovating business models and nurturing new growth curves

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

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors who together have substantial experience in the fields of auditing, legal, business, accounting, corporate internal control and regulatory affairs. The Audit Committee had reviewed the interim results of the Group for the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to govern securities transactions by Directors. Further to the specific enquiries made by the Company to the Directors, all the Directors have confirmed their compliance with the Model Code for the six months ended 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance. Save as disclosed below, the Company has complied with the code provisions in Part 2 — Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025 and, where appropriate, adopted the recommended best practices set out in the CG Code, save for the deviations as 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 period ended 30 June 2025; and (ii) publishing the interim report for the period ended 30 June 2025. Such respective delay constituted non-compliance with Rules 13.48(1) and 13.49(6) of the Listing Rules.

SUSPENSION OF TRADING

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

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement of the Company is published on the Company's website at www.modernland.hk and the website of the Stock Exchange at www.hkexnews.hk respectively. The 2025 interim report of the Company will be published on the said websites and despatched to the shareholders of the Company in due course.

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

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

Hong Kong, 30 September 2025

As at the date of this announcement, the Board comprises eight Directors, namely executive Directors: Mr. Zhang Peng, Mr. Zhang Lei and Mr. Chen Yin; non-executive Directors: Mr. Han Shuchang and Mr. Zeng Qiang; and independent non-executive Directors: Mr. Hui Chun Ho, Eric, Mr. Gao Zhikai and Ms. Zhu Caiqing.