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萬城

MILLION CITIES

萬 城 控 股 有 限 公 司

MILLION CITIES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2892)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June			
	2026	2025	Change	
	RMB'million	*RMB'million*	*RMB'million*	%
	(Unaudited)	(Unaudited)		
Revenue	**41.5**	41.4	0.1	0.2%
Gross profit	**13.4**	16.5	−3.1	−18.8%
Gross profit margin	**32.3%**	39.8%	N/A	−7.5%
Profit/(loss) attributable to the equity shareholders of the Company	**5.2**	(2.2)	7.4	N/A
Earnings/(losses) per share — Basic and diluted *(RMB cents)*	**0.7**	(0.29)	0.99	N/A
Proposed interim dividend per share *(RMB cents)*	**—**	—	—	N/A

The board (the "**Board**") of directors (the "**Directors**") of Million Cities Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2026 together with the comparative figures for 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026
(Expressed in Renminbi)

	Notes	**Six months ended 30 June 2026** ***RMB'000*** **(Unaudited)**	Six months ended 30 June 2025 *RMB'000* (Unaudited)
Revenue	*4*	**41,538**	41,371
Cost of sales		**(28,120)**	(24,827)
Gross profit		**13,418**	16,544
Valuation losses on investment properties		**(1,223)**	(2,166)
Other income, other gain and loss, net	*5*	**(1,684)**	3,620
Reversal of/(provision for) impairment loss on other receivables		**1,854**	(513)
Selling expenses		**(1,910)**	(3,970)
Administrative expenses		**(7,989)**	(13,253)
Other expenses		**(1,019)**	(142)
Profit from operations		**1,447**	120
Finance costs	*6(a)*	**(7)**	(12)
Share of profits less losses of associates		**7,540**	(1,963)
Profit/(loss) before taxation	*6*	**8,980**	(1,855)
Income tax expenses	*7*	**(2,408)**	(2,161)
Profit/(loss) for the period		**6,572**	(4,016)
Attributable to:			
Equity shareholders of the Company		**5,236**	(2,186)
Non-controlling interests		**1,336**	(1,830)
Profit/(loss) for the period		**6,572**	(4,016)
Basic and diluted earnings/(losses) per share *(RMB cents)*	*8*	**0.7**	(0.29)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026
(Expressed in Renminbi)

	Six months ended 30 June 2026 ***RMB'000*** **(Unaudited)**	Six months ended 30 June 2025 *RMB'000* (Unaudited)
Profit/(loss) for the period	**6,572**	(4,016)
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of:		
— the associates	**12,799**	583
— the Hong Kong and overseas subsidiaries	**2,342**	2,349
Other comprehensive income for the period	**15,141**	2,932
Total comprehensive income for the period	**21,713**	(1,084)
Attributable to:		
Equity shareholders of the Company	**11,913**	181
Non-controlling interests	**9,800**	(1,265)
Total comprehensive income for the period	**21,713**	(1,084)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026
(Expressed in Renminbi)

	Notes	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**40,783**	42,719
Investment properties		**55,599**	57,749
Interests in associates		**453,187**	440,794
Deferred tax assets		**47,108**	49,074
		596,677	590,336
Current assets			
Inventories and other contract costs		**480,949**	502,626
Trade and other receivables	*10*	**90,653**	106,985
Prepaid tax		**9,658**	7,490
Pledged and restricted deposits		**19**	2,341
Cash and cash equivalents		**112,682**	92,167
		693,961	711,609
Total assets		**1,290,638**	1,301,945
Current liabilities			
Contract liabilities		**7,355**	13,448
Trade and other payables	*11*	**447,525**	477,595
Lease liabilities		**—**	148
Tax payables		**81,500**	77,500
Provision		**44,777**	44,777
		581,157	613,468
Net current assets		**112,804**	98,141
Total assets less current liabilities		**709,481**	688,477

	Notes	At **30 June** **2026** ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Non-current liabilities			
Lease liabilities		**—**	402
Deferred tax liabilities		**6,972**	7,279
		6,972	7,681
NET ASSETS		**702,509**	680,796
CAPITAL AND RESERVES			
Share capital		**6,605**	6,605
Reserves		**555,936**	544,023
Total equity attributable to equity shareholders of the Company		**562,541**	550,628
Non-controlling interests		**139,968**	130,168
TOTAL EQUITY		**702,509**	680,796

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

This condensed consolidated interim financial information is presented in thousands of units of Renminbi ("**RMB'000**") unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 26 August 2026.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

This condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of this condensed consolidated interim financial information in conformity with HKAS 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 condensed consolidated interim financial information 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 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. ACCOUNTING POLICIES

(a) Changes in accounting policies

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to this interim announcement for the current accounting period:

- Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments

- Amendments to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature — dependent Electricity

- Amendments to HKFRS Accounting Standards — Annual Improvements to HKFRS Accounting Standards — Volume 11

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

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The principal activities of the Group are property development and sale in the People's Republic of China (the "**PRC**").

Disaggregation of revenue

Revenue mainly represents income from sale of properties and gross rentals from properties, net of sales related taxes and discounts allowed, and is analysed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of properties:		
— Recognised at a point in time	**38,509**	38,660
Revenue from other sources		
— Gross rentals from properties	**3,029**	2,711
	41,538	41,371

(b) Operating segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, *Operating segments.*

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties and interests in associates ("**Specified Non-current Assets**"). The geographical location of customers is based on the location at which the properties were developed or leased out. The geographical location of the Specified Non-current Assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, and the location of operations, in the case of interests in associates.

	Revenue from external customers		**Specified Non-current Assets**	
	Six months ended 30 June		**At 30 June**	At 31 December
	2026	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Huizhou	**25,680**	39,113	**404,961**	406,074
Tianjin	**15,858**	2,258	**51,798**	53,173
Zhumadian	**—**	—	**92,810**	82,015
	41,538	41,371	**549,569**	541,262

5. OTHER INCOME, OTHER GAIN AND LOSS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income arises from bank deposits	**562**	1,366
Interest income arises from loans	**—**	2,012
Net exchange loss	**(2,349)**	(2)
Gain on lease modification	**44**	—
Others	**59**	244
	(1,684)	3,620

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**7**	12
	7	12

(b) Staff costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	**2,856**	4,668
Contributions to defined contribution retirement plan	**306**	602
Less: Staff costs capitalised into inventories	**—**	(624)
	3,162	4,646

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation		
— Property, plant and equipment	**1,443**	1,456
— Right-of-use assets	**51**	77
Reversal of write-down of inventories	**(19,001)**	(4,609)
(Reversal of)/provision for impairment of other receivables	**(1,854)**	513
Rental income from investment properties	**(577)**	(1,245)

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
Provision for Corporate Income Tax ("**CIT**")	**664**	1,722
Provision for Land Appreciation Tax ("**LAT**")	**84**	585
	748	2,307
Deferred tax		
Origination and reversal of temporary differences	**1,660**	(146)
	2,408	2,161

(i) CIT and Hong Kong Profits Tax

The provision for CIT is based on the estimated taxable income at the rates applicable to each PRC subsidiary in the Group. The income tax rate applicable to the principal subsidiaries in the PRC is 25% during the six months ended 30 June 2026 (six months ended 30 June 2025: 25%).

No provision for Hong Kong Profits Tax was recognised for the six months ended 30 June 2026 (six months ended 30 June 2025: nil) as the subsidiaries in Hong Kong did not have any assessable profits for the period.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

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

8. EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

The calculation of basic earnings/(losses) per share is based on the profit attributable to equity shareholders of the Company of RMB5,236,000 (six months ended 30 June 2025: loss attributable to equity shareholders of the Company of RMB2,186,000) and the weighted average number of 750,000,000 ordinary shares (six months ended 30 June 2025: 750,000,000 ordinary shares) in issue during the six months ended 30 June 2026.

(b) Diluted earnings/(losses) per share

For the six months ended 30 June 2026, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise prices of those options are higher than the average market price of the Company's ordinary shares during the period. For the six months ended 30 June 2025, the effect of the exercise of outstanding share options was anti-dilutive and diluted loss per share during the period is therefore equal to basic loss per share.

9. DIVIDENDS

On 26 August 2026, the Board resolved not to pay an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. TRADE AND OTHER RECEIVABLES

As at 30 June 2026, the ageing analysis of trade debtors (which are included in trade and other receivables), and net of loss allowance, is as follows:

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Within 1 month	**—**	4
1 to 3 months	**—**	—
3 to 6 months	**—**	54
Over 6 months	**367**	314
Trade debtors, net of loss allowance	**367**	372
Amounts due from associates *(note (i))*	**21,857**	18,000
Amounts due from non-controlling interests *(note (i))*	**25,775**	26,312
Other debtors, net of loss allowance	**32,756**	51,415
Deposits	**166**	291
Financial assets measured at amortised cost	**80,921**	96,390
Prepayments *(note (ii))*	**9,732**	10,595
	90,653	106,985

As of 30 June 2026, no trade debtors were past due (31 December 2025: nil). Based on experience, management believes that no loss allowance is necessary in respect of the trade debtors as there has not been a significant change in credit quality. The Group is of the view that the expected irrecoverable trade debtors were insignificant. The Group does not hold any collateral over these balances.

(i) The amounts due from associates and non-controlling interests were interest-free, unsecured and are expected to be recovered within one year.

(ii) As at 30 June 2026, the balance mainly included prepayments for VAT and surcharges with an aggregated amount of RMB9,678,000 (31 December 2025: RMB9,942,000).

11. TRADE AND OTHER PAYABLES

As at 30 June 2026, the ageing analysis of trade creditors (which are included in trade and other payables), based on the date of the trade payables recognised, is as follows:

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Within 3 months	**—**	—
3 to 6 months	**—**	—
6 to 12 months	**—**	4
Over 12 months	**43,556**	54,561
Trade creditors	**43,556**	54,565
Other payables and accruals	**39,131**	43,868
Amounts due to related parties *(note (i))*	**300,486**	315,122
Financial liabilities measured at amortised cost	**383,173**	413,555
Financial guarantee issued *(note (ii))*	**16,050**	15,738
Amounts due to the controlling shareholder and non-controlling interests *(note (iii))*	**48,302**	48,302
	447,525	477,595

(i) The amounts due to related parties are interest-free, unsecured and repayable on demand.

(ii) On 17 March 2021, Huizhou Logan Junhong Real Estate Limited ("**Logan Junhong**"), the associate of the Group, entered into a loan agreement ("**Loan Agreement**") with total bank facility amounted to RMB420,000,000 which was 100% guaranteed by Logan Group Company Limited ("**Logan Group**"). On 10 May 2021, the Group and Logan Group, entered into a counter-guarantee agreement ("**Counter-guarantee**") pursuant to which the Group has agreed, subject to the terms and conditions contained therein to provide a counter-guarantee to Logan Group with regard to the Loan Agreement in proportion to the Group's respective equity interest in Logan Junhong (30%). As at 30 June 2026, the total bank loan secured by the Counter-guarantee attributable to the Group was RMB7,242,857 (31 December 2025: RMB12,600,000). Deferred income in respect of the financial guarantees issued was RMB24,540 (31 December 2025: RMB135,800).

On 18 May 2024, the Group, Huizhou Well Kong Real Estate Co., Ltd. ("**Well Kong PRC**"), the associate of the Group, and Shenzhen Logan Holdings Company Limited ("**Logan Shenzhen**", the other shareholder of the associate) entered into a guarantee agreement in relation to the existing loan consisting of an outstanding amount together with the accrued interest till 30 June 2025 of approximately RMB13,427,000 owing from Well Kong PRC to Logan Shenzhen (the "**Existing Loan**"). To secure the repayment of the Existing Loan, the Group undertakes to provide a guarantee to Logan Shenzhen in favour of Well Kong PRC to secure the repayment of the amount due to Logan Shenzhen. As at 30 June 2026, provision of RMB13,972,000 (31 December 2025: RMB13,702,000) has been made for this guarantee.

(iii) Pursuant to the capital injection agreement between Huizhou Yuefu Real Estate Co., Ltd., a subsidiary of the Company, and its shareholders signed on 25 June 2018 (the "**Agreement**"), an amount representing the sum of the retained profits as at 31 May 2018, and the estimated unrealised gain arising from the unsold inventories as at 31 May 2018, should be distributed to the original shareholders in accordance with share proportion before the capital injection. The obligation arising from the Agreement is recognised as a financial liability and is measured at fair value. The balance is unsecured and expected to be settled upon disposal of the relevant inventories.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2026, domestic real estate development investment and commercial housing sales continued to decline year-on-year, leaving the industry in a prolonged bottoming-out adjustment phase. Total floor area of the new commercial housing sold in the first half of 2026 was approximately 401 million sq.m., representing a decrease by about 11.6% from the same period last year. In terms of monetary value, sales volume of the new commercial housing decreased by approximately 13.6% year-on-year to about RMB3.79 trillion. Investment activities continued to contract, with real estate investment standing at approximately RMB3.81 trillion in the first half of 2026, recording a year-on-year decline of about 18.0%. Negative pressure is particularly reflected in the nationwide structural imbalance — third- and fourth-tier cities and cities with net population outflows are suffering from high inventory and prolonged destocking cycles, with housing prices continuing to edge down and land markets remaining subdued. Homebuyer sentiment remains cautious, and the market is dominated by a wait-and-see sentiment. In addition, private property developers show weak investment appetite, and the industry landscape is increasingly concentrated among state-owned and central state-owned enterprises. The slow recovery of the upstream and downstream industrial chain remains one of the main drags on the macro-economy performance.

In light of the strategies from recent key central government meetings, macroeconomic indicators and industry operational trends, it is clear that the real estate market has completely exited the era of universal growth and entered into a new phase characterised by stock-dominated development, structural divergence, risk digestion, and business model transformation. Overall, the market is showing the features of "bottoming out, partial recovery, lingering pressures, and steady transformation". At the policy level, the central government adheres to the core principles of "stabilising the property market, preventing risks, and promoting industrial transformation", and comprehensively implements city-specific differentiated regulatory policies. Most of the restrictive policies such as purchase and mortgage limits, interest rates, and minimum down-payment requirements have been largely liberalised. Debt restructuring of property developers is advancing in an orderly manner, and dedicated initiatives to ensure the delivery of pre-sold properties are steadily resolving industry risks. At the same time, the dual-track system of commercial housing and subsidised housing is being promoted, including converting the acquired existing stock into affordable housing, to build a new development model for the real estate sector and to guard against systemic financial risks.

From the Group's perspective, on the positive side, core cities have taken the lead in market stabilisation and recovery, with improved housing demand becoming the primary market driver. Third- and fourth-tier cities have been rolling out stimulus policies to accelerate inventory destocking, resulting in narrowing sales declines amid market consolidating at lower levels. Residential properties have returned to their fundamental function as living spaces, and market recovery depends on the pace of improvement in two fundamental variables — household income expectations and housing price expectations. The government's commitment to maintaining stable industry operations is believed to be a long-term and consistent policy stance.

BUSINESS REVIEW

Amid the current challenges in the real estate industry, the Group has focused more on operational stability, actively reducing inventory, and prioritising cash flow management. At present, all bank loans of the Group's subsidiaries have been fully repaid, and the balance sheet is trending towards a healthier position.

The Group's revenue for the first half of 2026 amounted to approximately RMB41.5 million, broadly in line with sales revenue in the same period last year. Profit attributable to equity shareholders of the Group was approximately RMB5.2 million, compared to a loss of RMB2.2 million in the corresponding period of last year. The improvement in profitability was mainly attributable to the Group recording a share of profits rather than share of losses from its associates, as the Dragon Palace phase 2 section 4 in Henan has reached the completion and acceptance stage and the revenue was recognised, together with the reductions in marketing and administrative expenses.

During the first half of 2026, the Group attained an aggregated contracted sales value, including the sale of properties by the associates of the Group at 100% level, of approximately RMB64.0 million with a total GFA of approximately 11,482 sq.m., which was mainly attributable to the sale of Jafe Terrace in Huizhou, Million Cities Tycoon Place in Tianjin and Dragon Palace in Henan.

BUSINESS OUTLOOK

Looking ahead, over the next one to three years, the property market will continue to bottom out, with divergent performance across different tiers. National housing prices are expected to fluctuate within a narrow range. First-tier and core second-tier cities, benefiting from population and industrial advantages, are likely to see steady and moderate recovery. Meanwhile, most third- and fourth-tier cities and county-level markets will continue to move sideways with slow destocking. Local governments will maintain the policy rhythm of "mild support measures for buoyant markets, full relaxation in weaker markets". The industry cleansing process will continue, and market concentration will further increase.

In the medium to long term, the real estate sector is expected to complete its structural transformation. The era of high-speed incremental development has come to an end; and stock asset operation, urban renewal, and property management services will likely become the new core drivers of the industry. Property values will be closely tied to location, industry, supporting facilities, and population. High-quality residential assets in core metropolitan clusters will retain long-term value preservation capacity, while remote suburban and small-city properties will face persistent liquidity constraints. Overall, the real estate sector will shift from being a pillar of economic growth to a stabiliser of the macroeconomy, achieving a stable, healthy, and sustainable development.

The Group will adopt a more flexible approach in seeking development opportunities and exploring potential business prospects, in line with policy directions. We will allocate resources to property investment including industrial parks, and explore the possibility of an asset-light property management model. We will also evaluate sustainable project investment opportunities to diversify our investment portfolio and create long-term value for our shareholders and investors.

FINANCIAL REVIEW

Revenue

The Group's revenue mainly represented income from sale of properties and gross rentals from properties earned during the six months ended 30 June 2026, net of sales related taxes and discounts allowed.

Revenue from sale of properties has constituted, and is expected to continue to constitute, a majority of the Group's total revenue.

Property development

(i) Contracted sales

Total properties contracted sales (based on GFA of sales consent), including sale of properties by the associates of the Group, amounted to approximately RMB64.0 million, representing a GFA of approximately 11,482 sq.m. sold during the six months ended 30 June 2026.

(ii) Land bank

As at 30 June 2026, the total GFA of the Group's land bank was about 1,171,800 sq.m., out of which (i) about 336,431 sq.m. of GFA was unsold completed properties projects; (ii) about 835,369 sq.m. of GFA was reserved for future development.

Revenue

Revenue from sale of properties for the six months ended 30 June 2026 amounted to approximately RMB38.5 million, as compared with approximately RMB38.7 million reported for the six months ended 30 June 2025, representing a decrease by approximately 0.5%. Revenue recognised for the six months ended 30 June 2026 was mainly contributed by the sales of villa in Tianjin Cities Tycoon Place and Million Cities Legend Phase 3 in Huizhou, while that for the six months ended 30 June 2025 was mainly contributed by the sales of Million Cities International and Million Cities Legend Phase 3 in Huizhou.

Rental income

Gross rental income from investment properties and inventories for the six months ended 30 June 2026 was approximately RMB3.0 million, as compared with approximately RMB2.7 million reported for the six months ended 30 June 2025, representing an increase by approximately RMB0.3 million.

Cost of sales

Cost of sales for the six months ended 30 June 2026 was approximately RMB28.1 million, as compared with approximately RMB24.8 million reported for the six months ended 30 June 2025, representing an increase by approximately 13.3%. The increase in cost of sales was mainly due to the higher cost of the villa in Tianjin sold during the six months ended 30 June 2026 compared with the cost of properties in Huizhou sold during the same period of 2025.

Gross profit and gross profit margin

The gross profit for the six months ended 30 June 2026 was approximately RMB13.4 million, representing a decrease by approximately 18.9%, as compared with approximately RMB16.5 million during the same period last year. The gross profit margin decreased from approximately 39.8% for the six months ended 30 June 2025 to approximately 32.3% for the six months ended 30 June 2026 because of the higher cost of the villa in Tianjin sold during the six months ended 30 June 2026 compared with the cost of properties sold in Huizhou during the same period of 2025.

Other income, other gain and loss

Other loss for the six months ended 30 June 2026 was approximately RMB1.6 million, as compared other gain of approximately RMB3.6 million for the six months ended 30 June 2025, representing a decrease by approximately RMB5.2 million. The decrease was mainly attributable to (i) the absence of interest income from Huizhou Zhongyi Real Estate Co., Limited, since such loan had been assigned to Huizhou Wanjia Information Consultancy Limited after completion of the major and connected transaction in relation to the acquisition of Fortune Radiant, details of which are set out in the circular of the Company dated 24 October 2025 and (ii) a significant increase in net exchange loss.

Selling expenses

Selling expenses for the six months ended 30 June 2026 were approximately RMB1.9 million, as compared with approximately RMB4.0 million reported for the six months ended 30 June 2025, representing a decrease by approximately 52.5%. It was mainly due to the lower marketing cost incurred during the six months ended 30 June 2026.

Administrative expenses

Administrative expenses for the six months ended 30 June 2026 were approximately RMB8.0 million, representing a decrease by approximately 40.0%, as compared with approximately RMB13.2 million for the six months ended 30 June 2025, which was mainly due to the decrease in staff costs and professional expenses.

Share of profits less losses of associates

Share of profits less losses of associates recorded a profit of approximately RMB7.5 million for the six months ended 30 June 2026, as compared with a loss of approximately RMB2.0 million for the six months ended 30 June 2025. This was mainly derived from sale of newly completed and delivered properties of Dragon Palace Phase 2 Section 4 in Henan and recognised as revenue for the six months ended 30 June 2026.

Finance costs

Finance costs amounted to approximately RMB7,000, and approximately RMB12,000 for the six months ended 30 June 2026 and 2025, respectively, representing the lease liabilities in both periods.

Income tax expenses

For the six months ended 30 June 2026, income tax expenses were approximately RMB2.4 million, representing an increase of approximately RMB0.2 million, as compared with income tax expenses of approximately RMB2.2 million for the six months ended 30 June 2025.

Profit/(loss) for the period attributable to equity shareholders of the Company

Profit for the period attributable to equity shareholders of the Company for the six months ended 30 June 2026 was approximately RMB5.2 million, as compared with the loss attributable to equity shareholders of the Company for the six months ended 30 June 2025 of approximately RMB2.2 million. This is mainly because the Company (i) recorded a profit of share of associates for the six months ended 30 June 2026 instead of recording a loss for the same period of 2025, (ii) administration expenses and selling expenses significantly decreased as compared with that for the same period of 2025. As a result, the Company recorded a profit for the six months ended 30 June 2026 instead of a loss for the same period in 2025.

OTHER FINANCIAL INFORMATION

Liquidity and financial resources

For the six months ended 30 June 2026, the Group's cash and cash equivalents were mainly used in the Group's business operations, to service the Group's indebtedness and to fund the Group's working capital. The Group financed its funding requirements mainly through a combination of cash generated from operating activities and borrowings. As at 30 June 2026 and 31 December 2025, the Company's subsidiaries did not have any bank loans. Therefore, the Group's gearing ratio as at 30 June 2026 and 31 December 2025 was nil.

The gearing ratio is calculated as interest bearing bank loans divided by equity.

As at 30 June 2026, the Group's cash and cash equivalents, amounting to approximately RMB112.7 million, were denominated in HK$(6.2%) and RMB(93.8%).

Financial risk management objectives and policies

The Group's management has adopted certain policies on financial risk management with the objectives of: (i) ensuring appropriate funding strategies being adopted to meet the Group's short term and long term funding requirements after taking into consideration of the cost of funding, gearing ratios and cash flow projections of the Group; and (ii) ensuring appropriate strategies also being adopted to minimise the interest rate risk, credit risk and liquidity risk.

Foreign currency risk

The Group mainly operates in Hong Kong and the Chinese Mainland with majority of the transactions settled in Hong Kong dollars ("**HK$**") and RMB. Foreign currency risk arises when future business transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Directors consider the Group's foreign currency risk exposure is minimal since substantially all of the sales, assets and liabilities are denominated in RMB and only a small portion of operating expenses are denominated in HK$.

Interest rate risk

The Group did not have any outstanding bank loans during the six months ended 30 June 2026. Thus, the interest rate risk was immaterial. For the six months ended 30 June 2026, the Group's interest rate risk only arose from cash at bank. Cash at bank issued at variable rates expose the Group to cash flow interest rate risk. The Group did not enter into any financial instruments to hedge against interest rate risk for the six months ended 30 June 2026, but the Board will continue to closely monitor the Group's cashflow situation in order to manage the Group's interest rate risk exposure.

Credit risk

As of 30 June 2026, no material trade debtors of the Group were past due. The Group normally receives full payment from buyers before the delivery of the property. For mortgage sales without full settlement, the Group would not deliver the property to the customers unless it obtains confirmation from the banks providing mortgage that the respective mortgages have been approved. In addition, the Group would not transfer titles of the properties to customers until full amount of sales proceeds are received. Accordingly, the Group is of the view that the expected irrecoverable trade debtors were immaterial. Thus, no bad debt provision for trade debtors was recognised during the six months ended 30 June 2026.

In addition, the Group also reviews the recoverability of other receivables from time to time and makes bad debts provisions if necessary. For the six months ended 30 June 2026, the Group has recorded a bad debts reversal for other receivables of approximately RMB1.9 million instead of a bad debts provision for the same period of last year of approximately RMB0.5 million.

As at 30 June 2026, all the Group's bank balances and deposits were held with major financial institutions in Hong Kong and the Chinese Mainland which the Directors believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms. The Group has not experienced and does not expect to experience any difficulties in meeting credit obligations when they fall due.

Capital expenditures

During the six months ended 30 June 2026, no property, plant and equipment were acquired (six months ended 30 June 2025: RMB356,000). During the six months ended 30 June 2026, there was no disposal loss incurred from the disposed plant and machinery (six months ended 30 June 2025: Nil).

Capital commitments

The Group's capital commitments as at 30 June 2026 amounted to approximately RMB2.3 million (31 December 2025: RMB2.3 million) which were mainly related to development costs for the Group's properties under development.

Charge on assets

As at 30 June 2026, no completed properties (31 December 2025: nil) were pledged due to litigation disputes and sales of which are therefore restricted.

Contingent liabilities

As at 30 June 2026, the Group issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to approximately RMB55.3 million as at 30 June 2026 (31 December 2025: RMB67.0 million), will be terminated upon completion of transferring the legal title of the properties to the property buyers. The Directors consider loss arising from these guarantees as a result of default payment by customers to be insignificant, as the banks have the rights to sell the properties and recover the outstanding loan balance from sale proceeds.

The Group has not recognised any deferred income in respect of these guarantees as their fair values are considered to be insignificant.

Operating segment information

The Group's revenue and results for the six months ended 30 June 2026 were mainly derived from property development. Performance assessment is based on the results of the Group as a whole. Therefore, management of the Group considers there is only one operating segment.

Events after balance sheet date

The Group had no significant event after balance sheet date.

HUMAN RESOURCES

Human resources and emolument policy

As at 30 June 2026, the Group had a total of 19 (31 December 2025: 22) full-time employees in the Chinese Mainland and Hong Kong. For the six months ended 30 June 2026, the total staff costs, including the Directors' emoluments, amounted to approximately RMB3.2 million (six months ended 30 June 2025: RMB5.2 million), and no staff costs were capitalised into inventories (six months ended 30 June 2025: RMB0.6 million).

The Group's emolument policies are formulated based on the performance and experience of individual employee and are in line with the salary trends in Hong Kong and the Chinese Mainland. Other employee benefits include performance-linked bonuses, insurance and medical coverage and share options.

Since human resources management is an important factor in maintaining and enhancing the Group's strong expertise in the property development, the Group will provide appropriate training programs to the employees as the Group sees fit. From time to time, different on-the-job training will be provided to employees in order to ensure continuous staff development and skills upgrading.

Remuneration policy of Directors and senior management

The Directors and senior management of the Group receive compensation in the form of salaries and discretionary bonuses related to the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Group or executing their functions in relation to the Group's operations. The Remuneration Committee will regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group.

INTERIM DIVIDEND

The Directors do not recommend any payment of interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury shares during the six months ended 30 June 2026.

CORPORATE GOVERNANCE CODE

As the Company believes that good corporate governance can create value for its shareholders, the Board is committed to maintain a high standard of corporate governance practices by placing strong emphasis on a quality Board, sound internal controls and effective accountability to the shareholders as a whole. The Company has adopted the code provisions in the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the CG Code for the six months ended 30 June 2026.

The Board will continue to enhance its corporate governance practices to ensure that it complies with the CG Code and aligns with the latest developments.

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 Listing Rules as its own code for securities transactions by the Directors.

All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for the six months ended 30 June 2026.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on terms no less exacting than the required standards set out in the Model Code. Each of the relevant employees has been given a copy of the written guidelines.

No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for the six months ended 30 June 2026.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive Directors, namely, Mr. Li Yinquan (chairman of the audit committee who possesses appropriate professional qualification or accounting or related financial management expertise), Mr. Ip Shu Kwan, Stephen, and Ms. Man Wing Yee, Ginny. The written terms of reference of audit committee have been made available on the Company's website at www.millioncities.com.cn and on the website of the Stock Exchange.

The primary duties of the audit committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board. The audit committee has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2026.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.millioncities.com.cn. The interim report for the six months ended 30 June 2026 will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Million Cities Holdings Limited
Wong Ting Chung
Chairman, chief executive officer and executive Director

Hong Kong, 26 August 2026

As at the date of this announcement, the chairman, chief executive officer and executive Director is Mr. Wong Ting Chung; another executive Director is Mr. Li Wa Tat, Benedict; the non-executive Director is Ms. Wong Wai Ling; and the independent non-executive Directors are Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Ms. Man Wing Yee, Ginny.