

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2025**

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change	
	2025	2024		
	<i>RMB'million</i> (Unaudited)	<i>RMB'million</i> (Unaudited)	<i>RMB'million</i>	%
Revenue	41.4	46.1	-4.7	-10.2%
Gross profit	16.5	14.8	1.7	11.5%
Gross profit margin	39.8%	32.0%	N/A	7.8%
(Loss) attributable to the equity shareholders of the Company	(2.2)	(61.7)	59.5	96.4%
(Loss) per share — Basic and diluted (<i>RMB cents</i>)	(0.29)	(8.2)	7.9	96.4%
Interim dividend per share (<i>RMB cents</i>)	—	—	—	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 2025 together with the comparative figures for 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

(Expressed in Renminbi)

	Note	Six months ended 30 June 2025 RMB'000 (Unaudited)	Six months ended 30 June 2024 RMB'000 (Unaudited)
Revenue	4	41,371	46,119
Cost of sales		(24,827)	(31,362)
Gross profit		16,544	14,757
Valuation (loss)/gains on investment properties		(2,166)	1,048
Other net income	5	3,620	7,836
Impairment loss on other receivables		(513)	(1,341)
Selling expenses		(3,970)	(3,724)
Administrative expenses		(13,253)	(23,047)
Other expenses		(142)	(309)
Profit/(loss) from operations		120	(4,780)
Finance costs	6(a)	(12)	(5)
Share of profits less losses of associates		(1,963)	(38,006)
Loss before taxation	6	(1,855)	(42,791)
Income tax	7	(2,161)	(22,442)
Loss for the period		(4,016)	(65,233)
Attributable to:			
Equity shareholders of the Company		(2,186)	(61,722)
Non-controlling interests		(1,830)	(3,511)
Loss for the period		(4,016)	(65,233)
Basic and diluted losses per share (RMB cents)	8	(0.29)	(8.23)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

(Expressed in Renminbi)

	Six months ended 30 June 2025 RMB'000 (Unaudited)	Six months ended 30 June 2024 RMB'000 (Unaudited)
Loss for the period	(4,016)	(65,233)
Other comprehensive income for the period:		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
— the associates	583	(517)
— the Hong Kong and overseas subsidiaries	2,349	(1,139)
Other comprehensive income for the period	2,932	(1,656)
Total comprehensive income for the period	(1,084)	(66,889)
Attributable to:		
Equity shareholders of the Company	181	(59,812)
Non-controlling interests	(1,265)	(7,077)
Total comprehensive income for the period	(1,084)	(66,889)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

(Expressed in Renminbi)

		At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		43,628	44,844
Investment properties		54,045	56,211
Interests in associates		187,247	189,809
Deferred tax assets		50,956	50,795
		<u>335,876</u>	<u>341,659</u>
Current assets			
Inventories and other contract costs		544,102	566,369
Trade and other receivables	10	239,726	240,253
Prepaid tax		6,848	11,805
Pledged and restricted deposits		5,072	12,650
Cash and cash equivalents		234,753	268,446
		<u>1,030,501</u>	<u>1,099,523</u>
Total assets		<u>1,366,377</u>	<u>1,441,182</u>
Current liabilities			
Contract liabilities		46,981	48,539
Trade and other payables	11	480,555	493,816
Lease liabilities		141	135
Tax payable		112,484	170,973
Provision		22,286	22,091
		<u>662,447</u>	<u>735,554</u>
Net current assets		<u>368,054</u>	<u>363,969</u>
Total assets less current liabilities		<u>703,930</u>	<u>705,628</u>

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
<i>Note</i>		
Non-current liabilities		
Lease liabilities	478	550
Deferred tax liabilities	<u>3,009</u>	<u>3,551</u>
	<u>3,487</u>	<u>4,101</u>
NET ASSETS	<u><u>700,443</u></u>	<u><u>701,527</u></u>
CAPITAL AND RESERVES		
Share capital	6,605	6,605
Reserves	<u>564,273</u>	<u>564,092</u>
Total equity attributable to equity shareholders of the Company	<u>570,878</u>	<u>570,697</u>
Non-controlling interests	<u>129,565</u>	<u>130,830</u>
TOTAL EQUITY	<u><u>700,443</u></u>	<u><u>701,527</u></u>

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 25 August 2025.

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 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 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 2024 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 Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. ACCOUNTING POLICIES

(a) Changes in accounting policies

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

- Amendments to HKAS 21, *Lack of Exchangeability*

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	
	2025	2024
	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	38,660	43,498
Revenue from other sources		
— Gross rentals from properties	2,711	2,621
	<u>41,371</u>	<u>46,119</u>

(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, other current assets and interest 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
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Huizhou	39,113	44,449	152,481	152,742
Tianjin	2,258	1,670	49,291	53,502
Zhumadian	—	—	83,148	84,620
	41,371	46,119	284,920	290,864

5. OTHER NET INCOME

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income arises from bank deposits	1,366	4,610
Interest income arises from loans	2,012	1,951
Net exchange (loss)/gain	(2)	279
Others	244	996
	3,620	7,836

6. PROFIT/(LOSS) BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u>12</u>	<u>5</u>
	<u><u>12</u></u>	<u><u>5</u></u>

(b) Staff costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	4,668	11,905
Contributions to defined contribution retirement plan	602	479
Less: Staff costs capitalised into inventories	<u>(624)</u>	<u>(752)</u>
	<u><u>4,646</u></u>	<u><u>11,632</u></u>

(c) Other items

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Depreciation		
— Property, plant and equipment	1,456	1,332
— Right-of-use assets	77	26
Reversal of write-down of inventories	(4,609)	(443)
Impairment of other receivables	513	1,341
Rental income from investment properties	<u>(1,245)</u>	<u>(1,322)</u>

7. INCOME TAX

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax		
Provision for Corporate Income Tax (“CIT”)	1,722	10,080
Provision for Land Appreciation Tax (“LAT”)	585	15,078
	<u>2,307</u>	<u>25,158</u>
Deferred tax		
Origination and reversal of temporary differences	(146)	(2,716)
	<u>2,161</u>	<u>22,442</u>

(i) CIT and Hong Kong Profits Tax

The provision for CIT is based on the estimated taxable income at the rates applicable to each Chinese Mainland subsidiary in the Group. The income tax rate applicable to the principal subsidiaries in the Chinese Mainland is 25% during the six months ended 30 June 2025 (six months ended 30 June 2024: 25%).

No provision for Hong Kong Profits Tax was recognised for the six months ended 30 June 2025 (six months ended 30 June 2024: 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. LOSSES PER SHARE

(a) Basic losses per share

The calculation of basic losses per share is based on the loss attributable to equity shareholders of the Company of RMB2,186,000 (six months ended 30 June 2024: loss of RMB61,722,000) and the weighted average number of 750,000,000 ordinary shares (six months ended 30 June 2024: 750,000,000 ordinary shares) in issue during the six months ended 30 June 2025.

(b) Diluted losses per share

Diluted losses per share for the six months ended 30 June 2025 and 2024 were the same as the basic losses per share as the share options granted were anti-dilutive.

9. DIVIDENDS

On 25 August 2025, the Board resolved not to pay an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

10. TRADE AND OTHER RECEIVABLES

As at 30 June 2025, 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 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Within 1 month	4	17
1 to 3 months	54	1
3 to 6 months	—	1
Over 6 months	314	311
Trade debtors, net of loss allowance	372	330
Amounts due from associates (<i>note (i)</i>)	18,000	18,000
Amounts due from non-controlling interests (<i>note (i)</i>)	26,250	24,570
Loans to third parties (<i>note (iii)</i>)	141,437	139,424
Other debtors, net of loss allowance (<i>note (ii)</i>)	42,282	44,547
Financial assets measured at amortised cost	228,341	226,871
Deposits	173	284
Prepayments (<i>note (iv)</i>)	11,212	13,098
	239,726	240,253

As of 30 June 2025, no trade debtors were past due (31 December 2024: 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) For the six months ended 30 June 2025, loss allowance on other debtors amounted to RMB513,000 (six months ended 30 June 2024: RMB1,341,000).
- (iii) At at 30 June 2025, the loans to third parties together with the accrued interests are RMB101,754,000 of note (iii) (a) below and RMB39,683,000 of note (iii) (b) below respectively:–
 - (a) On 5 May 2022, the Group, Mr. Wong Ting Chung, the chairman and executive Director, and a third party (the “**Borrower**”) entered into a loan agreement, pursuant to which, the Group granted a loan (the “**Loan**”) of RMB96,500,000 to the Borrower for a term of 3 years with an interest rate of 4% per annum, and Mr. Wong Ting Chung provided a personal guarantee to the Borrower in favour of the Group. The Borrower shall repay the whole principal amount together with all accrued interest due and payable to the Group on 4 May 2025.

As at 4 May 2025, the loan has reached its maturity date. The outstanding amount derived from the Loan, including the principal amount and interests accrued thereon, amounted to approximately RMB101,754,000.

On 18 July 2025, Million Cities Development (“**MCD**”), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement (“**SPA**”) with Ms. Teresa Wong (a daughter of Mr. Wong Ting Chung (the chairman of the Board, an executive Director, and one of the controlling shareholders of the Company, who is the settlor, the protector, and one of the beneficiaries of the Happy Family Trust)).

Pursuant to the SPA, Ms. Teresa Wong has conditionally agreed to sell, and MCD has conditionally agreed to purchase, ordinary shares representing approximately 25.3% of the total issued share capital of Fortune Radiant City Limited (“**Fortune Radiant**”) as of the date of the SPA, at a total consideration of HK\$151,038,000 (equivalent to approximately RMB138,567,000), of which shall be satisfied by (i) payment of HK\$40.0 million (equivalent to approximately RMB36.7 million) in cash; and (ii) the transfer of all issued shares of Fortune Brilliant City Limited (“**Fortune Brilliant**”), being a wholly-owned subsidiary of the Company, from MCD to Ms. Teresa Wong. For the details, please refer to the announcement of the Company dated 18 July 2025.

Before completion of above transactions, Huizhou Hanji Real Estate Development Co., Ltd. will assign the Loan, together with the interests accrued thereon, to Huizhou Wanjia Information Consultancy Limited, a wholly owned subsidiary of Fortune Brilliant.

For the six months ended 30 June 2025, the Group has accrued interest income of RMB1,330,000 (six months ended 30 June 2024: RMB1,951,000) in respect of the Loan.

(b) On 24 December 2024, Huizhou Million Cities entered into a loan agreement with a third party to grant a loan of RMB39,000,000 to such third party for a term of one year with an interest rate of 3.5% per annum. For the details, please refer to the announcement of the Company dated 24 December 2024. For the six months ended 30 June 2025, the Group have accrued interest income of RMB683,000 (six months ended 30 June 2024: nil).

(iv) As at 30 June 2025, the balance mainly included prepayments for VAT and surcharges with an aggregated amount of RMB10,973,000 (31 December 2024: RMB13,639,000).

11. TRADE AND OTHER PAYABLES

As at 30 June 2025, 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 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	146	65
3 to 6 months	—	68
6 to 12 months	2	2
Over 12 months	<u>55,743</u>	<u>62,968</u>
Trade creditors	55,891	63,103
Other payables and accruals	43,842	47,718
Amounts due to related parties (<i>note (i)</i>)	<u>316,936</u>	<u>318,965</u>
Financial liabilities measured at amortised cost	416,669	429,786
Financial guarantee issued (<i>note (ii)</i>)	15,584	15,728
Amounts due to the controlling shareholder and non-controlling interests (<i>note (iii)</i>)	<u>48,302</u>	<u>48,302</u>
	<u><u>480,555</u></u>	<u><u>493,816</u></u>

(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 2025, the total bank loan secured by the Counter-guarantee attributable to the Group was RMB14,100,000 (31 December 2024: RMB15,600,000). Deferred income in respect of the financial guarantees issued was RMB2,157,000 (31 December 2024: RMB2,301,000).

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 Longan Shenzhen. As at 30 June 2025, provision of RMB13,427,000 (31 December 2024: RMB13,427,000) has been made for this guarantee.

- (iii) Pursuant to the Capital Injection Agreement between Huizhou Yuefu 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 balance is recognised at fair value. The balance is unsecured and expected to be settled upon disposal of the relevant inventories.

MANAGEMENT DISCUSSION AND ANALYSIS MARKET REVIEW

MARKET REVIEW

In the first half of 2025, the domestic real estate industry remained in a period of adjustment, with the overall property market continuing to experience sluggish performance. While the projected declines in sales and investment volumes are expected to narrow slightly, market sentiment is anticipated to remain weak. The credit restoration of real estate enterprises has not yet been fully accomplished, with homebuyers lacking confidence in the real estate sector, leading to a cautious flow of funds. Due to the prominent issue of supply and demand imbalance, housing prices are facing downward pressure especially in third- and fourth-tier cities. Burdened by significant inventory backlogs and extended destocking periods, the property market was likely to face greater downward risks. Despite the introduction of a series of favorable real estate policies, their impact has been limited, with the market not showing significant response. It is anticipated that the time required for the property market to bottom out and stabilize may be relatively prolonged.

BUSINESS REVIEW

Despite the numerous challenges facing the real estate industry, our Group remains focused on exploring different channels to boost sales while simultaneously controlling costs, thereby generating cash flow to maintain business stability. To date, all bank loans of our subsidiaries have been fully repaid.

In the first half year of 2025 (“**2025 Interim Period**”), the Group recorded a revenue of approximately RMB41.4 million, representing a decrease of approximately 10.2% as compared to the sales revenue for corresponding period of the previous year, primarily due to movements in sales of remaining completed properties. The net loss attributable to equity shareholders of the Company was approximately RMB2.2 million, representing a decrease in loss of approximately 96.4% as compared to the same period of last year. This was mainly because the impairment loss and provisions made during the first half year of 2024 are not required for the 2025 Interim Period, together with significant reductions in administrative expenses and taxation during the 2025 Interim Period.

For the six months ended 30 June 2025, the Group attained an aggregated contracted sales value, of approximately RMB71.9 million with a total GFA of approximately 12,000 sq.m., which was mainly attributable to the sale of Million Cities International in Huizhou, Million Cities Tycoon Place in Tianjin and Dragon Palace in Henan.

In addition to real estate development projects, the Group will also consider participating in investments in real estate projects with stable income, aiming to deliver relatively stable returns to the shareholders. Meanwhile, the Group will identify and explore investment opportunities, including certain sustainable development projects, so as to create long-term value to the shareholders and investors.

BUSINESS OUTLOOK

The Group believes that the government will continue to optimize policies to balance market supply and demand dynamics, thereby ensuring stability in housing prices. The steady recovery and development of the real estate industry will ultimately serve as a significant testament to China's economy navigating through cyclical fluctuations and advancing towards high-quality growth. Development in future will take advantage from policy support and shifts in market demand. "Stabilizing land prices, housing prices and expectations" will continue to be the long-term policy direction, allowing the real estate market to shift towards moderate development.

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 2025, 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 RMB71.9 million, representing a GFA of approximately 12,000 sq.m. sold during the six months ended 30 June 2025.

(ii) Land bank

As at 30 June 2025, the total GFA of the Group's land bank was about 1,197,602 sq.m., out of which (i) about 345,174 sq.m. of GFA was unsold completed properties projects; (ii) about 17,059 sq.m. of GFA was unsold and under construction; and (iii) 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 2025 amounted to approximately RMB38.7 million, as compared with approximately RMB43.5 million reported for the six months ended 30 June 2024, representing a decrease by approximately 11.1%. Revenue recognised for the six months ended 30 June 2025 was mainly contributed by Million Cities International and Million Cities Legend Phase 3 in Huizhou, while that for the six months ended 30 June 2024 was mainly contributed by Million Cities Legend Phase 3 and shops in Crown Grand Court in Huizhou.

Rental income

Gross rental income from investment properties and inventories for the six months ended 30 June 2025 was approximately RMB2.7 million, as compared with approximately RMB2.6 million reported for the six months ended 30 June 2024, representing an increase by approximately RMB0.1 million.

Cost of sales

Cost of sales for the six months ended 30 June 2025 was approximately RMB24.8 million, as compared with approximately RMB31.4 million reported for the six months ended 30 June 2024, representing a decrease by approximately 20.8%. The decrease in cost of sales was mainly due to increase in reversal of provision for write-down of inventories upon sales (RMB4.6 million and RMB0.4 million for the six months ended 30 June 2025 and that of 2024 respectively).

Gross profit and gross profit margin

The gross profit for the six months ended 30 June 2025 was approximately RMB16.5 million, representing an increase by approximately 11.5%, as compared with the same period last year of approximately RMB14.8 million. The gross profit margin increased from approximately 32.0% for the six months ended 30 June 2024 to approximately 39.8% for the six months ended 30 June 2025 because of the increase in reversal of provision for write-down of inventories as mentioned above.

Other net income

Other net income for the six months ended 30 June 2025 was approximately RMB3.6 million, as compared with approximately RMB7.8 million for the six months ended 30 June 2024, representing a decrease by approximately 53.8%, which was mainly due to the decrease of bank interest income by approximately RMB3.2 million as (i) the bank balance of the Group and (ii) the interest rate decreased.

Selling expenses

Selling expenses for the six months ended 30 June 2025 were approximately RMB4.0 million, as compared with approximately RMB3.7 million reported for the six months ended 30 June 2024, representing an increase by approximately 6.6%.

Administrative expenses

Administrative expenses for the six months ended 30 June 2025 were approximately RMB13.3 million, representing a decrease by approximately 42.2%, as compared with approximately RMB23.0 million for the six months ended 30 June 2024, which was mainly due to the decrease in salaries expenses.

Share of profits less losses of associates

Share of profits less losses of associates recorded a loss of approximately RMB2.0 million for the six months ended 30 June 2025, and compared with a loss of approximately RMB38.0 million for the six months ended 30 June 2024, representing an decrease in loss of approximately RMB36.0 million. This was mainly because (i) impairment loss on other receivables of associates of the Company was made; and (ii) accrued interest expenses owing to Logan Shenzhen (for details, please refer to note 11(ii) in the “notes to the unaudited condensed consolidated interim financial information”) was recognized for the six months ended 30 June 2024, while no such (i) impairment was made; and (ii) accrued interest expenses were recognised during the six months ended 30 June 2025.

Finance costs

Finance costs amounted approximately RMB12,000, and approximately RMB5,000 for the six months ended 30 June 2025 and 2024, respectively representing the lease liabilities in both periods.

Income tax

For the six months ended 30 June 2025, income tax was approximately RMB2.2 million, representing a decrease of approximately RMB20.2 million, as compared with income tax of approximately RMB22.4 million for the six months ended 30 June 2024, mainly due to the decrease in land appreciation taxation.

Loss for the period attributable to equity shareholders of the Company

Loss for the period attributable to equity shareholders of the Company for the six months ended 30 June 2025 was approximately RMB2.2 million, representing a decrease in loss of approximately RMB59.5 million, as compared with the loss attributable to equity shareholders of the Company for the six months ended 30 June 2024 of approximately RMB61.7 million. This is mainly because the Company (i) recognised the impairment loss on other receivables of the Company's associated companies; and (ii) made a provision with respect to the accrued interest in the Company's associated companies for the six months ended 30 June 2024. The Company did not recognize such impairment loss and make such provision for the six months ended 30 June 2025. Moreover, administration expenses and income tax significantly decreased as compared with that for the same period of last year. As a result, the Company recorded a significant decrease in loss attributable to equity shareholders for the six months ended 30 June 2025.

OTHER FINANCIAL INFORMATION

Liquidity and financial resources

For the six months ended 30 June 2025, 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 2025 and 31 December 2024, the Company's subsidiaries did not have any bank loans. Therefore, the Group's gearing ratio as at 30 June 2025 and 31 December 2024 was Nil.

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

As at 30 June 2025, the Group's cash and cash equivalents, amounting to approximately RMB234.8 million, were denominated in HK\$(21.1%) and RMB(78.9%).

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 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 2025. Thus, the interest rate risk was immaterial. For the six months ended 30 June 2025, 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 2025, 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 2025, 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 2025.

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 2025, the Group made a bad debts provision for other receivables of approximately RMB513,000 (30 June 2024: RMB1,341,000). Besides, the receivables due to third parties are reviewed and dealt with as mentioned in Note 10(iii)(a).

As at 30 June 2025, 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 2025, property, plant and equipment of RMB356,000 were acquired (six months ended 30 June 2024: RMB199,000). During six months ended 30 June 2025, there was no disposal loss incurred from the disposed of plant and machinery (six months ended 30 June 2024: Nil).

Capital commitments

The Group's capital commitments as at 30 June 2025 amounted to approximately RMB2.3 million (31 December 2024: RMB3.8 million) which were mainly related to development costs for the Group's properties under development.

Charge on assets

As at 30 June 2025, no certain completed properties were pledged due to litigation disputes and sales of which are therefore restricted. (31 December 2024: RMB5,765,000).

Contingent liabilities

As at 30 June 2025, the Group issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to approximately RMB68.1 million as at 30 June 2025 (31 December 2024: RMB110.0 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 2025 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

On 18 July 2025, MCD entered into the SPA with Ms. Teresa Wong. Pursuant to the SPA, Ms. Teresa Wong has conditionally agreed to sell, and MCD has conditionally agreed to purchase, the ordinary shares, representing approximately 25.3% of the total issued share capital of Fortune Radiant as of the date of the SPA, at a total consideration of HK\$151,038,000 (equivalent to approximately RMB138,567,000), of which shall be satisfied by (i) payment of HK\$40.0 million (equivalent to approximately RMB36.7 million) in cash; and (ii) the transfer of all issued shares of Fortune Brilliant to Ms. Teresa Wong. In addition, on the same date, MCD entered into a subscription agreement with Ms. Teresa Wong and Fortune Radiant. Pursuant to such subscription agreement, MCD has conditionally agreed to subscribe for, and Fortune Radiant has conditionally agreed to allot and issue, ordinary shares representing approximately 16.7% of the enlarged issued share capital of Fortune Radiant upon completion of such transaction at subscription price of HK\$120,087,000 (equivalent to approximately RMB110,172,000). For the details, please refer to the announcement of the Company dated 18 July 2025.

On 4 August, 2025, the Board announced that KPMG has resigned as the auditor of the Company, with effect from 1 August 2025 (the “**Resignation**”), as the Company and KPMG could not reach a consensus on the audit fee for the financial year ending 31 December 2025. As a result of the Resignation, the Board appointed BDO Limited (“**BDO**”) as the Company's auditor, with effect from 4 August 2025 until the conclusion of the next annual general meeting of the Company.

HUMAN RESOURCES

Human resources and emolument policy

As at 30 June 2025, the Group had a total of 27 (31 December 2024: 45) full-time employees in the Chinese Mainland and Hong Kong. For the six months ended 30 June 2025, the total staff costs, including the Directors' emoluments, amounted to approximately RMB5.2 million (six months ended 30 June 2024: RMB12.4 million), of which approximately RMB0.6 million (six months ended 30 June 2024: RMB0.8 million) were capitalised into inventories.

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 2025 (six months ended 30 June 2024: Nil).

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, has purchased, sold or redeemed any of the Company's listed securities.

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 Corporate Governance Code and Corporate Governance Report ("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 2025.

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 2025.

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 2025.

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 2025.

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 2025 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 and executive Director

Hong Kong, 25 August 2025

As at the date of this announcement, the chairman and executive Director is Mr. Wong Ting Chung; the executive Directors are Mr. Lau Ka Keung and 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.