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五礦地產有限公司

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

UNAUDITED INTERIM RESULTS

The board of directors (the “Board”) of Minmetals Land Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022 together with the comparative figures of the corresponding period in 2021.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	Six months ended 30 June 2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
REVENUE	3	6,283,210	4,925,839
Cost of sales		(5,435,987)	(3,855,568)
Gross profit		847,223	1,070,271
Other income	4	52,642	46,596
Fair value changes on investment properties		(57,052)	(99,260)
Selling and marketing expenses		(166,055)	(155,215)
Administrative and other expenses		(453,140)	(209,646)
Impairment loss recognised under expected credit loss model, net		(7,269)	(8,809)
Finance income		87,029	41,049
Finance costs		(63,987)	(48,874)
Share of results of associates		(63,197)	(11,439)
Share of results of joint ventures		94,743	1,799
PROFIT BEFORE TAX		270,937	626,472
Income tax expense	5	(220,785)	(229,784)
PROFIT FOR THE PERIOD	6	50,152	396,688
Profit/(loss) for the period attributable to:			
Equity holders of the Company		90,293	61,406
Holders of perpetual capital instruments		46,990	104,252
Non-controlling interests		(87,131)	231,030
		50,152	396,688
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY, IN HK CENTS			
Basic	8	2.70	1.83
Diluted	8	2.70	1.83

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Six months ended 30 June 2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
PROFIT FOR THE PERIOD	50,152	396,688
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:		
Currency translation differences	(1,301,126)	335,016
Fair value gain on hedging instruments in cash flow hedges	44,252	12,247
Share of other comprehensive (expense)/income of associates	(143,248)	39,655
Share of other comprehensive (expense)/income of joint ventures	(12,161)	2,297
	(1,412,283)	389,215
Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:		
Fair value loss on financial assets at fair value through other comprehensive income	(80,769)	(223,556)
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD	(1,493,052)	165,659
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD	(1,442,900)	562,347
Total comprehensive (expense)/income for the period attributable to:		
Equity holders of the Company	(809,930)	96,864
Holders of perpetual capital instruments	(60,690)	131,699
Non-controlling interests	(572,280)	333,784
	(1,442,900)	562,347

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2022

	<i>Notes</i>	30 June 2022 <i>HK\$'000</i> (Unaudited)	31 December 2021 <i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		449,744	487,803
Investment properties		2,577,855	2,664,793
Interests in associates		3,099,561	3,306,006
Interests in joint ventures		308,983	227,863
Financial assets at fair value through other comprehensive income		503,002	555,433
Other receivables		6,795	9,813
Other financial assets		24,881	—
Deferred tax assets		679,258	871,999
Total non-current assets		7,650,079	8,123,710
CURRENT ASSETS			
Inventories	<i>9</i>	41,727,387	43,113,619
Prepayments, trade and other receivables	<i>10</i>	10,874,944	12,522,896
Prepaid income tax		855,220	876,091
Contract assets	<i>11</i>	279,141	286,253
Contract costs		199,055	217,454
Cash and bank deposits, restricted		1,088,604	1,077,095
Cash and bank deposits, unrestricted		8,517,582	10,956,126
Total current assets		63,541,933	69,049,534
Total assets		71,192,012	77,173,244
EQUITY			
Share capital		334,691	334,691
Reserves		8,808,902	9,685,770
Equity attributable to equity holders of the Company		9,143,593	10,020,461
Perpetual capital instruments		—	2,448,182
Non-controlling interests		10,395,009	10,649,268
Total equity		19,538,602	23,117,911
NON-CURRENT LIABILITIES			
Borrowings	<i>12</i>	16,160,398	14,469,201
Other financial liabilities		—	4,571
Deferred tax liabilities		331,102	370,398
Lease liabilities		16,800	16,390
Total non-current liabilities		16,508,300	14,860,560
CURRENT LIABILITIES			
Borrowings	<i>12</i>	8,142,186	6,547,465
Trade and other payables	<i>13</i>	13,304,361	15,339,599
Other financial liabilities		4,068	18,868
Contract liabilities		12,608,396	15,848,803
Deferred revenue		292,961	316,528
Lease liabilities		17,292	35,115
Taxation payable		775,846	1,088,395
Total current liabilities		35,145,110	39,194,773
Total liabilities		51,653,410	54,055,333
Total equity and liabilities		71,192,012	77,173,244
Net current assets		28,396,823	29,854,761
Total assets less current liabilities		36,046,902	37,978,471

NOTES:

1. GENERAL INFORMATION

Minmetals Land Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in real estate development, specialised construction, property investment and securities investment. The People’s Republic of China is the major market for the Group’s businesses.

The Company is a limited liability company incorporated in Bermuda. The Company is listed on The Stock Exchange of Hong Kong Limited. Its immediate holding company is June Glory International Limited (incorporated in the British Virgin Islands) and its ultimate holding company is China Minmetals Corporation (incorporated in Mainland China).

The interim condensed consolidated financial information has been approved for issue by the Board on 25 August 2022.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The interim condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The interim condensed consolidated financial information is presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated, which is also the functional currency of the Company.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

Amendments to HKFRS 3

Amendments to HKAS 16

Amendments to HKAS 37

Annual Improvements to HKFRSs 2018–2020

Reference to the Conceptual Framework

Property, Plant and Equipment: Proceeds before Intended Use

Onerous Contracts — Cost of Fulfilling a Contract

Amendments to HKFRS 1, HKFRS 9,
Illustrative Examples accompanying HKFRS 16,
and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. Since there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any significant impact on the Group's financial statements.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2022. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2022, the amendments did not have any significant impact on the Group's financial statements.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which the Group has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any significant impact on the Group's financial statements.

(d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- *HKFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. Since there was no modification of the Group's financial liabilities during the period, the amendment did not have any significant impact on the Group's financial statements.
- *HKFRS 16 Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	6,261,579	4,899,275
<i>Revenue from other sources</i>		
Rental and management fee income from investment properties	21,631	26,564
	6,283,210	4,925,839

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2022

Segments	Real estate development <i>HK\$'000</i> (Unaudited)	Specialised construction <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Types of goods or services			
Sales of properties	5,977,052	—	5,977,052
Specialised construction services	—	77,695	77,695
Management services	206,832	—	206,832
Total revenue from contracts with customers	<u>6,183,884</u>	<u>77,695</u>	<u>6,261,579</u>
Geographical markets			
Mainland China	6,181,946	—	6,181,946
Hong Kong	1,938	77,695	79,633
Total revenue from contracts with customers	<u>6,183,884</u>	<u>77,695</u>	<u>6,261,579</u>
Timing of revenue recognition			
Properties transferred at a point in time	5,977,052	—	5,977,052
Specialised construction services transferred over time	—	77,695	77,695
Management services transferred over time	206,832	—	206,832
Total revenue from contracts with customers	<u>6,183,884</u>	<u>77,695</u>	<u>6,261,579</u>

For the six months ended 30 June 2021

Segments	Real estate development <i>HK\$'000</i> (Unaudited)	Specialised construction <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Types of goods or services			
Sales of properties	4,607,671	—	4,607,671
Specialised construction services	—	115,695	115,695
Management services	175,909	—	175,909
Total revenue from contracts with customers	<u>4,783,580</u>	<u>115,695</u>	<u>4,899,275</u>
Geographical markets			
Mainland China	4,783,580	—	4,783,580
Hong Kong	—	115,695	115,695
Total revenue from contracts with customers	<u>4,783,580</u>	<u>115,695</u>	<u>4,899,275</u>
Timing of revenue recognition			
Properties transferred at a point in time	4,607,671	—	4,607,671
Specialised construction services transferred over time	—	115,695	115,695
Management services transferred over time	175,909	—	175,909
Total revenue from contracts with customers	<u>4,783,580</u>	<u>115,695</u>	<u>4,899,275</u>

The chief operating decision maker has been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors review the Group’s internal financial reports in order to assess performance and allocate resources. The Executive Directors have determined the operating segments based on these reports as follows:

Real estate development: Development and sales of residential and commercial properties

Specialised construction: Design, installation and selling of curtain walls and aluminum windows, doors and other materials

Property investment: Holding of properties to generate rental income and/or to gain from the appreciation in properties’ values in the long term

Securities investment: Investment of securities

Segment revenue and results

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>HKS'000</i>	<i>HKS'000</i>								
	(Unaudited)	(Unaudited)								
REVENUE										
Total segment revenue	6,183,884	4,783,580	77,695	115,695	24,568	30,436	—	—	6,286,147	4,929,711
Inter-segment revenue	—	—	—	—	(2,937)	(3,872)	—	—	(2,937)	(3,872)
Sales to external customers	6,183,884	4,783,580	77,695	115,695	21,631	26,564	—	—	6,283,210	4,925,839
RESULTS										
Segment results	316,280	685,478	(22,144)	4,206	9,208	(5,446)	28,337	32,264	331,681	716,502
Unallocated corporate expenses, net									(115,332)	(72,565)
									216,349	643,937
Finance income									87,029	41,049
Finance costs									(63,987)	(48,874)
Share of results of associates									(63,197)	(11,439)
Share of results of joint ventures									94,743	1,799
Profit before tax									270,937	626,472

Segment assets and liabilities

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets										
Segment assets	<u>62,461,687</u>	<u>67,125,762</u>	<u>325,828</u>	<u>376,585</u>	<u>2,091,948</u>	<u>2,099,569</u>	<u>503,002</u>	<u>555,433</u>	<u>65,382,465</u>	<u>70,157,349</u>
Unallocated corporate assets									<u>5,809,547</u>	<u>7,015,895</u>
Total assets									<u>71,192,012</u>	<u>77,173,244</u>
Liabilities										
Segment liabilities	<u>49,164,409</u>	<u>52,070,383</u>	<u>277,558</u>	<u>179,234</u>	<u>12,399</u>	<u>11,702</u>	<u>—</u>	<u>—</u>	<u>49,454,366</u>	<u>52,261,319</u>
Unallocated corporate liabilities									<u>2,199,044</u>	<u>1,794,014</u>
Total liabilities									<u>51,653,410</u>	<u>54,055,333</u>

4. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies	<u>9,987</u>	99
Dividend income	<u>28,339</u>	32,266
Management fee income from a fellow subsidiary	<u>1,453</u>	1,939
Others	<u>12,863</u>	<u>12,292</u>
	<u>52,642</u>	<u>46,596</u>

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2021: 16.5%) on the estimated assessable profits arising in Hong Kong. Under the two-tiered profits tax regime, the first HK\$2,000,000 (30 June 2021: HK\$2,000,000) of the profits of qualifying group entities established in Hong Kong have been taxed at 8.25%, and profits above that amount have been subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rate regime have been continued to be taxed at a rate of 16.5%.

The PRC enterprise income tax has been calculated on the estimated assessable profit derived in Mainland China for the period at the rate of 25% (30 June 2021: 25%).

Land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including costs of land and development and construction expenditures.

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
PRC enterprise income tax	(29,684)	705,629
PRC land appreciation tax	107,311	17,742
Hong Kong profits tax	82	—
	<u>77,709</u>	<u>723,371</u>
Deferred tax	<u>143,076</u>	<u>(493,587)</u>
	<u>220,785</u>	<u>229,784</u>

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging/(crediting):		
Cost of properties sold (i)	5,347,171	3,750,725
Cost of specialised construction	81,924	100,190
Depreciation	30,179	25,706
Direct operating expenses incurred for investment properties that generated rental income	6,892	4,653
Allowance/(reversal of allowance) for impairment of inventories	168,944	(12,951)
Net foreign exchange loss/(gain)	27,170	(4,200)
Employee benefit expense (including directors' emoluments) (ii)	<u>177,573</u>	<u>133,441</u>

- (i) Included in cost of properties sold were interest expenses of HK\$154,763,000 (30 June 2021 HK\$287,481,000).
- (ii) Employee benefit expense capitalised as properties under development was HK\$40,211,000 (30 June 2021: HK\$52,328,000).

7. DIVIDENDS

The directors of the Company (the “Directors”) do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (30 June 2021: Nil).

During the period, a final dividend and a special dividend of each of HK1.0 cent per ordinary share in respect of the year ended 31 December 2021 (30 June 2021: a final dividend and a special dividend of each of HK1.0 cent per ordinary share in respect of the year ended 31 December 2020) was declared to the shareholders of the Company. The aggregate amount of the final and special dividend declared and payable to shareholders as at 30 June 2022 amounted to HK\$66,938,000 (final and special dividend declared and payable as at 30 June 2021: HK\$66,938,000), which was subsequently paid on 8 July 2022.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the period.

Since there were no dilutive potential ordinary shares during the periods ended 30 June 2022 and 2021, the diluted earnings per share is equal to basic earnings per share.

9. INVENTORIES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Properties under development		
— located in Mainland China	26,188,248	25,339,100
— located in Hong Kong	6,349,752	6,078,169
	32,538,000	31,417,269
Properties held for sale		
— located in Mainland China	9,189,387	11,696,350
	41,727,387	43,113,619

As at 30 June 2022, inventories with carrying amounts of HK\$11,121,728,000 (31 December 2021: HK\$6,471,763,000) have been pledged as collateral for bank borrowings.

10. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

The following is an aging analysis of trade receivables at the end of the reporting period based on the due date for rental receivables, date of properties delivered to purchasers and billing date of construction services certified:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Within 90 days	59,738	109,665
91 to 180 days	14,628	3,006
181 days to 1 year	33,160	7,532
1 year to 2 years	1,629	22,020
Over 2 years	<u>51,482</u>	<u>43,048</u>
	160,637	185,271
Less: Allowance for impairment	<u>(43,435)</u>	<u>(45,539)</u>
	<u><u>117,202</u></u>	<u><u>139,732</u></u>

11. CONTRACT ASSETS

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Construction services	227,228	240,503
Retention receivables	<u>51,913</u>	<u>45,750</u>
	<u><u>279,141</u></u>	<u><u>286,253</u></u>

12. BORROWINGS

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Non-current		
Bank borrowings, secured	4,397,095	3,204,312
Bank borrowings, unsecured	7,981,856	7,961,774
Guaranteed bonds, unsecured	2,346,876	3,303,115
Loans from non-controlling shareholders of subsidiaries, unsecured	<u>1,434,571</u>	<u>—</u>
	<u>16,160,398</u>	<u>14,469,201</u>
Current		
Bank borrowings, unsecured	6,781,905	6,547,465
Guaranteed bonds, unsecured	979,166	—
Loans from non-controlling shareholders of subsidiaries, unsecured	<u>381,115</u>	<u>—</u>
	<u>8,142,186</u>	<u>6,547,465</u>
	<u><u>24,302,584</u></u>	<u><u>21,016,666</u></u>

13. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade, bills and contract payables of the Group based on invoice date at the end of the reporting period:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Within 90 days	480,893	1,503,667
91 to 180 days	429,251	388,955
181 days to 1 year	913,393	974,484
1 year to 2 years	178,156	98,687
Over 2 years	<u>174,121</u>	<u>223,034</u>
	<u><u>2,175,814</u></u>	<u><u>3,188,827</u></u>

14. CAPITAL COMMITMENTS

	30 June 2022 <i>HK\$'000</i> (Unaudited)	31 December 2021 <i>HK\$'000</i> (Audited)
Contracted but not provided for		
— Expenditure in respect of acquisition of land use rights	<u>—</u>	<u>713,583</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

In the first half of 2022, given the sluggish macroeconomic development in China, the real estate market has been hit by market downturn and the impact of the pandemic, with declining sales of commercial houses and restructuring in the industry development model. The Group responded to the changing industry landscape with robust operation, transforming into an “urban operator”, maintaining enhancement on its operational efficiency and adhering to the strategy of high-quality development. During the period, the Group’s revenue increased by 27.5% to HK\$6,283 million, and profit attributable to equity holders increased by 47.5% to HK\$90 million from the corresponding period last year. The Group has maintained a solid financial position with sound liquidity and stayed in the green camp of the “three red lines”.

Market Review

In the first half of 2022, the national real estate market experienced unprecedented challenges with declining supply and demand, coupled with the gross domestic product grew 2.5% from a year earlier which came in below expectations. Due to the slowdown in China’s overall economic growth and the resurgence of the pandemic across the country, the economic and employment environment was gloomy. With a strong wait-and-see attitude among homebuyers and the lack of momentum in property transactions, shrinking sales scale has become a common phenomenon among real estate enterprises. According to figures released by the National Bureau of Statistics, the sale of national commercial houses from January to June 2022 recorded a year-on-year decrease of 28.9% to RMB6,607.2 billion, whilst the saleable area of commercial houses was 689.23 million square meters, representing a year-on-year decrease of 22.2%. On the supply side, the real estate industry has entered a downward cycle. Many private real estate enterprises have defaulted on their debt payments, and real estate enterprises have reduced appetite for land acquisitions. According to figures released by the National Bureau of Statistics, the investment in national real estate development from January to June 2022 recorded a year-on-year decrease of 5.4% to RMB6,831.4 billion, and the housing construction area of real estate development enterprises was 8,488.12 million square meters, representing a year-on-year decrease of 2.8%.

Business Development

(1) Real Estate Development

Contracted Sales

During the period, the real estate industry in the PRC was still undergoing a sharp adjustment, the market did not rebound as expected, property sales in some regions have been affected to a certain extent amid the resurgence of the pandemic, resulting in a decline in the Company's contracted sales in the first half of 2022.

The contracted sales of the Company together with its subsidiaries, joint ventures and associates for the first half of 2022 decreased by 47.3% to RMB6.59 billion compared with the corresponding period last year (30 June 2021: RMB12.50 billion) whilst the gross floor area ("GFA") contracted for sale decreased by 57.2% to 244,000 square meters (30 June 2021: 570,000 square meters) compared with the corresponding period last year. The contracted sales were mainly derived from the real estate development projects in Tier 1 and core Tier 2 cities.

The contracted sales breakdown was listed as below:

Location	For the six months ended 30 June			
	2022	2021	2022	2021
	Contracted amount (RMB million)	Contracted GFA (sq.m.)	Contracted amount (RMB million)	Contracted GFA (sq.m.)
Pan Bohai Rim	1,490	60,000	1,680	98,606
Yangtze River Delta	2,350	44,000	3,570	123,496
Central China Region	610	61,000	1,810	174,839
Chengdu-Chongqing Region	220	25,000	1,260	64,867
Pearl River Delta (including Hong Kong)	1,920	54,000	4,180	108,192
Total	6,590	244,000	12,500	570,000

Revenue

During the period, the revenue from the real estate development business rose 29.3% to HK\$6,184 million (30 June 2021: HK\$4,783 million) from the corresponding period last year due to the increase in areas delivered as compared to the corresponding period last year. The revenue was mainly derived from the real estate development projects in Central China Region and Chengdu-Chongqing Region. The gross profit margin of the real estate development business dropped by 8.1 percentage points to 13.5% (30 June 2021: 21.6%) from the corresponding period last year, mainly due to a higher proportion of real estate development projects with lower gross profit margin recognised during the period.

(2) *Specialised Construction*

The Group is engaged in the business of specialised construction mainly comprising the services of design, production and installation of curtain walls in the Hong Kong market via Minmetals Condo (Hong Kong) Engineering Company (“Condo Hong Kong”). During the period, Condo Hong Kong has adopted a relatively conservative bidding strategy to control risk, focusing on the existing projects and thus a lower contracted value of the projects on hand. As at 30 June 2022, Condo Hong Kong’s contracted value of projects on hand was HK\$664 million (30 June 2021: HK\$793 million).

The revenue from specialised construction business decreased by 32.8% to HK\$78 million (30 June 2021: HK\$116 million) as compared to the corresponding period last year, mainly due to fewer projects under construction and project slippages as a result of the ongoing pandemic during the period. The specialised construction business saw a turn from profit to loss was mainly due to the increase in costs of certain projects during the settlement process.

(3) *Property Investment*

The Group’s property investment business primarily comprises two commercial office buildings in Hong Kong, namely China Minmetals Tower in Tsimshatsui and LKF 29 in Central. As at 30 June 2022, LKF 29 recorded a relatively satisfactory occupancy rate of 91.8% (30 June 2021: 74.0%), but the newly signed rentals declined due to the economic slowdown in Hong Kong. The vacancy rate of China Minmetals Tower, which has a relatively high proportion of retail and restaurant tenants, increased with an occupancy rate of only 63.2% (30 June 2021: 80.3%). The occupancy rate and rental levels of the property investment business were affected by the COVID-19 pandemic, leading its revenue decreased by 22.2% to HK\$21 million (30 June 2021: HK\$27 million) as compared to the corresponding period last year. The gross profit margin decreased by 14.4 percentage points to 68.1% (30 June 2021: 82.5%) as compared to the corresponding period last year, mainly due to the decrease in rental income and the increase in operating costs as a result of building repair and maintenance during the period.

Land Bank

As at 30 June 2022, the Group has 42 real estate development projects in 17 cities, namely Beijing, Yingkou, Langfang, Tianjin, Nanjing, Changsha, Xiangtan, Taian, Xining, Wuhan, Chengdu, Huizhou, Foshan, Guangzhou, Shenzhen, Suzhou and Hong Kong, with a total developable GFA (“Land Bank”) of 8,393,000 square meters.

As at 30 June 2022, the composition of the Group’s Land Bank was listed as below:

City tier	Land Bank (’000 sq.m.)	Percentage share of Land Bank
First tier cities ¹	2,854	34%
Second tier cities ²	3,011	36%
Third tier cities ³	2,528	30%
Total	8,393	100%

Notes:

1. First tier cities include Beijing, Tianjin, Guangzhou, Shenzhen and Hong Kong.
2. Second tier cities include Chengdu, Changsha, Wuhan, Nanjing, Foshan and Suzhou.
3. Third tier cities include Yingkou, Langfang, Huizhou, Xiangtan, Xining and Taian.

Location	Land Bank (’000 sq.m.)	Percentage share of Land Bank
Pan Bohai Rim	2,831	34%
Yangtze River Delta	369	4%
Central China Region	2,006	24%
Chengdu-Chongqing Region	1,420	17%
Pearl River Delta (including Hong Kong)	1,767	21%
Total	8,393	100%

Industry-City Business

Dayi Project

The West-Lake Future City, located in the eastern part of Dayi County, Chengdu, is the closest part of Dayi County to the city centre of Chengdu with great ecological landscape. 829 mu of land has been acquired for the project and planned to cover sports centre, science and innovation exhibition centre, cultural centre, yacht club, etc., with an objective to build an integrated complex of culture, sports, commerce and tourism to meet various needs and pleasures of life, creating an ideal waterpark. During the period, the project's landscape construction, urban infrastructure, and ancillary operational planning work progressed in an orderly manner.

Xindu Project

The project is located in Shibantan, Xindu District, Chengdu, where is the core area under the key development of the modern transportation industry functional area of Xindu. The Group collaborated with Chengdu City Municipality to establish two leading industrial ecosystems of rail transportation and aviation in the area, and commenced multi-faceted and multi-fields in-depth cooperation in the areas of community facilities, service facilities, basic facilities in the region, etc. During the period, the conceptual planning of the urban area, the investment operation, and the construction work progressed in an orderly manner.

Nan'an Project

The project is located in Yingdu, Nan'an, Fujian. It takes valve business as the leading industry, and actively introduces comprehensive industrial supporting facilities around the core industry to build a multi-functional industrial space that integrating production, research and development, storage, exhibition, inspection and testing services, etc., satisfying different needs of quality corporates and growing enterprises focusing on attracting leading valve manufacturers and high-quality growing valve supporting enterprises to move in the park, and striving to build a valve industry ecosystem. In August 2022, the Group acquired a prime industrial land at the reserve price, which marked a significant achievement for the Group's transformation into an "urban operator", as well as set a solid foundation for the Group's strategic deployment of industry-city business in Fujian.

Awards and Honours

Changsha Minmetals Plaza Project was awarded WELL Gold Pre-certification and Complemented by International Hotel Brand

Changsha Minmetals Plaza project has been accredited by International WELL Building Institute (IWBI) and officially awarded the WELL Pre-certification with an assessment result of Gold Standard. This is the second time that Changsha Minmetals Plaza has obtained rating certification from an authoritative organisation, following the LEED Gold Pre-certification. Changsha Minmetals Plaza is also equipped with an international hotel brand, introducing the first Hyatt Centric Hotel in Central China and creating a high-end business lounge by the Xiangjiang River in Changsha to meet the business and leisure needs in an all-round way.

“Aesthetics Experience Centre” of Guangzhou River Skyline Project Won TITAN Property Awards

In the first half of 2022, the “Aesthetics Experience Centre” of the sales centre of the Guangzhou River Skyline project won the Platinum Cultural Award, the highest honour of 2022 TITAN Property Awards in the United States. TITAN Property Awards is one of the global competitions under the American International Awards Associate (IAA), which aims to recognise the highest achievements in the real estate industry. The sales centre of this project won the sole Platinum Cultural Award in the 2022 TITAN Property Awards, highly reflecting the consistency between the high-quality principle of the Group and the international principle of the industry and representing the strong ability of the Group to respect and integrate regional cultures in its product development.

COVID-19 Outbreak and Effects on the Group’s Business

Despite the resurgence of the pandemic in Mainland China, the general situation was under control and the Group’s overall operation remained normal. During the period, the Group advanced its real estate development projects as planned. However, the impact of COVID-19 pandemic on consumption and investment sentiment remained, resulting in lower rental levels and occupancy rates for the Group’s investment properties. In general, the COVID-19 pandemic did not bring a significant negative impact on the Group’s business.

Entrusted Asset Management

During the period, the Group recorded a management service income of RMB1.20 million under the entrusted management service agreement, of which China Minmetals Corporation entrusted the Company with the management of its non-listed assets within its real estate development segment, including real estate development projects in Beijing, Tianjin, Shenyang, Liaoning, Jiangsu, Hunan and Guangdong.

Outlook

Looking forward to the second half of the year, the PRC Government will continue to adhere to its principle that “houses are for living in, not for speculation” and a series of regulation policies for the real estate industry will persist. The increasingly grim and complex international situation and the impact of the pandemic will be the important issues facing the economies, significantly increasing the downward pressure on Mainland China’s macro economy. In the current downturn of the real estate industry, many real estate enterprises have faced liquidity crunch. It is expected that the pressure on real estate enterprises’ liquidity will continue in the second half of the year and consumers will become more cautious in their demand and confidence in the future real estate market. China’s real estate industry continues to go through adjustment and real estate enterprises will face unprecedented challenges.

In order to proactively respond to the downward market trend, the Group will firmly uphold its principle of high-quality development, and seek progress while maintaining stability with a pragmatic approach to accelerate its transformation and upgrade to an “urban operator”. At the same time, the Group will strive to cope with the changing industry landscape with the robust operation and avoid operational risks. In addition, the Group will continue to innovate marketing initiatives, vigorously promote inventory destocking, strengthen the ability of cash collection for sales, optimise debt structure and reduce finance costs in order to maintain a healthy financial position.

FINANCIAL REVIEW

Revenue

The Group’s revenue was primarily derived from three business segments, namely real estate development, specialised construction and property investment. The Group’s consolidated revenue for the first half of 2022 rose 27.5% to HK\$6,283 million as compared to HK\$4,926 million from the corresponding period last year.

The Group’s consolidated revenue breakdown was listed as below:

	For the six months ended 30 June				
	2022		2021		Year-on-year change
	HK\$ million	Percentage share of revenue	HK\$ million	Percentage share of revenue	
Real estate development	6,184	98.4%	4,783	97.1%	29.3%
Specialised construction	78	1.2%	116	2.4%	–32.8%
Property investment	21	0.4%	27	0.5%	–22.2%
Total	6,283	100%	4,926	100%	27.5%

The Group's revenue from real estate development business increased by 29.3% to HK\$6,184 million (30 June 2021: HK\$4,783 million) as compared to the corresponding period last year, and accounted for 98.4% of the Group's consolidated revenue. The increase in revenue from real estate development business was primarily due to the increase in the properties delivered by the Group during the period, mainly in real estate development projects in the Central China region and the Chengdu-Chongqing region.

Revenue from specialised construction business decreased by 32.8% to HK\$78 million (30 June 2021: HK\$116 million) as compared to the corresponding period last year, and accounted for 1.2% of the Group's consolidated revenue. The decrease in revenue from specialised construction business was primarily due to a decline in the projects under construction during the period and project slippages caused by the ongoing pandemic.

Revenue from property investment business decreased by 22.2% to HK\$21 million (30 June 2021: HK\$27 million) as compared to the corresponding period last year, and accounted for 0.4% of the Group's consolidated revenue. Revenue from property investment business was mainly generated from two commercial buildings in Hong Kong, and the decrease in revenue was primarily due to the impact of COVID-19 pandemic and the economic slowdown in Hong Kong, resulting in the rising vacancy rate of China Minmetals Tower, as well as a decrease in overall newly signed rentals.

The Group's overall gross profit margin decreased to 13.5% from 21.7% of the corresponding period last year, mainly due to the products with lower gross margins recognised in real estate development business and the loss in specialised construction business during the period.

Fair value changes on investment properties

The Group's fair value loss on investment properties for the period decreased by 42.4% to HK\$57 million (30 June 2021: HK\$99 million) as compared to the corresponding period last year. During the period, fair value loss was mainly attributable to the loss of HK\$52 million from Taian project.

Selling and marketing expenses

The Group's selling and marketing expenses increased by 7.1% to HK\$166 million (30 June 2021: HK\$155 million) as compared to the corresponding period last year, mainly due to the increase in sales commission as a result of the increasing recognised revenue from real estate development business during the period.

Administrative and other expenses

The Group's administrative and other expenses increased by 115.7% to HK\$453 million (30 June 2021: HK\$210 million) as compared to the corresponding period last year, mainly due to the provision for impairment of inventories and exchange loss recorded during the period. Excluding the above-mentioned provision for impairment of inventories and exchange loss, the Group's administrative and other expenses amounted to HK\$257 million, representing an increase of 13.3% from the corresponding period last year.

Finance costs

The Group's finance costs charged to the profit or loss recorded an increase of 30.6% to HK\$64 million (30 June 2021: HK\$49 million) as compared to the corresponding period last year, mainly due to the increase in borrowings during the period.

Share of results of associates

The Group's share of loss of associates increased by 4.7 times to HK\$63 million (30 June 2021: HK\$11 million) as compared to the corresponding period last year, mainly due to the loss recorded by an associate in Changsha, China for impairment of inventories during the period.

Share of results of joint ventures

The Group's share of profit of joint ventures increased by 51.8 times to HK\$95 million (30 June 2021: HK\$1.799 million) as compared to the corresponding period last year. The share of profit for the period was mainly attributable to a joint venture project in the Yangtze River Delta region.

Profit and Core Profit Attributable to Equity Holders of the Company

In view of the above, the Group's net profit decreased by 87.4% to HK\$50 million (30 June 2021: HK\$397 million) as compared to the corresponding period last year. As the revenue recognised during the period were mainly from the projects wholly owned by the Group, the profit attributable to equity holders of the Company rose by 47.5% to HK\$90 million from HK\$61 million for the corresponding period last year. Basic earnings per share was HK2.70 cents, up 47.5% from the corresponding period last year (30 June 2021: HK1.83 cents). The core profit attributable to equity holders of the Company⁴ was HK\$351 million, representing a 1.3-fold increase year-on-year.

Note:

⁴ "Core profit attributable to equity holders of the Company" excludes allowance/reversal for impairment of inventories, exchange loss/gain, fair value changes of investment properties and allowance for impairment of receivables.

Financial Position

As at 30 June 2022, the Group's total assets decreased by 7.8% to HK\$71,192 million (31 December 2021: HK\$77,173 million), which was attributable primarily to the decrease of inventories as the Group took the initiative to adjust the construction schedules during the period. In addition, the collection of sales proceeds during the period was lower than expected, leading to the decrease in cash. The Group's net assets decreased by 15.5% to HK\$19,539 million (31 December 2021: HK\$23,118 million). The decrease in net assets was mainly attributable to the repayments of perpetual capital instruments of HK\$2,448 million during the period and the decrease in exchange reserve due to Renminbi depreciation.

The contract liabilities, which mainly represent contracted sales carried forward that will subsequently be recognised as the Group's revenue when presold properties are completed and delivered to buyers. During the period, the Group's contract liabilities decreased by 20.4% to HK\$12,608 million (31 December 2021: HK\$15,849 million), which was mainly due to the Group's higher revenue recognised during the period as compared to the collection of new sales proceeds generated from contracted sales.

The financial position of the Group remained healthy, and the "three red lines" remained green. During the period, the Group's gearing ratio (total liabilities to total assets) was 72.6% (31 December 2021: 70.0%). The rise of 2.6 percentage points in gearing ratio was mainly due to the repayments for perpetual capital instruments of HK\$2,448 million during the period and decrease in exchange reserve. The gearing ratio, net of contract liabilities and deferred revenue, was 66.5% (31 December 2021: 62.1%). Net gearing ratio (net debt to total equity) was 75.2% (31 December 2021: 38.9%).

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group's working capital was mainly derived from cash flows generated from business operations and borrowings.

In terms of offshore financing, the Group entered into a HK\$3.5 billion 4-year club loan agreement with 12 banks in June 2022, the proceeds of which was used to refinance the existing borrowings. In terms of onshore financing, the Group secured several construction loans. The Group will continue to give full play to its competitive advantage as a listed flagship in Hong Kong, adhere to prudent financial management principles and maintain a sound financial position by enhancing cash flow and liquidity.

Total borrowings of the Group stood at HK\$24,303 million (31 December 2021: HK\$21,017 million) as at 30 June 2022, which mainly comprised borrowings from banks and bond issuance. The increase in total borrowings was mainly due to loans from non-controlling shareholders of real estate projects and construction loans. The Group's weighted average borrowing costs remained at a relatively low level of 3.6%.

The maturity profile of the Group's borrowings was as follows:

	30 June 2022		31 December 2021	
	HK\$ million	Percentage share of borrowings	HK\$ million	Percentage share of borrowings
Within one year	8,142	33.5%	6,547	31.2%
In the second year	9,614	39.6%	4,179	19.9%
In the third to fifth year	5,797	23.9%	9,395	44.7%
More than five years	750	3.0%	896	4.2%
Total	24,303	100%	21,017	100%

The currency profile of the Group's borrowings was as follows:

	30 June 2022		31 December 2021	
	HK\$ million	Percentage share of borrowings	HK\$ million	Percentage share of borrowings
Renminbi	5,284	21.7%	2,227	10.6%
Hong Kong Dollar	15,693	64.6%	15,487	73.7%
United States Dollar	3,326	13.7%	3,303	15.7%
Total	24,303	100%	21,017	100%

During the period, the finance cost charged to the profit or loss amounted to HK\$64 million (30 June 2021: HK\$49 million) after capitalisation of HK\$339 million (30 June 2021: HK\$339 million) into properties under development.

As at 30 June 2022, the Group had cash and bank deposits (excluding restricted cash and bank deposits) of HK\$8,518 million (31 December 2021: HK\$10,956 million), of which 96.6%, 3.0%, 0.4% and 0% (31 December 2021: 97.5%, 2.1%, 0.3% and 0.1%) were denominated in Renminbi, Hong Kong dollar, United States dollar and Macau Pataca respectively. The unutilised banking facilities of the Group as at 30 June 2022 amounted to HK\$6,311 million (31 December 2021: HK\$4,360 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND INTEREST RATES

Exchange Rate Risk

The Group's principal business is located in Mainland China where the external financing is denominated in Hong Kong dollar and revenue is denominated in Renminbi primarily. The Group is exposed to exchange rate risk in transactions that are denominated in a currency other than Hong Kong dollar, the reporting and functional currency of the Company. The Group has been closely monitoring the fluctuation in Renminbi exchange rate and has considered necessary measures to minimise the impact arising from adverse currency fluctuation including adjustment to the proportion of borrowings in foreign currencies and utilisation of foreign exchange hedging instruments such as forward foreign exchange contracts or capped forward contracts.

Interest Rate Risk

The Group is also exposed to interest rate risk resulting from fluctuation in interest rates. Most of the borrowings of the Group was on a floating rate basis and therefore, an increase in interest rate would raise the Group's finance cost. In order to mitigate the interest rate risk, the Group entered into interest rate swap contracts in which the Group would receive interest of one-month HIBOR and pay monthly interest at a fixed rate based on the notional amount of HK\$2.0 billion. As at 30 June 2022, 29.4% (31 December 2021: 25.2%) of the Group's borrowings was on a fixed rate basis with the remainder on a floating rate basis.

As at 30 June 2022, save as disclosed above, the Group did not possess any kind of financial instruments for hedging or speculative purposes.

CHARGES ON ASSETS

As at 30 June 2022, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and these pledged assets of the Group included:

- i. inventories with carrying amounts of HK\$11,122 million (31 December 2021: HK\$6,472 million); and
- ii. 100% equity interest in a subsidiary.

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2022, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK\$10,110 million (31 December 2021: HK\$11,189 million). Such guarantees will terminate upon the earlier of (i) the issuance of the property ownership certificate which will generally be available within one year after the purchasers take the possession of the relevant properties; or (ii) the repayment of mortgage loans by the purchasers. After taking into account the net realisable value of the related properties and the low default rate, the Directors consider that the fair value of the financial guarantee contracts at initial recognition and subsequently at the end of each reporting period is not significant.

EMPLOYEES

The total number of staff of the Group, including the Directors, decreased 2.6% to 1,180 (30 June 2021: 1,211) as at 30 June 2022. The Group will continue to adopt a remuneration policy in line with local market practice and standards. The total remuneration and benefits for the Directors and staff of the Group for the six months ended 30 June 2022 were HK\$218 million (30 June 2021: HK\$186 million).

CORPORATE GOVERNANCE

Corporate Governance Code

In the opinion of the Directors, throughout the six months ended 30 June 2022, the Company has complied with the code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules, except for the following deviation:

1. As a variation from code provision C.2.1 of the CG Code, Mr. He Jianbo, an Executive Director, serves as the Chairman of the Board. He is responsible for the overall strategic direction of the Group and management of the Board as well as organising the management of the Company for strategic planning and business operations thereby enabling more effective execution of long-term strategies. It is believed that the balance of power and authority is adequately ensured as major decisions have been made in consultation with the Board which comprises three Independent Non-executive Directors and two Non-executive Directors offering their experience, expertise, independent advice and views from different perspective.
2. Every Director, including those appointed for a specific term, are subject to retirement by rotation in the manner as set out in code provision B.2.2 of the CG Code save for the Chairman of the Board and the Managing Director of the Company where they are not required to do so pursuant to the Private Company Act 1981 of Bermuda by which the Company was incorporated.

3. The chairman of the board should attend the annual general meeting as set out in code provision F.2.2 of the CG Code. However, Mr. He Jianbo, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 26 May 2022 due to other work commitment. Mr. Liu Bo, the General Manager of the Company and the Executive Director, chaired the meeting on behalf of the Chairman of the Board and was available to answer questions.

Code for Securities Transactions by Directors

The Company has established a set of guidelines as its own “Rules and Procedures for Directors and Relevant Employees of the Company in respect of Dealings in Securities of the Company” (the “Rules for Securities Transactions”) on terms no less exacting than those contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Having made specific enquiries of all the Directors, they had confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2022.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2022, which have also been reviewed by the Company’s independent auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2022.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises nine Directors, namely Mr. He Jianbo as the Chairman and an Executive Director, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping as Executive Directors, Ms. He Xiaoli and Mr. Huang Guoping as Non-executive Directors, and Mr. Lam Chung Lun, Billy, Ms. Law Fan Chiu Fun, Fanny and Professor Wang Xiuli as Independent Non-executive Directors.

By order of the Board
Minmetals Land Limited
He Jianbo
Chairman

Hong Kong, 25 August 2022

website: www.minmetalsland.com