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五礦地產  
MINMETALS LAND

中國五礦

五礦地產有限公司  
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED  
31 DECEMBER 2023

FINANCIAL RESULTS

The board of directors (“Directors”) of Minmetals Land Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023, together with the comparative figures in 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
<b>REVENUE</b>	4	12,630,739	10,064,529
Cost of sales		(10,458,171)	(9,011,215)
<b>Gross profit</b>		2,172,568	1,053,314
Other income	5	103,892	126,839
Fair value changes on investment properties		(2,284)	(68,814)
Selling and marketing expenses		(416,249)	(394,500)
Administrative and other expenses		(588,659)	(582,408)
Allowance for impairment of inventories		(503,034)	(550,403)
Impairment losses (recognised)/reversed under expected credit loss model, net		(173,661)	1,145
Finance income		184,386	178,863
Finance costs		(477,416)	(138,144)
Share of results of associates		(209,869)	(786,422)
Share of results of joint ventures		33,889	137,773
<b>PROFIT/(LOSS) BEFORE TAX</b>	6	123,563	(1,022,757)
Income tax expense	7	(649,249)	(337,467)
<b>LOSS FOR THE YEAR</b>		(525,686)	(1,360,224)
<b>(Loss)/profit for the year attributable to:</b>			
Equity holders of the Company		(1,015,518)	(1,362,468)
Holders of perpetual capital instruments		—	45,197
Non-controlling interests		489,832	(42,953)
		(525,686)	(1,360,224)
<b>LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY, IN HK CENTS</b>			
Basic	9	(30.34)	(40.71)
Diluted	9	(30.34)	(40.71)

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 December 2023*

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>LOSS FOR THE YEAR</b>	<u>(525,686)</u>	<u>(1,360,224)</u>
<b>OTHER COMPREHENSIVE EXPENSE</b>		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:		
Currency translation differences	(366,903)	(2,521,773)
Fair value (loss)/gain on hedging instruments in cash flow hedges	(28,861)	54,709
Share of other comprehensive expense of associates	(30,840)	(249,951)
Share of other comprehensive expense of joint ventures	<u>(4,347)</u>	<u>(23,784)</u>
	<u>(430,951)</u>	<u>(2,740,799)</u>
Other comprehensive (expense)/income that will not be reclassified to profit or loss in subsequent periods:		
Gain on revaluation of owner-occupied properties upon transfer to investment properties	—	2,726
Fair value loss on financial assets at fair value through other comprehensive income	<u>(222,309)</u>	<u>(182,343)</u>
	<u>(222,309)</u>	<u>(179,617)</u>
<b>OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX</b>	<u>(653,260)</u>	<u>(2,920,416)</u>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>	<u>(1,178,946)</u>	<u>(4,280,640)</u>
<b>Total comprehensive (expense)/income for the year attributable to:</b>		
Equity holders of the Company	(1,532,460)	(3,133,994)
Holders of perpetual capital instruments	—	(162,576)
Non-controlling interests	<u>353,514</u>	<u>(984,070)</u>
	<u>(1,178,946)</u>	<u>(4,280,640)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		677,511	662,273
Investment properties		2,806,263	2,774,432
Interests in associates		2,028,924	2,269,633
Interests in joint ventures		333,897	341,852
Financial assets at fair value through other comprehensive income		179,119	401,428
Other financial assets		—	31,270
Other receivables		7,775	9,039
Deferred tax assets		458,949	754,807
		<hr/>	<hr/>
Total non-current assets		6,492,438	7,244,734
<b>CURRENT ASSETS</b>			
Inventories		33,601,789	39,506,138
Prepayments, trade and other receivables	10	8,821,507	11,009,807
Prepaid income tax		729,270	818,011
Contract assets		191,082	144,360
Contract costs		222,274	238,300
Other financial assets		2,409	—
Cash and bank deposits, restricted		103,640	724,314
Cash and bank deposits, unrestricted		3,410,744	7,701,361
		<hr/>	<hr/>
Total current assets		47,082,715	60,142,291
		<hr/>	<hr/>
<b>Total assets</b>		<b>53,575,153</b>	<b>67,387,025</b>
<b>EQUITY</b>			
Share capital		334,691	334,691
Reserves	11	4,952,378	6,484,838
		<hr/>	<hr/>
<b>Equity attributable to equity holders of the Company</b>		<b>5,287,069</b>	<b>6,819,529</b>
<b>Non-controlling interests</b>		<b>9,060,576</b>	<b>9,992,569</b>
		<hr/>	<hr/>
<b>Total equity</b>		<b>14,347,645</b>	<b>16,812,098</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		8,093,545	17,176,328
Other payables	12	229,080	250,256
Deferred tax liabilities		204,910	316,495
Lease liabilities		2,707	10,021
		<hr/>	<hr/>
Total non-current liabilities		8,530,242	17,753,100
<b>CURRENT LIABILITIES</b>			
Borrowings		15,223,126	7,132,439
Trade and other payables	12	9,114,886	13,581,206
Contract liabilities		5,706,814	11,415,551
Lease liabilities		3,720	18,893
Taxation payable		648,720	673,738
		<hr/>	<hr/>
Total current liabilities		30,697,266	32,821,827
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>39,227,508</b>	<b>50,574,927</b>
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>53,575,153</b>	<b>67,387,025</b>
		<hr/>	<hr/>
<b>Net current assets</b>		<b>16,385,449</b>	<b>27,320,464</b>
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>22,877,887</b>	<b>34,565,198</b>
		<hr/>	<hr/>

## NOTES

31 December 2023

### 1. CORPORATE AND GROUP INFORMATION

Minmetals Land Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in real estate development, specialised construction and property 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 (the “Stock Exchange”). Its immediate holding company is June Glory International Limited (incorporated in the British Virgin Islands) and its ultimate holding company is China Minmetals Corporation (“China Minmetals”) (incorporated in Mainland China).

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, these financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and equity investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$” or “HK dollar(s)”) which is also the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time in the current year’s financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no significant impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has not yet applied the temporary exception during the current year because the entities comprising the Group are operating in jurisdictions in which the Pillar Two tax law has not yet been enacted or substantively enacted. The amendments are not expected to have any significant impact on the Group's financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early adopted the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to adopt these revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> <sup>1</sup>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> <sup>1, 4</sup>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> <sup>1, 4</sup>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i> <sup>1</sup>
Amendments to HKAS 21	<i>Lack of Exchangeability</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> No mandatory effective date yet determined but available for adoption

<sup>4</sup> As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

### **3. OPERATING SEGMENT INFORMATION**

The chief operating decision maker has been identified as 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

No operating segments identified by the executive directors have been aggregated in arriving at the reportable segments of the Group.

### Segment revenue and results

	Real estate development		Specialised construction		Property investment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue								
Total segment revenue	<b>12,307,637</b>	9,874,962	<b>271,906</b>	147,538	<b>55,541</b>	48,286	<b>12,635,084</b>	10,070,786
Inter-segment revenue	—	—	—	—	<b>(4,345)</b>	(6,257)	<b>(4,345)</b>	(6,257)
Sales to external customers	<b>12,307,637</b>	9,874,962	<b>271,906</b>	147,538	<b>51,196</b>	42,029	<b>12,630,739</b>	10,064,529
Results								
Segment results	<b>864,377</b>	(76,840)	<b>(28,145)</b>	(174,427)	<b>(3,627)</b>	10,691	<b>832,605</b>	(240,576)
Unallocated corporate expenses, net							<b>(240,032)</b>	(174,251)
							<b>592,573</b>	(414,827)
Finance income							<b>184,386</b>	178,863
Finance costs							<b>(477,416)</b>	(138,144)
Share of results of associates							<b>(209,869)</b>	(786,422)
Share of results of joint ventures							<b>33,889</b>	137,773
Profit/(loss) before tax							<b>123,563</b>	(1,022,757)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) before tax without allocation of unallocated corporate income and expenses, finance income, finance costs and share of results of associates and joint ventures.

Inter-segment revenue is charged at prevailing market rates.

## Segment assets and liabilities

	Real estate development		Specialised construction		Property investment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets								
Segment assets	<u>49,149,888</u>	<u>58,273,797</u>	<u>228,500</u>	<u>190,449</u>	<u>2,053,128</u>	<u>2,084,007</u>	<u>51,431,516</u>	<u>60,548,253</u>
Unallocated corporate assets							<u>2,143,637</u>	<u>6,838,772</u>
Total assets							<u><u>53,575,153</u></u>	<u><u>67,387,025</u></u>
Liabilities								
Segment liabilities	<u>38,063,573</u>	<u>49,213,791</u>	<u>70,875</u>	<u>98,193</u>	<u>20,183</u>	<u>13,675</u>	<u>38,154,631</u>	<u>49,325,659</u>
Unallocated corporate liabilities							<u>1,072,877</u>	<u>1,249,268</u>
Total liabilities							<u><u>39,227,508</u></u>	<u><u>50,574,927</u></u>

Segment assets consist primarily of interests in associates, interests in joint ventures, property, plant and equipment, investment properties, other financial assets, inventories, receivables, contract assets, contract costs and operating cash but exclude items such as financial assets at fair value through other comprehensive income, bank deposits for corporate use and deferred tax assets. Segment liabilities comprise all operating liabilities but exclude items such as taxation and certain other payables.

## Other segment information

	Real estate development		Specialised construction		Property investment		Segment total		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:												
Interests in associates	2,028,924	2,269,633	—	—	—	—	2,028,924	2,269,633	—	—	2,028,924	2,269,633
Interests in joint ventures	333,897	341,852	—	—	—	—	333,897	341,852	—	—	333,897	341,852
Capital expenditures	96,372	12,637	34	96	4,962	27	101,368	12,760	482	11,098	101,850	23,858
Depreciation recognised	25,462	40,505	59	57	138	334	25,659	40,896	4,711	5,104	30,370	46,000
Fair value changes on investment properties	(22,474)	53,014	—	—	24,758	15,800	2,284	68,814	—	—	2,284	68,814
Allowance for impairment of inventories, net	503,034	550,403	—	—	—	—	503,034	550,403	—	—	503,034	550,403
Impairment losses recognised/(reversed) under expected credit loss model, net	177,321	—	(2,707)	—	(953)	(1,145)	173,661	(1,145)	—	—	173,661	(1,145)

## Geographical information

The Group operates its businesses in two main geographical areas:

Hong Kong: Real estate development, specialised construction and property investment

Mainland China: Real estate development and property investment

In presenting geographical information, sales are presented based on the geographical locations of the customers. Total non-current assets exclude financial instruments and deferred tax assets.

	Hong Kong		Mainland China		Total	
	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
External sales	328,627	194,432	12,302,112	9,870,097	12,630,739	10,064,529
Total non-current assets	2,125,797	2,147,434	3,720,798	3,900,756	5,846,595	6,048,190

## Information about major customer

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue for both years.

#### 4. REVENUE

An analysis of revenue is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>	12,579,543	10,022,500
<i>Revenue from other sources</i>		
Rental and management fee income from investment properties	<u>51,196</u>	<u>42,029</u>
	<u><u>12,630,739</u></u>	<u><u>10,064,529</u></u>

#### 5. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Government subsidies	18,088	41,582
Dividend income	8,658	49,081
Management fee income from a fellow subsidiary	2,666	2,794
Consultancy fee income from fellow subsidiaries	23,056	—
Others	<u>51,424</u>	<u>33,382</u>
	<u><u>103,892</u></u>	<u><u>126,839</u></u>

#### 6. PROFIT/(LOSS) BEFORE TAX

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of properties sold (i)	10,156,653	8,703,169
Cost of specialised construction	283,849	294,145
Direct operating expenses incurred for investment properties that generated rental income	17,669	13,901
Depreciation	30,370	46,000
Auditor's remuneration	4,280	4,150
Employee benefit expense (including directors' emoluments)	278,993	290,771
Allowance for impairment of inventories	503,034	550,403
Net exchange loss	28,859	23,808

(i) Included in cost of properties sold are capitalised interest expenses of HK\$706,442,000 (2022: HK\$265,389,000).

## 7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong. Under the two-tiered profits tax regime, the first HK\$2,000,000 (2022: 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 had been calculated on the estimated assessable profit for the year derived in Mainland China at the rate of 25% (2022: 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 expenditures including costs of land and development and construction expenditures.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax		
PRC enterprise income tax	200,267	120,574
PRC land appreciation tax	120,657	188,898
Hong Kong profits tax	3,118	67
	<u>324,042</u>	<u>309,539</u>
Deferred tax	325,207	27,928
	<u>649,249</u>	<u>337,467</u>

## 8. DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 December 2023 (2022: Nil).

## 9. LOSS PER SHARE — BASIC AND DILUTED

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

Since there were no dilutive potential ordinary shares, the diluted loss per share is equal to basic loss per share.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss attributable to equity holders of the Company	<u>(1,015,518)</u>	<u>(1,362,468)</u>
	2023 Number of shares '000	2022 Number of shares '000
Weighted average number of ordinary shares in issue during the year	<u>3,346,908</u>	<u>3,346,908</u>

## 10. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables, net (a)	188,061	140,525
Deposits	129,074	153,450
Prepayments (b)	542,416	744,158
Prepayments for land cost (c)	141,817	781,192
Amount due from a fellow subsidiary	—	2,687
Amounts due from associates	938,144	955,518
Amounts due from joint ventures	2,365,977	2,751,595
Amounts due from non-controlling shareholders of subsidiaries	4,163,243	5,244,098
Others	352,775	236,584
	<u>8,821,507</u>	<u>11,009,807</u>

- (a) The aging analysis of trade receivables based on due date for rental receivables, date of properties delivered to purchasers and billing date of construction services certified is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 90 days	131,902	119,632
91 to 180 days	13,621	3,784
181 days to 1 year	8,505	1,848
1 to 2 years	24,935	31,960
Over 2 years	49,020	26,978
	<u>227,983</u>	<u>184,202</u>
Less: Allowance for impairment	<u>(39,922)</u>	<u>(43,677)</u>
	<u>188,061</u>	<u>140,525</u>

- (b) As at 31 December 2023, prepayments included prepaid other taxes and other charges of approximately HK\$447,862,000 (2022: HK\$684,852,000).
- (c) Prepayments for land cost represented payments to the Bureau of Planning and Natural Resources of PRC for the acquisition of land in Mainland China and the amount will be reclassified to inventory upon issuance of land use right certificates.

## 11. RESERVES

	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Cash flow hedging reserve <i>HK\$'000</i>	Revaluation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance as at 1 January 2022	4,275,172	515,336	769	(2,304)	(23,439)	43,783	(296,142)	330,445	4,842,150	9,685,770
Fair value loss of financial assets at fair value through other comprehensive income	—	—	—	(182,343)	—	—	—	—	—	(182,343)
Fair value gain on hedging instruments in cash flow hedges	—	—	—	—	54,709	—	—	—	—	54,709
Gain on revaluation of owner-occupied properties upon transfer to investment properties	—	—	—	—	—	2,726	—	—	—	2,726
Currency translation adjustments	—	—	—	—	—	—	—	(1,646,618)	—	(1,646,618)
2021 final dividend paid	—	—	—	—	—	—	—	—	(66,938)	(66,938)
Loss for the year	—	—	—	—	—	—	—	—	(1,362,468)	(1,362,468)
Balance as at 31 December 2022	<u>4,275,172</u>	<u>515,336</u>	<u>769</u>	<u>(184,647)</u>	<u>31,270</u>	<u>46,509</u>	<u>(296,142)</u>	<u>(1,316,173)</u>	<u>3,412,744</u>	<u>6,484,838</u>
Fair value loss of financial assets at fair value through other comprehensive income	—	—	—	(222,309)	—	—	—	—	—	(222,309)
Fair value loss on hedging instruments in cash flow hedges	—	—	—	—	(28,861)	—	—	—	—	(28,861)
Currency translation adjustments	—	—	—	—	—	—	—	(265,772)	—	(265,772)
Loss for the year	—	—	—	—	—	—	—	—	(1,015,518)	(1,015,518)
Balance as at 31 December 2023	<u>4,275,172</u>	<u>515,336</u>	<u>769</u>	<u>(406,956)</u>	<u>2,409</u>	<u>46,509</u>	<u>(296,142)</u>	<u>(1,581,945)</u>	<u>2,397,226</u>	<u>4,952,378</u>

## 12. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade, bills and contract payables (a)	2,012,465	2,413,338
Retention payables	27,941	26,697
Accrued construction costs, other accruals and other payables	5,451,350	5,832,214
Rental deposits received	14,149	10,410
Amounts due to a fellow subsidiary	153,399	2,613,562
Amounts due to non-controlling shareholders of subsidiaries	398,764	585,540
Amounts due to associates	979,949	2,021,119
Amount due to a joint venture	56,406	57,219
Deferred revenue (b)	<u>249,543</u>	<u>271,363</u>
	<b>9,343,966</b>	13,831,462
Less: Deferred revenue, amortise after 1 year shown under non-current liabilities	<u>(229,080)</u>	<u>(250,256)</u>
Amounts due for settlement within 1 year shown under current liabilities	<u><b>9,114,886</b></u>	<u>13,581,206</u>

(a) The aging analysis of trade, bills and contract payables of the Group based on invoice date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 90 days	1,161,379	1,205,235
91 to 180 days	210,182	181,691
181 days to 1 year	202,729	531,540
1 year to 2 years	261,710	340,507
Over 2 years	<u>176,465</u>	<u>154,365</u>
	<u><b>2,012,465</b></u>	<u>2,413,338</u>

(b) Deferred revenue

As at 31 December 2023, included in deferred revenue was a government subsidy of HK\$246,701,000 (2022: HK\$268,131,000) towards the cost of construction of its assets. It transferred to other income on a systematic basis over certain period when the related assets commence to use.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATION REVIEW

#### Overview

In 2023, the Chinese real estate market has regressed after a brief recovery, and the industry situation remains grim. Confronted with rapidly changing market and complex operating situation, the Group adhered to a prudent business strategy and continued to strengthen the business operation and management level for the sake of ensuring reliable and healthy development.

During the year, the Group achieved consolidated revenue of HK\$12,631 million, representing a year-on-year increase of 25.5%; gross profit margin was 17.2%, representing a year-on-year increase of 6.7 percentage points; net loss and loss attributable to equity holders of the Company decreased by 61.3% and 25.4% to HK\$526 million and HK\$1,016 million, respectively. Loss for the year was mainly attributable to the sluggish real estate market, the provision for impairment of inventories for the Group's real estate development projects, as well as the increase in finance costs as a result of increasing borrowing costs and decreasing interest capitalisation rate.

#### Business Development

##### *(1) Real Estate Development*

###### *Contracted Sales*

In 2023, the property market was still yet to fully recover as buyers' confidence in home ownership remained low despite extended easing measures introduced by the Chinese government. China's real estate sales market experienced an upsurge followed by a downturn. The property market saw a short boom at the beginning of the year. However, this trend has not been able to continue and the market has cooled off swiftly since the second quarter. The market performance during the "Golden Nine and Silver Ten" fell short of expectations, and the overall recovery momentum was insufficient.

The contracted sales of the Company together with its subsidiaries, joint ventures and associates in 2023 decreased by 15.0% year-on-year to RMB11.30 billion (2022: RMB13.30 billion) whilst the gross floor area ("GFA") contracted for sale decreased by 0.9% year-on-year to 555,000 square meters (2022: 560,000 square meters). The Group's 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 year ended 31 December			
	2023		2022	
	Contracted amount (RMB million)	Contracted GFA (sq.m.)	Contracted amount (RMB million)	Contracted GFA (sq.m.)
Pan Bohai Rim	3,955	162,121	4,087	177,884
Yangtze River Delta	2,014	67,023	3,890	94,089
Central China Region	1,540	132,194	1,360	125,793
Chengdu-Chongqing Region	1,238	86,483	753	64,536
Pearl River Delta (including Hong Kong)	2,549	107,126	3,211	97,273
<b>Total</b>	<b>11,296</b>	<b>554,947</b>	<b>13,301</b>	<b>559,575</b>

### (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, with iconic projects including but not limited to West Kowloon Palace Museum, Ocean Park Water World, Liantang Port and Xiqu Centre.

In recent years, the Group has continued to optimise its operating structure and proactively modified its business direction. For this reason, the Group has adopted a relatively conservative bidding strategy to strengthen risk control. Therefore, no new projects were undertaken during the year, but the Group continued to maintain a sound cooperative relationship with local developers with ongoing efforts in seeking good development opportunities.

### (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 LKF29 in Central. As at 31 December 2023, LKF29 recorded an occupancy rate of 91.8% (2022: 93.2%), edged down by 1.4% year-on-year. In the second half of 2022, China Minmetals Tower underwent renovation and replanning of space for leasing to enhance its market competitiveness. With the market sentiment fuelled by favourable measures such as border reopening in 2023, the Group had the units leased out successfully with the occupancy rate reached 91.9 % (2022: 63.2%), representing a year-on-year increase of 28.7%.

## Land Bank

As at 31 December 2023, the Group's total developable GFA ("Land Bank") amounted to 6,667,000 square meters. The composition of the Group's Land Bank was listed as below:

<b>City Tier</b>	<b>Land Bank (<i>'000 sq.m.</i>)</b>	<b>Percentage share of Land Bank</b>
First tier cities	1,873	28.1%
Second tier cities	2,549	38.2%
Third tier cities	2,245	33.7%
<b>Total</b>	<b>6,667</b>	<b>100.0%</b>

  

<b>Location</b>	<b>Land Bank (<i>'000 sq.m.</i>)</b>	<b>Percentage share of Land Bank</b>
Pan Bohai Rim	2,178	32.7%
Yangtze River Delta	278	4.2%
Central China Region	1,472	22.1%
Chengdu-Chongqing Region	1,318	19.7%
Pearl River Delta (including Hong Kong)	1,421	21.3%
<b>Total</b>	<b>6,667</b>	<b>100.0%</b>

## **Products and Services**

### ***Changsha Experimental Primary School settled in Wanjing Yayuan***

Minmetals Land's "Wanjing Series" products not only attach importance to the humanistic spirit, but also the build-up of educational facilities. The Wanjing Yayuan project realizes the cooperation between state-owned enterprises and elite schools by joining hands with the Changsha County People's Government, Changsha Experimental Primary School, and Changsha County Education Bureau to create a distinctive and high-quality school for basic education. The name of the co-founded school is proposed to be "Changsha Experimental Primary School - Songya School", which is only one street away from the Wanjing Yayuan project, providing owners with high-quality education within easy reach and making new contributions to the development of education in Changsha County.

### ***Strengthen Design and Research and Development***

The Group stepped up efforts in research and development and innovation and won the Elite Science and Technology Award with its innovated and upgraded 5M product system and digital marketing system. The Group has implemented the national development strategy and took the lead in the research and development on the topic of "Key Technologies and Demonstration of High-Efficiency Standardised Steel Structure Houses" with MCC CRIBC and other sister units, achieving medium-term results ahead of schedule. Together with WISDRI, the Group obtained two national patents with independent intellectual property rights, marking a milestone achievement in innovation.

### ***Enhance Brand Influence***

In 2023, the Group continued to uphold the brand proposition of "Love, Family, Minmetals", further consolidate brand building, strengthen public recognition of Minmetals Land's brand, fostering Minmetals Land to transform and upgrade into an urban operator. At the same time, the Group further promote its corporate image and successively received more than ten industry honors, including but not limited to "2023 Excellent Performance of Listed Enterprises", "2023 Top 50 Listed Real Estate Enterprises in China in terms of Operational Stability", "2023 Top 100 Listed Real Estate Enterprises in China in terms of Comprehensive Competitiveness", showing that the Company's brand influence and popularity are highly recognised in the industry. Meanwhile, the Group also received a number of industry awards, such as "2023 Top 100 Property Enterprises in respect of Service Satisfaction in China", "2023 Top 500 Property Management Companies in China in terms of Overall Strength" and "Leading Red Property Services Company in China", continuously enhancing its brand value and popularity.

## Entrusted Asset Management

During the year, the Group recorded a management service income of RMB2.40 million under the entrusted management service agreement, of which China Minmetals 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.

## 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 in 2023 amounted to HK\$12,631 million, representing a year-on-year increase of 25.5% as compared to HK\$10,065 million last year.

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

	For the year ended 31 December				Year-on-year change
	2023	Percentage	2022	Percentage	
	HK\$ million	share of revenue	HK\$ million	share of revenue	
Real estate development	12,308	97.4%	9,875	98.1%	+24.6%
Specialised construction	272	2.2%	148	1.5%	+83.8%
Property investment	51	0.4%	42	0.4%	+21.4%
<b>Total</b>	<b>12,631</b>	<b>100.0%</b>	<b>10,065</b>	<b>100.0%</b>	<b>+25.5%</b>

Revenue from the real estate development business increased by 24.6% year-on-year to HK\$12,308 million (2022: HK\$9,875 million), and accounted for 97.4% of the Group's consolidated revenue. The year-on-year increase in revenue from real estate development business was driven by the handover and recognition of some real estate development projects in the Pearl River Delta in 2023. Gross profit margin of the real estate development business increased by 5.6 percentage points year-on-year to 17.5% (2022: 11.9%), which was primarily due to a higher proportion of real estate development projects with higher gross profit margins from the Pearl River Delta recognised during the year.

Revenue from the specialised construction business increased by 83.8% year-on-year to HK\$272 million (2022: HK\$148 million) and accounted for 2.2% of the Group's consolidated revenue. The significant increase in revenue from the specialised construction business after the return to normalcy was primarily attributable to a rise in completion of the projects under construction by working against the clock vigorously.

Revenue from the property investment business increased by 21.4% year-on-year to HK\$51 million (2022: HK\$42 million), and accounted for 0.4% of the Group's consolidated revenue. Revenue from the property investment business was mainly generated from two commercial buildings in Hong Kong, and the increase in revenue was primarily due to the Group's success in renting out most of the vacant units with growing rental income, riding on the favourable news such as the reopening of borders between Mainland China and Hong Kong in 2023. Gross profit margin of the property investment business decreased by 1.4 percentage points year-on-year to 65.5% (2022: 66.9%), mainly attributable to the increase in operating costs during the year due to building maintenance and repair works.

The Group's overall gross profit margin increased to 17.2% from 10.5% of the corresponding period last year, mainly due to the higher gross profit margins as compared to the corresponding period last year of the products recognised for the real estate development business during the year.

### **Other Income**

The Group's other income was HK\$104 million (2022: HK\$127 million), representing a year-on-year decrease of 18.1%, mainly due to the significant year-on-year decrease in dividend income during the year.

### **Fair Value Changes on Investment Properties**

The Group's fair value loss on investment properties for the year was HK\$2.284 million (2022: HK\$69 million), representing a year-on-year decrease of 96.7%. Despite the rising occupancy rates underpinned by the border reopening as well as the return of business and societal normality during the year, the market rental levels of renewed and newly leased properties were still under pressure as the market had not yet fully recovered, resulting in fair value loss on investment properties in Hong Kong.

### **Selling and Marketing Expenses**

The Group's selling and marketing expenses was HK\$416 million (2022: HK\$395 million), representing a year-on-year increase of 5.3%, mainly due to the increase in sales commissions and related marketing expenses due to the increase in recognised revenue related to the real estate development business during the year.

## **Administrative and Other Expenses**

The Group's administrative and other expenses was HK\$589 million (2022: HK\$582 million), which is similar to that in 2022. Administrative and other expenses mainly comprised of the Group's staff remuneration of HK\$279 million, which represented 47.4% of the total administrative and other expenses.

## **Provision for Impairment of Inventories**

The real estate market was sluggish during the year, and some of the Group's projects generally experienced varying degrees of price decline. The Group made a provision of HK\$503 million for the impairment of inventories with signs of impairment (2022: HK\$550 million).

## **Impairment loss under expected credit loss model, net**

The Group made a provision of HK\$174 million for the impairment of other receivables with signs of impairment, mainly due to the expected credit loss of other receivables related to an individual joint venture.

## **Finance Costs**

The Group's finance costs charged to the statement of profit or loss was HK\$477 million (2022: HK\$138 million), representing a year-on-year increase of 245.7%, mainly due to the rising finance costs and declining interest capitalisation rate during the year.

## **Share of Results of Associates**

The Group's share of loss of associates was HK\$210 million (2022: HK\$786 million), representing a year-on-year decrease of 73.3%. Such loss was attributable to the impairment of inventories made by an associate in response to market conditions during the year.

## **Share of Results of Joint Ventures**

The Group's share of profit of joint ventures was HK\$34 million (2022: HK\$138 million), representing a year-on-year decrease of 75.4%, mainly due to the shrinking recognition scale of an individual joint venture located in Yangtze River Delta, decreasing its profit contribution to the Group accordingly during the year.

## **Loss and Core Loss Attributable to Equity Holders of the Company**

In view of the above, the Group's net loss was HK\$526 million (2022: HK\$1,360 million), representing a year-on-year decrease of 61.3%. The loss attributable to equity holders of the Company was HK\$1,016 million (2022: HK\$1,362 million), representing a year-on-year decrease of 25.4%. Core loss attributable to equity holders of the Company<sup>1</sup> was HK\$44 million (2022: profit of HK\$107 million). The basic loss per share was HK30.34 cents (2022: HK40.71 cents).

## **Financial Position**

As at 31 December 2023, the Group's total assets decreased by 20.5% to HK\$53,575 million (2022: HK\$67,387 million) whilst net assets decreased by 14.7% to HK\$14,348 million (2022: HK\$16,812 million). The decrease in net assets was mainly attributable to the distribution of dividends from various cooperative projects to shareholders during the year, of which HK\$1,199 million was distributed to non-controlling shareholders, as well as the loss attributable to equity holders of the Company of HK\$1,016 million and the decrease in exchange reserves of HK\$266 million during the year.

The contract liabilities, which mainly represent pre-sale proceeds received by the Group that will subsequently be recognised as the Group's revenue when presold properties are completed and delivered to buyers. During the year, the Group's contract liabilities decreased by 50.0% to HK\$5,707 million (2022: HK\$11,416 million), which was mainly due to the Group's recognised revenue exceeding the receipt from new contracted sales during the year.

As at 31 December 2023, the Group's gearing ratio (total liabilities to total assets) was 73.2% (2022: 75.1%). The gearing ratio, net of contract liabilities and deferred revenue, was 69.9% (2022: 69.8%). The net gearing ratio (net debt to total equity) was 138.0% (2022: 94.5%).

## **LIQUIDITY AND FINANCIAL RESOURCES**

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

*Note:*

- 1. "Core loss/profit attributable to equity holders of the Company" excludes allowance for impairment of inventories, share of impairment of inventories of associates and joint ventures, exchange losses, fair value changes on investment properties, and allowance/reversal for impairment of receivables and other receivables.*

In terms of offshore financing, the Group entered into a 3-year term club loan agreement amounted to HK\$970 million and a 1-year term revolving loan agreement amounted to RMB1,000 million in 2023 respectively, the loan proceeds of which were used for refinancing and supplementing working capital. In terms of onshore financing, the Group issued bonds of RMB1,200 million to domestic professional investors in a non-public offering. The Group continues to give full play to its competitive advantage as a listed flagship in Hong Kong, adheres to prudent financial management principles and maintains stable financial strength by enhancing cash flow and liquidity.

Total borrowings of the Group stood at HK\$23,317 million (2022: HK\$24,309 million) as at 31 December 2023, which mainly comprised borrowings from banks and bonds. The year-on-year decrease in total borrowings was primarily due to the repayment of construction loans, corporate loans and loans from non-controlling shareholders of real estate projects during the year. The Group's weighted average borrowing costs increased by 0.9 percentage points to 5.0% (2022: 4.1%).

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

	31 December 2023		31 December 2022	
	HK\$ million	Percentage share of borrowings	HK\$ million	Percentage share of borrowings
Within one year	15,223	65.3%	7,132	29.3%
In the second year	2,077	8.9%	6,717	27.6%
In the third to fifth year	6,017	25.8%	10,460	43.1%
<b>Total</b>	<b>23,317</b>	<b>100.0%</b>	<b>24,309</b>	<b>100.0%</b>

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

	31 December 2023		31 December 2022	
	HK\$ million	Percentage share of borrowings	HK\$ million	Percentage share of borrowings
Hong Kong Dollar	11,271	48.3%	15,317	63.0%
Renminbi	7,359	31.6%	5,686	23.4%
United States Dollar	4,687	20.1%	3,306	13.6%
<b>Total</b>	<b>23,317</b>	<b>100.0%</b>	<b>24,309</b>	<b>100.0%</b>

During the year, the finance cost recognised in the statement of profit or loss amounted to HK\$477 million (2022: HK\$138 million) after capitalisation of HK\$886 million (2022: HK\$823 million) into properties under development.

As at 31 December 2023, the Group's cash and bank deposits (excluding restricted cash and bank deposits) amounted to HK\$3,411 million (2022: HK\$7,701 million), of which 93.7%, 5.9% and 0.4% (2022: 97.7%, 1.9% and 0.4%) were denominated in Renminbi, Hong Kong dollar and United States dollar respectively. The unutilised banking facilities of the Group as at 31 December 2023 amounted to HK\$6,996 million (2022: HK\$7,141 million).

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND INTEREST RATES**

### **Exchange Rate Risk**

The Group conducts its business primarily in Mainland China with the external financing being denominated mainly in Hong Kong dollar while revenue is denominated mainly in Renminbi. The Group is exposed to exchange rate risk as transactions 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, 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 to minimise the impact arising from exchange rate fluctuation.

### **Interest Rate Risk**

The Group is also exposed to interest rate risk resulting from fluctuation in interest rates. Most of the Group's borrowings bear a floating rate and therefore, an increase in interest rate would raise the Group's finance costs. In order to mitigate the interest rate risk, the Group entered into an interest rate swap contract 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\$1.0 billion. As at 31 December 2023, 27.6% (2022: 23.0%) of the Group's borrowings were on a fixed rate basis with the remainder on a floating rate basis.

As at 31 December 2023, save as disclosed above, the Group did not have/held any financial instruments for hedging or speculative purposes.

## **CHARGES ON ASSETS OF THE GROUP**

As at 31 December 2023, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and mortgage loan facilities to the purchasers of the Group's properties, and these pledged assets of the Group included:

- i. inventories with carrying amounts of HK\$13,515 million (2022: HK\$12,729 million);
- ii. property, plant and equipment with carrying amounts of HK\$272 million (2022: HK\$195 million);
- iii. investment properties with carrying amounts of HK\$274 million (2022: HK\$186 million); and
- iv. 100% equity interest in a subsidiary.

## **FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES**

As at 31 December 2023, guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties amounted to HK\$7,051 million (2022: HK\$8,919 million). Such guarantees will terminate upon the earlier of (i) the issuance of the property ownership certificate (generally within one year after the purchasers take possession of the relevant properties); or (ii) the repayment of mortgage loans by the purchasers. After taking into account the net realisable value of these properties and the low default rate, the Directors consider that the fair value of the financial guarantee at initial recognition and subsequently at the end of subsequent reporting period is not significant.

## **EMPLOYEES**

The total number of staff (including the Directors) of the Group, decreased 9.7% to 1,094 (2022: 1,211) as at 31 December 2023. The Group will continue to adopt a remuneration policy in line with market practice where it operates. The total remuneration and benefits for the Directors and staff of the Group for the year ended 31 December 2023 amounted to HK\$425 million (2022: HK\$468 million).

## **SHARE OPTION SCHEME**

A share option scheme was adopted by the Company on 7 June 2013 (the "Share Option Scheme") to recognise and acknowledge eligible persons for their contribution or potential contribution to the Group. The Share Option Scheme shall remain in force for 10 years from its adoption date and has expired on 6 June 2023. Details of the Share Option Scheme will be set out in the 2023 annual report of the Company.

During the year, no share options has been granted by the Company pursuant to the Share Option Scheme.

## **ANNUAL GENERAL MEETING**

An annual general meeting of the shareholders of the Company will be convened to be held on Friday, 24 May 2024 (the “2024 AGM”). The notice of the 2024 AGM which forms part of the circular to shareholders of the Company will be despatched together with the 2023 annual report.

## **CLOSURE OF REGISTER OF MEMBERS FOR 2024 AGM**

The register of members of the Company will be closed from Tuesday, 21 May 2024 to Friday, 24 May 2024 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders’ entitlement to attend and vote at the 2024 AGM.

To be entitled to attend and vote at the 2024 AGM, all share certificates together with completed transfer forms must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Monday, 20 May 2024.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

In the opinion of the Directors, throughout the year ended 31 December 2023, the Company has complied with the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix C1 to the Listing Rules, except for deviations from code provisions B.2.2, C.2.1 and F.2.2.

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, except for the Chairman and the Managing Director of the Company where they are not required to do so pursuant to the Private Company Act 1981 of Bermuda under which the Company is incorporated.

Deviating from code provision C.2.1 of the CG Code, Mr. He Jianbo, an Executive Director of the Company, serves as the Chairman of the board of director of the Company (the “Board”). He is responsible for the overall strategic direction of the Group, management of the Board as well as organising the management of the Company for strategic planning and business operations to enable more effective implementation 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 of the Company and two Non-executive Directors of the Company offering their experience, expertise, independent advice and views from different perspectives.

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 6 June 2023 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 C3 to the Listing Rules.

Having made specific enquiries, all the Directors have confirmed in writing that they have complied with the Rules for Securities Transactions throughout the year ended 31 December 2023.

### **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Company has discussed with the management of the Company and the Group’s auditor, Messrs. Ernst & Young, on the consolidated financial statements of the Group for the year ended 31 December 2023 and has also reviewed the accounting principles and practices adopted by the Group, internal control and other financial reporting matters. The consolidated financial statements of the Group for the year ended 31 December 2023 were recommended by the audit committee of the Company to the Board for approval.

### **SCOPE OF WORK OF MESSRS. ERNST & YOUNG**

The figures as set out in this announcement in relation to the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 have been agreed by the Group’s auditor, Messrs. Ernst & Young, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and accordingly, no assurance has been expressed by Messrs. Ernst & Young on this announcement.

## **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 year ended 31 December 2023.

By order of the Board  
**Minmetals Land Limited**  
**He Jianbo**  
*Chairman*

Hong Kong, 21 March 2024

*The Company's 2023 annual report containing, inter alia, the corporate governance report, the report of the directors and the consolidated financial statements for the year ended 31 December 2023 will be published on the Company's website at [www.minmetalsland.com](http://www.minmetalsland.com) and the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.*

*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.*