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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

UNAUDITED INTERIM RESULTS

The board of directors (the “Board”) of Minmetals Land Limited (the “Company”) hereby announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the comparative figures of the corresponding period in 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *For the six months ended 30 June 2025*

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
REVENUE	4	1,976,005	5,023,251
Cost of sales		(1,752,319)	(4,648,058)
Gross profit		223,686	375,193
Other income	5	55,062	30,310
Fair value changes on investment properties		(97,700)	(87,504)
Selling and marketing expenses		(129,459)	(253,848)
Administrative and other expenses		(230,800)	(279,434)
Allowance for impairment of inventories		(30,947)	(278,557)
Impairment loss recognised under the expected credit loss model, net		(79,513)	(249,464)
Finance income		88,956	114,151
Finance costs		(291,093)	(297,354)
Share of results of associates		(28,566)	(157,715)
Share of results of joint ventures		10,288	71,371
LOSS BEFORE TAX	7	(510,086)	(1,012,851)
Income tax expense	6	(69,601)	(37,099)
LOSS FOR THE PERIOD		(579,687)	(1,049,950)
Loss for the period attributable to:			
Equity holders of the Company		(585,290)	(1,044,489)
Non-controlling interests		5,603	(5,461)
		(579,687)	(1,049,950)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY, IN HK CENTS			
Basic and Diluted	9	(17.49)	(31.21)

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

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	(579,687)	(1,049,950)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Currency translation differences	204,474	(80,852)
Fair value (loss)/gain on hedging instruments in cash flow hedges	(11,053)	2,439
Share of other comprehensive income/(expense) of associates	16,975	(13,695)
Share of other comprehensive income/(expense) of joint ventures	5,142	(884)
	<u>215,538</u>	<u>(92,992)</u>
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:		
Revaluation gain on transfer from property held for own use to investment property	28,683	—
Fair value gain/(loss) on financial assets at fair value through other comprehensive income	49,548	(27,489)
	<u>78,231</u>	<u>(27,489)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	293,769	(120,481)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(285,918)	(1,170,431)
Total comprehensive (expense)/income for the period attributable to:		
Equity holders of the Company	(409,364)	(1,076,689)
Non-controlling interests	123,446	(93,742)
	<u>(285,918)</u>	<u>(1,170,431)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,131,642	696,812
Investment properties		2,501,409	2,661,098
Interests in associates		1,113,615	1,125,206
Interests in joint ventures		341,572	329,267
Financial assets at fair value through other comprehensive income		284,182	234,634
Other receivables		17,512	17,682
Other financial assets		—	106
Deferred tax assets		321,972	335,733
Total non-current assets		5,711,904	5,400,538
CURRENT ASSETS			
Inventories	10	23,646,262	24,699,194
Prepayments, trade and other receivables	11	7,168,238	7,166,458
Prepaid income tax		711,356	760,980
Contract assets	12	53,108	68,397
Contract costs		90,313	68,707
Restricted bank deposits		7,485	44,787
Cash and cash equivalents		1,983,197	2,821,859
Total current assets		33,659,959	35,630,382
Total assets		39,371,863	41,030,920
EQUITY			
Share capital		334,691	334,691
Reserves		864,781	1,274,145
Equity attributable to equity holders of the Company		1,199,472	1,608,836
Non-controlling interests		7,769,953	7,648,133
Total equity		8,969,425	9,256,969
NON-CURRENT LIABILITIES			
Borrowings	13	6,694,811	5,388,587
Other payables		203,724	206,936
Deferred tax liabilities		152,787	156,383
Lease liabilities		213,332	—
Other financial liabilities		10,947	—
Total non-current liabilities		7,275,601	5,751,906
CURRENT LIABILITIES			
Borrowings	13	14,614,344	16,294,582
Trade and other payables	14	6,491,835	7,546,508
Contract liabilities		1,474,315	1,647,646
Lease liabilities		13,070	2,649
Taxation payable		533,273	530,660
Total current liabilities		23,126,837	26,022,045
Total liabilities		30,402,438	31,773,951
Total equity and liabilities		39,371,863	41,030,920
Net current assets		10,533,122	9,608,337
Total assets less current liabilities		16,245,026	15,008,875

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Minmetals Land Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in real estate development, property management, specialised construction and property investment. The People’s Republic of China (“PRC”) 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 of directors of the Company on 21 August 2025.

2. BASIS OF PREPARATION

The condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 (“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 the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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 Group recorded a net loss of approximately HK\$580 million for the six months ended 30 June 2025 and as of 30 June 2025, the Group recorded net current assets of HK\$10,533 million, and the Group’s current portion of interest-bearing bank and other borrowings amounted to HK\$14,614 million, while its cash and cash equivalents amounted to HK\$1,983 million.

As further disclosed in note 13 to the condensed consolidated financial information, the Group was in the progress of obtaining waivers from banks for non-compliance with the financial covenants of certain facility agreements, with bank borrowings, which also caused certain cross defaults of other bank borrowings as at 30 June 2025. Taking into consideration the Group’s cash flow projections prepared by management, the Group’s financial position, the support from China Minmetals Corporation and one of its fellow subsidiaries, the unutilised credit facilities offered from financial institutions and other financial resources, as at the date of this report, the directors of the Company are satisfied that the Group is able to meet its financial obligations in full as and when they fall due for the coming 12 months. Accordingly, the interim condensed consolidated financial information has been prepared on a going concern basis.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments which are measured at revalued amounts or fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21 *Lack of Exchangeability*

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	1,954,153	4,997,329
<i>Revenue from other sources</i>		
Rental income from investment properties	21,852	25,922
	1,976,005	5,023,251

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025

Segments	Real estate development <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Specialised construction <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services				
Sales of properties	1,719,035	—	—	1,719,035
Specialised construction services	—	—	545	545
Management services	24,218	210,355	—	234,573
Total revenue from contracts with customers	<u>1,743,253</u>	<u>210,355</u>	<u>545</u>	<u>1,954,153</u>
Geographical markets				
Mainland China	1,592,273	205,533	—	1,797,806
Hong Kong	150,980	4,822	545	156,347
Total revenue from contracts with customers	<u>1,743,253</u>	<u>210,355</u>	<u>545</u>	<u>1,954,153</u>
Timing of revenue recognition				
Properties transferred at a point in time	1,719,035	—	—	1,719,035
Specialised construction services transferred over time	—	—	545	545
Management services transferred over time	24,218	210,355	—	234,573
Total revenue from contracts with customers	<u>1,743,253</u>	<u>210,355</u>	<u>545</u>	<u>1,954,153</u>

For the six months ended 30 June 2024

Segments	Real estate development <i>HK\$'000</i> (Unaudited)	Property management <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	4,781,451	—	—	4,781,451
Specialised construction services	—	—	257	257
Management services	26,575	189,046	—	215,621
	<u>4,808,026</u>	<u>189,046</u>	<u>257</u>	<u>4,997,329</u>
Total revenue from contracts with customers				
	<u>4,808,026</u>	<u>189,046</u>	<u>257</u>	<u>4,997,329</u>
Geographical markets				
Mainland China	1,322,546	188,452	—	1,510,998
Hong Kong	3,485,480	594	257	3,486,331
	<u>4,808,026</u>	<u>189,046</u>	<u>257</u>	<u>4,997,329</u>
Total revenue from contracts with customers				
	<u>4,808,026</u>	<u>189,046</u>	<u>257</u>	<u>4,997,329</u>
Timing of revenue recognition				
Properties transferred at a point in time	4,781,451	—	—	4,781,451
Specialised construction services transferred over time	—	—	257	257
Management services transferred over time	26,575	189,046	—	215,621
	<u>4,808,026</u>	<u>189,046</u>	<u>257</u>	<u>4,997,329</u>
Total revenue from contracts with customers				
	<u>4,808,026</u>	<u>189,046</u>	<u>257</u>	<u>4,997,329</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. Segment profit reviewed by the Executive Directors represents the gross profit earned by each segment. In the current period, the Executive Directors have reorganised the operating segments. The “property management service”, which was previously combined in “real estate development”, is now considered as a separate segment. Comparative period segment disclosures have been represented to conform with the current period’s presentation. Accordingly, the Group’s operating and reportable segment under HKFRS 8 “Operating Segments” based on these reports are as follows:

Real estate development:	Development and selling of residential and commercial properties
Property management:	Management of properties and provision of related auxiliary services
Specialised construction:	Design, installation and sale of curtain walls and alumina 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

Segment revenue and results

	Real estate development		Property management		Specialised construction		Property 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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE										
Total segment revenue	1,743,253	4,808,026	231,381	213,578	1,413	257	23,771	28,150	1,999,818	5,050,011
Inter-segment revenue	—	—	(21,026)	(24,532)	(868)	—	(1,919)	(2,228)	(23,813)	(26,760)
Sales to external customers	<u>1,743,253</u>	<u>4,808,026</u>	<u>210,355</u>	<u>189,046</u>	<u>545</u>	<u>257</u>	<u>21,852</u>	<u>25,922</u>	<u>1,976,005</u>	<u>5,023,251</u>
RESULTS										
Segment results	<u>(102,162)</u>	<u>(574,418)</u>	<u>30,206</u>	<u>23,410</u>	<u>1,691</u>	<u>(12,718)</u>	<u>(86,209)</u>	<u>(53,212)</u>	<u>(156,474)</u>	<u>(616,938)</u>
Unallocated corporate expenses, net									<u>(133,197)</u>	<u>(126,366)</u>
Finance income									<u>(289,671)</u>	<u>(743,304)</u>
Finance costs									<u>88,956</u>	<u>114,151</u>
Share of results of associates									<u>(291,093)</u>	<u>(297,354)</u>
Share of results of joint ventures									<u>(28,566)</u>	<u>(157,715)</u>
									<u>10,288</u>	<u>71,371</u>
Loss before tax									<u>(510,086)</u>	<u>(1,012,851)</u>

Segment assets and liabilities

	Real estate development		Property management		Specialised construction		Property investment		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	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>35,946,882</u>	<u>37,115,465</u>	<u>216,078</u>	<u>148,917</u>	<u>69,987</u>	<u>79,314</u>	<u>1,828,507</u>	<u>1,872,757</u>	<u>38,061,454</u>	<u>39,216,453</u>
Unallocated corporate assets									<u>1,310,409</u>	<u>1,814,467</u>
Total assets									<u>39,371,863</u>	<u>41,030,920</u>
Liabilities										
Segment liabilities	<u>29,254,368</u>	<u>30,546,821</u>	<u>210,671</u>	<u>187,154</u>	<u>68,149</u>	<u>79,262</u>	<u>17,243</u>	<u>16,118</u>	<u>29,550,431</u>	<u>30,829,355</u>
Unallocated corporate liabilities									<u>852,007</u>	<u>944,596</u>
Total liabilities									<u>30,402,438</u>	<u>31,773,951</u>

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies	8,719	9,278
Dividend income	334	592
Management fee income from a fellow subsidiary	1,228	1,246
Construction agency income	12,913	1,290
Penalty income	8,456	7,209
Others	<u>23,412</u>	<u>10,695</u>
	<u>55,062</u>	<u>30,310</u>

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong. Under the two-tiered profits tax rates regime, the first 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 rates regime continue 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 2024: 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.

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax		
PRC enterprise income tax	32,712	16,240
PRC land appreciation tax	22,395	(9,758)
Hong Kong profits tax	952	1,361
	<u>56,059</u>	<u>7,843</u>
Deferred tax	<u>13,542</u>	<u>29,256</u>
	<u><u>69,601</u></u>	<u><u>37,099</u></u>

7. LOSS BEFORE TAX

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cost of properties sold (i)	1,563,704	4,473,986
Cost of management services	185,689	172,568
Cost of specialised construction	9,236	4,848
Depreciation	17,982	9,318
Direct operating expenses incurred for investment properties that generated rental income	8,849	8,025
Net foreign exchange loss	57,311	78,428
Employee benefit expense (including directors' emoluments) (ii)	<u>123,337</u>	<u>141,761</u>

(i) Included in cost of properties sold are capitalised interest expenses of HK\$125,108,000 (Six months ended 30 June 2024: HK\$557,405,000).

(ii) Employee benefit expense capitalised as properties under development was HK\$18,155,000 (Six months ended 30 June 2024: HK\$24,846,000).

8. DIVIDENDS

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

9. 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 2025 and 2024, the diluted earnings per share is equal to the basic earnings per share.

10. INVENTORIES

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Properties under development		
— located in Mainland China	<u>10,765,173</u>	<u>10,079,451</u>
Properties held for sale		
— located in Mainland China	<u>8,596,188</u>	10,188,165
— located in Hong Kong	<u>4,284,901</u>	<u>4,431,578</u>
	<u><u>12,881,089</u></u>	<u><u>14,619,743</u></u>
Total	<u><u>23,646,262</u></u>	<u><u>24,699,194</u></u>

As at 30 June 2025, inventories with carrying amounts of HK\$3,681,754,000 (31 December 2024: HK\$4,264,846,000) have been pledged as collateral for bank borrowings.

11. 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 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Within 90 days	23,854	79,844
91 to 180 days	57,466	13,986
181 days to 1 year	47,217	23,025
1 year to 2 years	25,350	39,745
Over 2 years	<u>75,418</u>	<u>55,033</u>
	229,305	211,633
Less: Allowance for impairment	<u>(51,829)</u>	<u>(54,409)</u>
	<u><u>177,476</u></u>	<u><u>157,224</u></u>

12. CONTRACT ASSETS

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Construction services	112,054	120,734
Retention receivables	31,006	48,949
	<hr/>	<hr/>
Total	143,060	169,683
Impairment	(89,952)	(101,286)
	<hr/>	<hr/>
	53,108	68,397
	<hr/>	<hr/>

13. BORROWINGS

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Non-current		
Bank borrowings, secured	1,198,593	926,986
Bank borrowings, unsecured	953,078	380,665
Guaranteed bonds, unsecured (i)	2,352,660	2,325,828
Bonds, unsecured (ii)	442,242	—
Loan from a holding company	1,273,497	1,254,218
Loans from non-controlling shareholders of a subsidiary, unsecured	474,741	500,890
	<hr/>	<hr/>
	6,694,811	5,388,587
	<hr/>	<hr/>
Current		
Bank borrowings, secured	278,679	870,140
Bank borrowings, unsecured	12,371,506	11,920,603
Guaranteed bonds, unsecured (i)	51,419	51,341
Bonds, unsecured (iii)	924,777	3,300,346
Loan from a holding company	872,813	—
Loans from non-controlling shareholders of a subsidiary, unsecured	115,150	152,152
	<hr/>	<hr/>
	14,614,344	16,294,582
	<hr/>	<hr/>
	21,309,155	21,683,169
	<hr/>	<hr/>

- (i) On 22 July 2021, the Group issued the guaranteed bonds (“2021 Guaranteed Bonds”) with a principal amount of US\$300,000,000 bearing interest at the coupon rate of 4.95% per annum. The 2021 Guaranteed Bonds will mature on 22 July 2026. The 2021 Guaranteed Bonds are guaranteed by the Company and have the benefit of a keep well deed from China Minmetals Corporation, the ultimate controlling shareholder of the Company. Upon the occurrence of a change of control triggering event, the bondholders will have the right, at the bondholders’ option, to require the Group to redeem all, but not some only, of the outstanding 2021 Guaranteed Bonds at 101% of their principal amounts, together with accrued interest. If the Group would be obliged to pay additional tax amounts in respect of the 2021 Guaranteed Bonds as a result of any change in, or amendment to, specified tax laws or regulations, all outstanding 2021 Guaranteed Bonds may be redeemed at the Group’s option, in whole but not in part, at their principal amounts together with interest accrued up to but excluding the redemption date.

The effective interest rate of the 2021 Guaranteed Bonds was 5.10% as at 30 June 2025 and 31 December 2024.

- (ii) On 25 October 2024, the Group made an application to the Shanghai Stock Exchange for the issuance of non-publicly traded corporate bonds for domestic professional investors. On 22 April 2025, the application was approved. On 6 June 2025, the Group issued unsecured bonds with a principal amount of RMB404,000,000 (the “2025 Bonds”) at a coupon rate of 4.3% per annum for a term of two years. The 2025 Bonds will mature on 9 June 2027.

The effective interest rate of the 2025 Bonds was 4.39% as at 30 June 2025.

- (iii) On 8 June 2022, the Group had lodged an application to the National Association of Financial Market Institutional Investors, for the issuance of domestic directional debt financing instruments that were applied for non-public issuance to specific investors. On 16 August 2022, the application had been approved. On 21 September 2022, the Group issued this unguaranteed bonds (“2022 Bonds”) with a principal amount of RMB800,000,000 bearing interest at the coupon rate of 4.6% per annum. The 2022 Bonds will mature on 19 September 2025.

The effective interest rate of the 2022 Bonds was 4.71% as at 30 June 2025 and 31 December 2024.

As at 30 June 2025, the bank borrowings carry interests at rates ranging from 2.25% to 4.00% per annum (31 December 2024: 3.10% to 6.35%).

The Group was in the progress of obtaining waivers from banks for non-compliance with the financial covenants of certain facility agreements with bank borrowings with a principal amounting to HK\$9,929 million, which also caused cross defaults to other bank borrowings with a principal amounting to HK\$2,365 million as at 30 June 2025. Non-compliance with the financial covenants and causing cross defaults give the banks the unconditional right to demand repayment at any time. In accordance with *HKAS 1 Presentation of Financial Statements*, the non-current portion of the aforementioned borrowings, which have not been given waivers before 30 June 2025, with a principal amounting to HK\$8,318 million have been reclassified to current liabilities as at 30 June 2025.

As at the reporting date, the Company has not received any loan repayment notice from banks to repay the aforementioned borrowings.

14. TRADE AND OTHER PAYABLES

Trade and other payables included deferred revenue which amount to HK\$221,234,000 (31 December 2024: HK\$226,516,000).

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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 90 days	798,870	887,832
91 to 180 days	299,462	87,377
181 days to 1 year	118,392	349,378
1 year to 2 years	133,349	169,758
Over 2 years	348,511	360,039
	<u>1,698,584</u>	<u>1,854,384</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Overview

In the first half of 2025, the real estate market continued to experience a significant overhaul, with a decline in real estate development investment and sluggish sales. Some real estate companies still faced liquidity risks, and market confidence had not yet been fully restored. Despite the implementation of housing support policies at the end of 2024, the recovery of the real estate industry remained fragile. The Group's loss for the period decreased by 44.8% to HK\$580 million (30 June 2024: HK\$1,050 million) compared to the same period last year, with the loss attributable to equity holders at HK\$585 million (30 June 2024: HK\$1,044 million). The core loss attributable to equity holders of the Company¹ was HK\$292 million (30 June 2024: HK\$159 million).

Market Review

In the first half of 2025, the overall real estate market was sluggish, with both new home sales as well as development and construction declining. Real estate sales continued to search for the bottom. With the continued favorable policy of easing, short-term sales were boosted, but the inventory clearance cycle was still at a high level. According to data published by the National Bureau of Statistics, national commercial housing sales decreased by 5.5% year-on-year to RMB4,424.1 billion from January to June 2025, while the commercial housing sales by floor area decreased by 3.5% year-on-year to 458.51 million square meters. Affected by factors such as sluggish sales and difficult financing environment, real estate construction continued to slow down. According to data from the National Bureau of Statistics, national property investment decreased by 11.2% year-on-year to RMB4,665.8 billion during January to June 2025 while the developer's housing construction area decreased by 9.1% year-on-year to 633.32 million square meters.

Note:

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

Business Development

(1) Real Estate Development

Contracted Sales

During the period, the contracted sales of the Company together with its subsidiaries, joint ventures and associates for the first half of 2025 decreased by 28.4% year-on-year to RMB2.29 billion (30 June 2024: RMB3.20 billion), while the gross floor area (“GFA”) contracted for sale decreased by 16.9% year-on-year to 138,000 square meters (30 June 2024: 166,000 square meters). The contracted sales of the Group were mainly derived from the real estate development projects in Tier 1 and core Tier 2 cities.

The breakdown of contracted sales was listed as below:

Location	For the six months ended 30 June			
	2025		2024	
	Contracted amount (RMB million)	Contracted GFA (sq.m.)	Contracted amount (RMB million)	Contracted GFA (sq.m.)
Pan Bohai Rim	633	44,000	1,095	58,000
Yangtze River Delta	277	12,000	249	12,000
Central China Region	585	45,000	408	39,000
Chengdu-Chongqing Region	275	22,000	332	24,000
Pearl River Delta (including Hong Kong)	524	15,000	1,117	33,000
Total	2,294	138,000	3,201	166,000

(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.

During the period, the Group successfully undertook a curtain wall project and a steel structure project, demonstrating a steady development trend despite the Hong Kong property market remained in the doldrums with intensified market competition and a significant shrinking market capacity. The Group continue to optimize its operating structure, strengthen risk management, and maintain close cooperation

with domestic customers. The Group will continue to deepen its curtain wall business, actively expand into other construction engineering fields, and strive to enhance its competitiveness and explore more 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 30 June 2025, LKF29 recorded an occupancy rate of 75.63% (30 June 2024: 80.64%), representing a decrease of 5.01% as compared to the corresponding period last year; while China Minmetals Tower recorded an occupancy rate of 80.27% (30 June 2024: 86.89%), representing a decrease of 6.62% as compared to the corresponding period last year. The decrease in occupancy rate was mainly due to more tenants moving out as their contracts expired during the period as compared to the corresponding period last year.

Looking ahead to the second half of the year, the Hong Kong's office and retail leasing markets will continue to face challenges due to weak market sentiment resulting from subdued economy.

(4) *Property Management*

The Group endeavor to offer its clients a professional and caring property management services, serving a total of over 70 projects across nearly 20 cities in Mainland China and Hong Kong.

In recent years, the Group has actively enhanced its 37°C Living Community Service System, striving to provide residents with a convenient, comfortable, and high-quality living experience. At the same time, the Group has actively expanded its business scale, further broadening the scope of operations and revenue streams.

During the period, the Group achieved steady expansion of operational scale despite the difficult business environment.

Land Bank

As at 30 June 2025, the Group's total developable GFA ("Land Bank") amounted to 5,295,000 square meters. The composition of the Group's Land Bank was listed as below:

City Tier	Land Bank (<i>'000 sq.m.</i>)	Percentage share of Land Bank
First tier cities	1,614	30.5%
Second tier cities	1,814	34.3%
Third tier cities	1,867	35.2%
Total	5,295	100.0%

Location	Land Bank (<i>'000 sq.m.</i>)	Percentage share of Land Bank
Pan Bohai Rim	2,016	38.1%
Yangtze River Delta	195	3.7%
Central China Region	947	17.9%
Chengdu-Chongqing Region	1,054	19.9%
Pearl River Delta (including Hong Kong)	1,083	20.4%
Total	5,295	100.0%

Entrusted Asset Management

During the period, the Group recorded a management service income of RMB1.13 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 the real estate development projects in Beijing, Tianjin, Shenyang, Liaoning, Jiangsu, Hunan and Guangdong.

Outlook

Looking ahead to the second half of the year, the national real estate market is still under pressure of overhaul. According to the financing situation in the first half of the year, loan exposure to real estate companies is still shrinking, and some real estate companies are still facing liquidity crisis and default risks. On the other hand, the central government will continue to keep low mortgage interest rates to boost housing demand. It still takes time to restore market confidence and fundamentals despite the real estate policies will maintain a relatively loose feature. The Group is committed to continuously improve its sales and cash collection ability, reduce costs and increase efficiency, effectively prevent and resolve debt risks, and enhance its sustainable development capability.

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from four business segments, namely real estate development, specialised construction, property investment and property management. The Group's consolidated revenue for the first half of 2025 dropped by 60.7% to HK\$1,976 million as compared to HK\$5,023 million from the corresponding period last year.

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

	For the six months ended 30 June				
	2025		2024		
	HK\$ million	Percentage share of revenue	HK\$ million	Percentage share of revenue	Year-on- year change
Real estate development	1,743.25	88.2%	4,808.03	95.7%	−63.7%
Specialised construction	0.55	0.1%	0.26	0.0%	111.5%
Property investment	21.85	1.1%	25.92	0.5%	−15.7%
Property management	210.36	10.6%	189.04	3.8%	11.3%
Total	1,976.01	100.0%	5,023.25	100%	−60.7%

Due to the decrease in the scale of real estate projects recognised during the period, the Group's revenue from the real estate development business decreased by 63.7% to HK\$1,743 million (30 June 2024: HK\$4,808 million) as compared to the corresponding period last year, and accounted for 88.2% of the Group's consolidated revenue. Gross profit margin of the real estate development business increased by 3.4 percentage points to 10.3% as compared to the corresponding period last year, mainly because of higher proportion of real estate development projects with higher gross profit margin being recognised during the period, resulting from changes in the product portfolio.

Revenue from specialised construction business increased by 111.5% compared with the same period last year to HK\$0.55 million (30 June 2024: HK\$0.26 million), mainly due to the repair and maintenance services income for the old projects being recognised during the period.

Revenue from the property investment business decreased by 15.7% compared with the same period last year to HK\$22 million (30 June 2024: HK\$26 million), accounting for 1.1% of the Group's consolidated revenue; while gross profit margin decreased by 8.7 percentage points to 62.8% (30 June 2024: 71.5%) as compared to the corresponding period last year, mainly due to the reduction in rental income and the fixed costs incurred to maintain high-quality property service. Decrease in revenue and profit margin was primarily due to the impact of reduced demand caused by economic underperformance in Hong Kong, resulting in the rising vacancy rates and a decrease in overall newly signed rental level.

Revenue from the property management increased by 11.3% compared with the same period last year to HK\$210 million (30 June 2024: HK\$189 million), accounting for 10.6% of the Group's consolidated revenue; while gross profit margin increased by 0.5 percentage points to 19.7% (30 June 2024: 19.2%) as compared to the corresponding period last year. The increase in revenue and profit margin was mainly due to the expansion of operating scale during the period.

The Group's overall gross profit margin increased to 11.3% from 7.5% in the corresponding period last year, mainly due to the gross profit margin of the products recognised from the real estate development business during the period was higher than that of the corresponding period last year.

Other Income

The Group's other income increased by 83.3% compared with the corresponding period last year to HK\$55 million (30 June 2024: HK\$30 million), mainly due to the increase in forfeiture of deposit for client breaching the sale and purchase agreement of real estate development business, supplier project penalties and income from agent construction projects.

Fair Value Changes on Investment Properties

The Group's non-cash fair value loss on investment properties for the period increased by 11.4% to HK\$98 million (30 June 2024: HK\$88 million) as compared to the corresponding period last year. The market rental levels of renewed and newly rented properties were still under pressure as the market has not yet fully recovered during the period, resulting in fair value loss on investment properties in Hong Kong. The fair value loss is non-cash in nature and has no material impact on the Group's cash flow.

Selling and Marketing Expenses

The Group's selling and marketing expenses decreased by 49.2% to HK\$129 million (30 June 2024: HK\$254 million) as compared to the corresponding period last year, mainly due to the decrease in recognised revenue from real estate development business during the period as compared to the same period last year, with reduced sales commissions and related sales and marketing expenses recognised in profit and loss.

Administrative and Other Expenses

The Group's administrative and other expenses decreased by 17.2% to HK\$231 million (30 June 2024: HK\$279 million) as compared to the corresponding period last year, mainly due to the Group's adherence to strict cost control principles and continuous improvement of operational efficiency, with the total remuneration and benefits for the directors and staff of the Group and professional fees decreased as compared to the same period last year.

Allowance for Impairment of Inventories

During the period, the economy and real estate market remained sluggish, and the sales price of some of the Group's projects experienced decline to varying degrees. However, under the continuous regulation of real estate policies, local governments have further opened up administrative management to promote the release of rigid demand and improvement demand, and stabilize the real estate market development. The Group recorded a one-off non-cash impairment provision for inventories of HK\$31 million during the period (30 June 2024: HK\$279 million).

Impairment loss recognised under the expected credit loss model, net

The Group made an impairment provision of HK\$80 million for accounts receivable from certain joint ventures and associates, a decrease of 67.9% from HK\$249 million in the same period last year. Under the real estate regulatory policies, joint ventures and associates did not make significant inventory impairments as in the same period last year, thereby reducing the expected loss on accounts receivable during the period.

Finance Costs

The Group's finance costs charged to the statement of profit or loss decreased by 2.0% to HK\$291 million (30 June 2024: HK\$297 million) as compared to the corresponding period last year, mainly due to active asset management and debt portfolio restructuring, which led to the decline in loan interest rate, alongside synchronized decline in the one-month Hong Kong Interbank Offered Rate (HIBOR).

Share of Results of Associates

The Group's share of loss of associates decreased by 81.6% to HK\$29 million (30 June 2024: HK\$158 million) as compared to the corresponding period last year. It was mainly due to the larger impairment provision made by the associates at the corresponding period last year which resulted in a high proportionate share of loss by the Group. During the period, without a further deterioration in the real estate market, the associates did not make significant provisions for inventory impairment, which reduced the Group's share of losses.

Share of Results of Joint Ventures

The Group's share of profit of joint venture decreased by 85.9% to HK\$10 million (30 June 2024: HK\$71 million) as compared to the corresponding period last year, mainly attributable to the mass delivery by the joint ventures in the same period last year, resulting in a larger share of profits from joint ventures, whereas the decrease in scale of real estate projects recognised by joint venture of the Group during the period.

Loss for the period

In view of the above, the Group recorded a net loss of HK\$580 million (30 June 2024: HK\$1,050 million). The loss attributable to equity holders of the Company was HK\$585 million (30 June 2024: profit HK\$1,044 million). Basic loss per share was HK\$17.49 cents (30 June 2024: loss HK\$31.21 cents).

Financial Position

As at 30 June 2025, the Group's total assets decreased by 4.0% to HK\$39,372 million (31 December 2024: HK\$41,031 million); while the Group's net assets decreased by 3.1% to HK\$8,969 million (31 December 2024: HK\$9,257 million). Decrease in net assets was mainly due to loss attributable to equity holders of the Company of HK\$585 million. The Group's net assets increased by HK\$254 million, riding on the appreciation of the Renminbi exchange rate and the enhancement in financial assets measured at fair value through other comprehensive income during the period.

During the period, the Group's gearing ratio (total liabilities to total assets) was 77.2% (31 December 2024: 77.4%). The gearing ratio, net of contract liabilities and deferred revenue, was 72.9% (31 December 2024: 76.4%). Net gearing ratio (net debt to total equity) increased by 12.1 percentage points to 215.4% (31 December 2024: 203.3%).

LIQUIDITY AND FINANCIAL RESOURCES

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

The Group issued RMB1 billion dim sum bond and successfully continued RMB490 million revolving loan during the period. The Group proactively adjusted its borrowings structure to increase the proportion of RMB borrowings and reduce the size of offshore borrowings, and actively reduced the size of borrowings to effectively safeguard the Company's capital.

Total borrowings of the Group amounted to HK\$21,309 million as at 30 June 2025 (31 December 2024: HK\$21,683 million). The Group will continue to optimize its borrowings portfolio and step up its borrowings reduction.

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

	30 June 2025		31 December 2024	
	HK\$ million	Percentage share of borrowings	HK\$ million	Percentage share of borrowings
Within one year	14,614	68.6%	16,295	75.2%
In the second year	4,815	22.6%	4,315	19.9%
In the third to fifth year	1,488	7.0%	743	3.4%
Over five years	392	1.8%	330	1.5%
Total	21,309	100.0%	21,683	100.0%

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

	30 June 2025		31 December 2024	
	HK\$ million	Percentage share of borrowings	HK\$ million	Percentage share of borrowings
Renminbi	10,105	47.4%	10,521	48.5%
Hong Kong Dollar	8,800	41.3%	8,785	40.5%
United States Dollar	2,404	11.3%	2,377	11.0%
Total	21,309	100.0%	21,683	100.0%

During the period, due to the completion and delivery of multiple projects, the proportion of capitalised interest expenses has decreased, and the finance cost recognised in profit or loss amounted to HK\$291 million (30 June 2024: HK\$297 million) after deducting of capitalisation of HK\$185 million (30 June 2024: HK\$345 million) into properties under development.

As at 30 June 2025, the Group had cash and bank deposits (excluding restricted cash and bank deposits) of HK\$1,983 million (31 December 2024: HK\$2,822 million), of which 71.0%, 23.2% and 5.8% (31 December 2024: 76.9%, 19.1% and 4.0%) were denominated in Renminbi, Hong Kong dollar and United States dollar, respectively. The unutilised bank facilities of the Group as at 30 June 2025 amounted to HK\$3,615 million (31 December 2024: HK\$4,089 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND INTEREST RATES

Exchange Rate Risk

The Group's principal business is located in Mainland China where revenue is primarily denominated in Renminbi and external financing is primarily denominated in Hong Kong dollar. 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 exchange rate 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 Group's borrowings bear interest at floating rates and therefore, an increase in interest rate would increase the Group's finance cost. In order to mitigate the interest rate risk, the Group has 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\$0.8 billion. As at 30 June 2025, 42.1% (31 December 2024: 41.3%) of the Group's borrowings bears interest at a fixed rate, while the remaining balance bears interest at a floating rate.

As at 30 June 2025, save as disclosed above, the Group did not possess any kind of financial instruments for hedging or speculative purposes.

CHARGES ON ASSETS OF THE GROUP

As at 30 June 2025, 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. These pledged assets of the Group included:

- i. inventories with carrying amount of HK\$3,682 million (31 December 2024: HK\$4,265 million);
- ii. property, plant and equipment with carrying amount of approximately HK\$570 million (31 December 2024: HK\$312 million);
- iii. investment properties with fair value of approximately HK\$523 million (31 December 2024: HK\$317 million); and
- iv. 100% interest in a subsidiary.

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2025, guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties amounted to HK\$3,938 million (31 December 2024: HK\$4,681 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 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 financial guarantees 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 by 6.3% to 926 as at 30 June 2025 (30 June 2024: 988). The Group will continue to adopt remuneration policies that are in line with the market practice where it operates. The total remuneration and benefits for the Directors and staff of the Group for the six months ended 30 June 2025 amounted to HK\$141 million (30 June 2024: HK\$167 million).

CORPORATE GOVERNANCE

Corporate Governance Code

In the opinion of the directors of the Company (the "Directors"), throughout the six months ended 30 June 2025, 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.1.3.

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. 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 and two non-executive Directors 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.1.3 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 27 June 2025 due to other work commitment. Mr. Dai Pengyu, the executive director and the general manager of the Company, 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 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 six months ended 30 June 2025.

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 2025, which have also been reviewed by the Company’s independent auditor, Deloitte Touche Tohmatsu, 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 2025.

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. Dai Pengyu, Mr. Chen Xingwu and Mr. Yang Shangping as executive Directors, Ms. He Xiaoli and Mr. Huang Guoping as non-executive Directors, and Ms. Law Fan Chiu Fun, Fanny, Professor Wang Xiuli and Mr. Su Terry Lumin as independent non-executive Directors.

By order of the Board
Minmetals Land Limited
He Jianbo
Chairman

Hong Kong, 21 August 2025

website: www.minmetalsland.com