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五礦地產有限公司

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

UNAUDITED INTERIM RESULTS

The board of directors (“Board”) of Minmetals Land Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016 together with the comparative figures of the corresponding period in 2015.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	3	3,787,639	2,156,177
Cost of sales		(2,939,313)	(1,603,282)
Gross profit		848,326	552,895
Other income and other gains, net	4	34,746	52,778
Fair value changes on investment properties		25,360	102,000
Selling and marketing expenses		(72,819)	(64,264)
Administrative and other expenses		(172,961)	(162,664)
Finance income		130,180	58,879
Finance costs		(32,222)	(23,991)
Share of results of associates		98	(8,063)
Profit before tax		760,708	507,570
Income tax expense	5	(299,814)	(168,151)
Profit for the period	6	460,894	339,419
Profit for the period attributable to:			
Equity holders of the Company		257,084	236,243
Non-controlling interests		203,810	103,176
		460,894	339,419
Earnings per share for profit attributable to equity holders of the Company, in HK cents			
Basic	8	7.69	7.07
Diluted	8	7.68	7.06

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	460,894	339,419
Other comprehensive (expense)/income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	(374,252)	8,177
Share of exchange differences of associates	(24,338)	899
	(398,590)	9,076
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Gain on revaluation of owner-occupied properties upon transfer to investment properties	3,045	–
(Loss)/gain arising on revaluation of financial assets at fair value through other comprehensive income	(108,321)	126,758
	(105,276)	126,758
Other comprehensive (expense)/income for the period	(503,866)	135,834
Total comprehensive (expense)/income for the period	(42,972)	475,253
Total comprehensive (expense)/income for the period attributable to:		
Equity holders of the Company	(161,728)	359,425
Non-controlling interests	118,756	115,828
	(42,972)	475,253

Condensed Consolidated Statement of Financial Position

As at 30 June 2016

		30 June	31 December
		2016	2015
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		129,693	129,353
Investment properties		1,623,140	1,599,234
Goodwill		9,295	9,483
Interests in associates		1,207,098	1,352,198
Financial assets at fair value through other comprehensive income		502,424	610,745
Deferred tax assets		407,786	395,354
		3,879,436	4,096,367
Current assets			
Inventories		19,846,559	20,720,464
Amounts due from customers for contract work		434,095	433,277
Prepayments, trade and other receivables	9	4,439,766	3,404,857
Cash and bank deposits, restricted		271,741	293,551
Cash and bank deposits, unrestricted		13,173,001	10,672,861
		38,165,162	35,525,010
Total assets		42,044,598	39,621,377
EQUITY			
Share capital		334,428	334,428
Reserves		6,792,467	7,022,793
Equity attributable to equity holders of the Company		7,126,895	7,357,221
Non-controlling interests		4,404,414	4,289,672
Total equity		11,531,309	11,646,893

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2016

		30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		10,806,529	8,126,450
Deferred tax liabilities		73,650	96,126
Other liabilities		386	386
		10,880,565	8,222,962
Current liabilities			
Borrowings		920,236	4,452,038
Trade and other payables	<i>10</i>	5,289,214	5,230,077
Deferred revenue		13,219,103	9,705,417
Taxation payable		204,171	363,990
		19,632,724	19,751,522
Total liabilities		30,513,289	27,974,484
Total equity and liabilities		42,044,598	39,621,377
Net current assets		18,532,438	15,773,488
Total assets less current liabilities		22,411,874	19,869,855

Notes:

1. General information

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. Hong Kong and the People's Republic of China (other than Hong Kong) (the "PRC") are the major markets 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 the PRC).

These condensed consolidated financial statements are presented in thousands of units of Hong Kong dollars ("HK\$'000"), unless otherwise stated, which is also the functional currency of the Company. These condensed consolidated financial statements have been approved for issue by the Board of Directors of the Company (the "Board") on 31 August 2016.

2. Basis of preparation and principal accounting policies

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

These condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through other comprehensive income, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those adopted in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. 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 aluminium windows, doors and other materials
Property investment:	Holding of properties to generate rental income and/or to gain from the appreciation in properties' values in the long-term
Securities investment:	Investment of securities

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		Securities investment		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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	3,310,480	1,813,145	481,390	331,128	32,505	37,709	—	—	3,824,375	2,181,982
Inter-segment revenue	—	—	(35,555)	(24,629)	(1,181)	(1,176)	—	—	(36,736)	(25,805)
Sales to external customers	3,310,480	1,813,145	445,835	306,499	31,324	36,533	—	—	3,787,639	2,156,177
Results										
Segment results	641,196	394,867	19,815	(5,300)	51,234	134,291	18,432	26,494	730,677	550,352
Unallocated corporate expenses, net									(68,025)	(69,607)
									662,652	480,745
Finance income									130,180	58,879
Finance costs									(32,222)	(23,991)
Share of results of associates									98	(8,063)
Profit before tax									760,708	507,570

Segment assets

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015	30 June 2016	December 2015
	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)
Segment assets	35,848,041	32,478,365	1,142,180	1,219,268	1,694,759	1,610,324	520,862	610,745	39,205,842	35,918,702
Unallocated corporate assets									2,838,756	3,702,675
Total assets									42,044,598	39,621,377

4. Other income and other gains, net

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies	424	5,314
Dividend income	18,438	26,504
Exchange gain, net	–	13,652
Management fee income from an intermediate holding company and an ultimate holding company	10,170	–
Others	5,714	7,308
	34,746	52,778

5. Income tax expense

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2015: Nil).

PRC enterprise income tax has been calculated on the estimated assessable profit for the period derived in the PRC at the rate of 25% (30 June 2015: 25%).

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

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax - PRC		
Enterprise income tax	229,397	136,720
Land appreciation tax	94,361	50,332
Deferred tax	(23,944)	(18,901)
	299,814	168,151

6. Profit for the period

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Depreciation	4,616	5,149
Cost of properties sold (Note (i))	2,547,208	1,315,224
Cost of specialised construction	386,511	283,126
Direct out-goings arising from investment properties that generated rental income	5,594	4,932
Operating lease charges-minimum lease payment in respect of land and buildings	13,559	14,792
Net foreign exchange loss	4,721	–
Legal and professional fees	5,022	5,469
Employee benefit expense (including directors' emoluments) (Note (ii))	85,098	89,897

Notes:

- (i) Included in cost of properties sold are interest expenses of HK\$167,535,000 (30 June 2015: HK\$125,835,000).
- (ii) In addition, employee benefit expense capitalised to properties under development is HK\$20,866,000 (30 June 2015: HK\$18,050,000).

7. Dividends

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (30 June 2015: Nil).

During the current interim period, a final dividend of HK2.0 cents per ordinary share in respect of the year ended 31 December 2015 (30 June 2015: HK1.5 cents per ordinary share in respect of the year ended 31 December 2014) was declared and paid to the shareholders of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to HK\$66,886,000 (30 June 2015: HK\$50,162,000).

8. Earnings per share

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

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and divided by the adjusted weighted average number of ordinary shares outstanding by assuming conversion of all dilutive potential ordinary shares granted under the Company's share option schemes.

	Six months ended 30 June	
	2016	2015
	(Thousands)	(Thousands)
Number of shares:		
Weighted average number of ordinary shares in issue	3,344,279	3,342,063
Adjustment for share options	1,944	3,731
Weighted average number of ordinary shares for diluted earnings per share	3,346,223	3,345,794

9. Prepayments, trade and other receivables

The following is an aging analysis of trade receivables (net of provision for impairment) 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 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
0 to 90 days	217,469	454,752
91 to 180 days	17,974	85,174
181 days to 1 year	117,537	103,002
1 year to 2 years	149,891	114,070
Over 2 years	25,895	38,381
	<u>528,766</u>	<u>795,379</u>

10. Trade and other payables

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

	30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
0 to 90 days	356,531	226,444
91 to 180 days	52,715	40,961
181 days to 1 year	32,060	44,360
1 year to 2 years	25,378	51,729
Over 2 years	147,618	164,746
	<u>614,302</u>	<u>528,240</u>

11. Commitments

	30 June 2016 HK\$'000 (Unaudited)	31 December 2015 HK\$'000 (Audited)
Contracted but not provided for		
- Expenditure in respect of acquisition of land use rights	88,295	90,076
- Expenditure in respect of properties under development	2,317,293	3,025,248
	<u>2,405,588</u>	<u>3,115,324</u>

Other than the above, the Group entered into a framework agreement with a non-controlling shareholder of a subsidiary in respect of acquisition of the entire 20% equity interest held by the non-controlling shareholder in this entity on 27 May 2016 with a total consideration of HK\$104,634,000. As of 30 June 2016, all the pre-conditions are not yet satisfied. The Group has paid HK\$69,534,000 upon transfer of the equity interest in July 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's turnover for the first half of 2016 amounted to HK\$3,787.6 million, representing an increase of 75.7% from HK\$2,156.2 million in the corresponding period last year. The real estate development segment recorded a revenue growth of 82.6% to HK\$3,310.5 million (30 June 2015: HK\$1,813.1 million), which accounted for 87.4% of the overall revenue. The substantial growth in real estate development revenue was mainly attributable to higher amount of developable floor area delivered to buyers. Revenue from specialised construction segment recorded an increase of 45.4% to HK\$445.8 million (30 June 2015: HK\$306.5 million) whilst revenue from property investment segment decreased by 14.5% to HK\$31.3 million (30 June 2015: HK\$36.6 million).

During the period under review, overall gross profit margin has noted a slight decline from 25.6% to 22.4% as a result of a change of product composition being recognised during the period. There was a decrease in valuation gain of investment properties to HK\$25.4 million (30 June 2015: HK\$102.0 million).

Selling expenses rose to HK\$72.8 million (30 June 2015: HK\$64.3 million) as contracted sales surged significantly during the period which resulted in a corresponding increase in sales commission. Administrative expenses rose to HK\$173.0 million (30 June 2015: HK\$162.7 million) due to the increase in provision for account receivable from certain projects of Minmetals Condo (Hong Kong) Engineering Company Limited ("Condo Hong Kong").

Finance income increased to HK\$130.2 million (30 June 2015: HK\$58.9 million) as a result of increase in interest income earned from loans to a non-controlling shareholder of a subsidiary and from bank deposits. Finance costs charged to the profit or loss for the first half of 2016 increased to HK\$32.2 million (30 June 2015: HK\$24.0 million) after capitalisation of HK\$210.0 million (30 June 2015: HK\$248.1 million) into properties under development. Due to completion of construction works of certain real estate development projects, some portion of interest expenses have not been capitalised into property under development during the period under review.

Profit attributable to equity holders of the Group improved 8.8% to HK\$257.1 million from HK\$236.2 million for the corresponding period last year and basic earnings per share grew to HK7.69 cents (30 June 2015: HK7.07 cents). The Board has made thorough evaluation of the Group's financial position and the funding requirements for the projects currently undertaken and contemplated, and consider to be in the long term interest of the Group and of the shareholders as a whole, not to declare an interim dividend for the six months ended 30 June 2016 (30 June 2015: Nil).

As at 30 June 2016, the Group's net assets slid slightly by 1.0% to HK\$11,531.3 million (31 December 2015: HK\$11,646.9 million) mainly caused by loss arising from the revaluation of financial assets at fair value of HK\$108.3 million and exchange loss generated from currency translation. The financial position of the Group remained healthy. The operating cash inflow amounted to HK\$4,084.3 million and the net increase in cash and cash equivalents amounted to HK\$2,478.3 million. The Group was at a net cash position (31 December 2015: net gearing ratio was 13.8%) and the net current assets increased 17.5% to HK\$18,532.4 million (31 December 2015: HK\$15,773.5 million). Deferred revenue which accounted for 67.3% of current liabilities, rose 36.2% to HK\$13,219.1 million (31 December 2015: HK\$9,705.4 million) as a result of an 122.3% year-on-year increase in contracted sales and improvement of sale proceeds collection. It will be recognised as the Group's revenue when presold properties are completed and delivered.

MARKET OVERVIEW

In the first half of 2016, real estate sector policies have been largely supportive to promote inventory destocking, such as lowering down payment, and cutting deed tax and business tax in property transactions in cities not subject to housing purchase restriction. On the local government level, various cities have introduced divergent policies. On one hand, over 30 local governments have released stimulus policies from the relaxation on household residency registration ("Hukou"), subsidy for deed tax, and increasing provident fund quota, and supportive measures are expected to sustain in those cities with high inventory level and weak sales turnover. On the other

hand, under the current backdrop of a relaxed operating environment with favourable policies in place, those core tier-2 cities that saw sharp average selling price (ASP) surge in recent months as a result of overheated local market may be subject to an imminent introduction of tightening measures. Recently, some municipal government in eastern China like Suzhou and Nanjing has issued a series of regulatory measures with a view to tightening the overheated property market.

On the liquidity front, first-home and second-home mortgage rates have been kept at historic low or near historic low levels, as it has become an industry norm in many regions to see banks offering discount on first-home mortgages. Going forward, we expect the support from banks for the property market to continue in most tier-2 and tier-3 cities. At the back of a money supply growing M2, there would still be a robust liquidity environment to support property sales in coming months.

In the first half of 2016, the industry has seen a rapid surge in ASP in certain tier-1 and core tier-2 cities with low inventory. Many industry players including ourselves have witnessed a record jump in contracted sales. Looking into the second half of the year, we expect the heated market in core regions to slowdown moderately at the back of diminishing effect from the policy stimulus, and potential tightening measures. Nonetheless, the sales performance in 2016 shall still hit historical high level.

In terms of land market, we saw a huge number of “land kings” arising across the country, with some of the land cost already exceeding the ASP of nearby properties. We believe sector risk has risen at the back of such extremely high land premium. From a policy point of view, we therefore expect the high “premium over bid” ratio to ease gradually due to government intervention including tightening land bidding administrative measures and increasing new supply. However, land cost in core cities is not likely to cool down immediately as the majority of developers remain to be in a robust liquidity position. They would also consider land replenishment in core cities as a preferred corporate strategy during a market consolidation period having seen the merger of large and small players.

OUTLOOK

The Group actively participated in land bidding auctions in tier-1 and core tier-2 cities in the first half of this year but could not replenish any land bank due to intensive competition, as well as the ever-growing sector risk associated with abnormally inflated land price in certain regions. In order to drive organic growth under the current favourable regulatory and funding environment over the second half of the year, we will seize opportunity to expand our land bank in Hong Kong and Mainland China in an active yet prudent manner.

In August 2016, the Group successfully acquired a residential land located at Yau Tong, Kowloon, Hong Kong by public tender for a premium of approximately HK\$4.0 billion. The land has a site area of approximately 113,300 square feet with a maximum gross floor area of approximately 566,700 square feet. It has direct access to the sea and enjoys 180 degrees of exceptional and unobstructed view of the Victoria Harbour. Equipped with extensive transportation network and adequate public facility, the district enjoys immense development potential and the Group has a preliminary plan to develop the site into a mid to high end high-rise residential community with waterfront promenade and gardens.

The Group has been closely monitoring the Hong Kong market since last year and when viewed against the PRC market where the Group has had a long term footprint, the land cost to sales price ratio in Hong Kong has remained at a reasonable level. As local demand in residential units shall remain strong on a long term basis, the Group is highly confident about Hong Kong’s future prospect. The successful bid in Yau Tong marked the Company’s debut success in winning a Hong Kong land tender and it is the Group’s first step in carrying out its overseas strategy.

Since making announcement on the entrusted management of China Minmetals Corporation’s non-listed real estate and construction assets in March 2016, the Group has been reviewing the feasibility of further integration of such entrusted assets into the Group with a view to enhancing operational quality, optimizing internal allocation of resources, expanding the Group’s operational scale and profitability, and driving for sustainable rapid growth in the coming years. The Group changed its Chinese name to “五礦地產有限公司” in June 2016 to highlight the nature

of its core business and reinforce its positioning as the sole listed real estate platform of China Minmetals Corporation. The Group will strive to accelerate the consolidation process at the back of suitable internal and capital market environment and aim to expand the scalability of the listed platform through such practice.

In terms of financing, the Group will continue to take advantage of its competitive edge in accessing low cost funding over a wide range of fundraising channels through its listing platform and SOE background, so as to provide adequate financial resources to support its rapid business development.

OPERATIONS REVIEW

The tables below set out the total revenue and results of the Group by operating segments for the six months ended 30 June 2016, together with the comparative figures for the corresponding period last year.

Segment Revenue

	For the six months ended 30 June				Year-on-year change %
	2016		2015		
	HK\$ million	%	HK\$ million	%	
Real estate development	3,310.5	87.4	1,813.1	84.1	82.6
Specialised construction	445.8	11.8	306.5	14.2	45.4
Property investment	31.3	0.8	36.6	1.7	-14.5
Total	3,787.6	100.0	2,156.2	100.0	75.7

Segment Results

	For the six months ended 30 June				Year-on-year change %
	2016		2015		
	HK\$ million	%	HK\$ million	%	
Real estate development	641.2	87.8	394.9	71.8	62.4
Specialised construction	19.8	2.7	(5.3)	-1.0	–
Property investment	51.2	7.0	134.3	24.4	-61.9
Securities investment	18.5	2.5	26.5	4.8	-30.2
Total	730.7	100.0	550.4	100.0	32.8

REAL ESTATE DEVELOPMENT

Contracted Sales

In the first half of 2016, the Group's total contracted sales reached RMB7,449 million (30 June 2015: RMB3,353 million) and the gross floor area ("GFA") contracted for sale amounted to 357,000 square metres (30 June 2015: 172,000 square metres) over 2,763 units (30 June 2015: 1,605 units). The average selling price remained steady at approximately RMB20,900 per square metre and the majority of the contracted sales of the Group derived from tier 1 and tier 2 cities.

The table below provides an analysis by project of contracted sales for the first half of 2015 and 2016:

Project	Six months ended 30 June 2016			Six months ended 30 June 2015		
	Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)	Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)
Beijing Fortune Garden	1,604	22,893	70,097	1,260	24,290	51,875
Yingkou Platinum Bay	42	7,290	5,722	21	3,105	6,945
Langfang Minmetals Vanke City	422	40,528	10,405	261	36,558	7,143
Tianjin Minmetals International	—	—	—	86	8,057	10,706
Nanjing Laguna Bay	—	—	—	8	485	17,079
Nanjing Riviera Royale	—	—	—	17	610	28,168
Nanjing Sello Royale	342	20,854	16,401	185	11,072	16,713
Nanjing Academic Royale	2,552	79,895	31,947	1,263	52,537	24,036
Nanjing Yan Shan Ju	1,612	47,959	33,625	—	—	—
Changsha LOHAS International Community	447	87,310	5,125	128	22,453	5,710
Changsha Kaifu Project	168	24,220	6,949	75	8,431	8,865
Huizhou Hallstatt See	260	25,736	10,113	49	4,415	11,141
Total	7,449	356,685	20,900	3,353	172,013	19,488

Project Profiles

Location/Project	Attributable interest to the Group	Site Area (sq.m.)	Estimated GFA (sq.m.)	GFA completed (sq.m.)	GFA under development (sq.m.)	GFA held for future development (sq.m.)
Pan Bohai Rim						
1. Beijing Fortune Garden	51.00%	139,000	414,000	199,000	215,000	—
2. Yingkou Platinum Bay	100.00%	396,000	521,000	150,000	2,000	369,000
3. Langfang Minmetals Vanke City	50.00%	433,000	704,000	40,000	244,000	420,000
4. Tianjin Minmetals International	100.00%	21,000	183,000	183,000	—	—
Yangtze River Delta						
5. Nanjing Sello Royale	100.00%	179,000	270,000	263,000	7,000	—
6. Nanjing Academic Royale	66.67%	136,000	482,000	315,000	167,000	—
7. Nanjing Yan Shan Ju	100.00%	91,000	203,000	—	203,000	—
Central China						
8. Changsha LOHAS International Community	100.00%	643,000	1,084,000	934,000	75,000	75,000
9. Changsha Scotland Town	100.00%	333,000	442,000	442,000	—	—
10. Changsha Kaifu Project	100.00%	150,000	534,000	73,000	55,000	406,000
Pearl River Delta						
11. Huizhou Hallstatt See	80.00%*	984,000	1,003,000	162,000	55,000	786,000
Total		3,505,000	5,840,000	2,761,000	1,023,000	2,056,000

* The acquisition of the 20% equity interest in Hallstatt See by the Group, as announced on 27 May 2016, has completed in July 2016. Accordingly, Hallstatt See is now wholly owned by the Group.

Beijing Fortune Garden

Fortune Garden is a residential development project located at Xibeiwang Town, Haidian District, Beijing. The development occupies an aggregate site area of approximately 139,000 square metres and has an aggregate planned gross floor area of approximately 414,000 square metres. The project received the “International Award” by the British Association of Landscape Industries in recognition of its outstanding landscape design. The project is comprised of two phases. Development of Phase I commenced in October 2011 and was completed and delivered. Construction of Phase II commenced in June 2013, pre-sale was launched in July 2013 and is scheduled to complete by early 2017. During the first half of 2016, this project achieved a contracted sales of approximately 22,893 square metres.

Yingkou Platinum Bay

Platinum Bay is a residential development project comprises villas and apartments. It is located at Liaoning (Yingkou) Coastal Industrial Base, Yingkou City, Liaoning Province. The project occupies an aggregate site area of approximately 396,000 square metres and has an aggregate planned gross floor area of approximately 521,000 square metres. The project will be developed over six phases. Development of Phases I and II was completed in December 2012. Construction of Phase III commenced in March 2014, pre-sale was launched in June 2014 and has commenced delivery as of the end of 2015. The remaining three phases are currently under planning. During the first half of 2016, this project achieved a contracted sales of approximately 7,290 square metres.

Langfang Minmetals Vanke City

Minmetals Vanke City is a residential development project comprises villas and high-rise units. It is located in Xianghe County, Langfang City, Hebei Province. The project occupies an aggregate site area of approximately 433,000 square metres and has an aggregate planned gross floor area of approximately 704,000 square metres. Construction of the project commenced in October 2014 and pre-sale was launched in December 2014. The villa portion of Phase I has been delivered in June 2016. Construction of Phase II commenced in June 2016 and pre-sale is scheduled to launch in September 2016, and it is scheduled to complete in the fourth quarter of 2017. During the first half of 2016, this project achieved a contracted sales of approximately 40,528 square metres.

Tianjin Minmetals International

Minmetals International is a completed mixed commercial and residential development project located at the east of Yingbin Main Road and south of Tuochang Road, Tanggu District, Tianjin. The project is comprised of office space, apartments and retail stores as well as car-parking spaces. The development occupies an aggregate site area of approximately 21,000 square metres and has an aggregate gross floor area of approximately 183,000 square metres. So far, 90% of the gross saleable floor area was sold. No contracted sales had been recorded from this project during the first half of 2016.

Nanjing Sello Royale

Sello Royale is a residential development project comprises villas and low-rise apartments. It is located at south of Hongjing Road, Science Park, Jiangning District, Nanjing, Jiangsu Province. The project occupies an aggregate site area of approximately 179,000 square metres and has an aggregate gross floor area of approximately 270,000 square metres. Construction of the project commenced in April 2012 and pre-sale was launched in December 2012. Development of residential portion was completed and delivered at the end of 2015. The project was awarded the title of “Best Residential Development in 2014 (East & Central China)” (2014 年度中國華東及華中地區最佳住宅項目) at the first China Property Awards held by Ensign Media. Majority of the development works of this project have completed. So far, 96% of the gross saleable floor area was sold. During the first half of 2016, this project achieved a contracted sales of approximately 20,854 square metres.

Nanjing Academic Royale

Academic Royale is a residential development project located at Tian He Road, southern part of Hexi, Jianye District, Nanjing, Jiangsu Province. It is approximately 5 kilometres from the Nanjing Olympic Sports Centre, the main stadium for the Nanjing 2014 Summer Youth Olympic Games. It is located within the Nanjing Hexi New City Zone, a district of key future development with a construction plan of becoming comfortable living Eco-City.

The project was designed as a high-quality residential community with low density. It occupies an aggregate site area of approximately 136,000 square metres and has an aggregate planned gross floor area of approximately 482,000 square metres. This project is comprised of four phases. Development of Phase I commenced in the third quarter of 2013 with presale in April 2014, and it was completed in the third quarter of 2015. Development of Phase II commenced in the first quarter of 2014 with presale in the third quarter of 2014, and it was completed at the beginning of 2016. Development of Phase III commenced in January 2015 with presale in November 2015, and it is scheduled to complete at the end of 2016. Development of Phase IV commenced in April 2016 and pre-sale is expected to launch at the end of 2016. During the first half of 2016, this project achieved a contracted sales of approximately 79,895 square metres.

Nanjing Yan Shan Ju

Yan Shan Ju is a residential development project located at the established prime residential area of the Southeast of Zijin Mountains in Nanjing Xuanwu District where land supply is limited. The project occupies an aggregate site area of approximately 91,000 square metres and has an aggregate planned gross floor area of approximately 203,000 square metres. There are well developed transportation facilities and the project is in close proximity to the Ninghang Expressway and Subway Line 2. In addition, it enjoys excellent surrounding environment and neighbours a number of educational and research institutions. The project will be developed into a high-end low-density residential community comprises low-rise apartments for first time buyers and upgraders from the local district and the Nanjing city. It is comprised of two phases. Construction of Phase I commenced in the first quarter of 2015 with pre-sale in July 2015 and, it is scheduled to complete in the third quarter of 2016. Construction of Phase II commenced in the third quarter of 2015 and pre-sale was launched in the first quarter of 2016. During the first half of 2016, this project achieved a contracted sales of approximately 47,959 square metres.

Changsha LOHAS International Community

LOHAS International Community is a large-scale residential development project with ancillary facilities, such as clubhouse, shops, car-parking lots, schools and landscaped garden. Located at Gaoyun Road, Muyun Town, Changsha County, Hunan Province, the project occupies an aggregate site area of approximately 643,000 square metres, including a private lake of 30,000 square metres, and has an aggregate planned gross floor area of approximately 1,084,000 square metres. This project is comprised of five phases. Development of Phase I, and Phase II and III was completed in December 2010 and August 2013 respectively. Development of Phase IV commenced in March 2013 and was completed at the end of 2014. Development of Part I of Phase V commenced in December 2013 and was completed in the fourth quarter of 2015. Development of Part II of Phase V has just commenced. So far, 87% of the gross saleable floor area was sold. During the first half of 2016, this project achieved a contracted sales of approximately 87,310 square metres.

Changsha Scotland Town

Scotland Town is a completed residential development project located at Yuntang Village and Yuetang Village, Muyun Town, Changsha County, Hunan Province, and is adjacent to LOHAS International Community. The development occupies an aggregate site area of approximately 333,000 square metres and has an aggregate gross floor area of approximately 442,000 square metres. Development of Phases I and II was completed in August 2011 and November 2013 respectively. So far, 96% of the gross saleable floor area including car-parking lots was sold. No contracted sales had been recorded from this project during the first half of 2016.

Changsha Kaifu Project

Kaifu Project is a residential development project located at Fu Yuan West Road, Kaifu District, Changsha County, Hunan Province. The project is situated at a comfortable living Eco-City zone under planning, with close proximity to the Kaifu District Administration Centre. The development occupies an aggregate site area of approximately 150,000 square metres and has an aggregate planned gross floor area of approximately 534,000 square metres, of which approximately 331,000 square metres is designated for residential purpose, approximately 113,000 square metres for commercial purpose, approximately 5,000 square metres for public ancillary facility purpose, and approximately 71,000 square metres for car-parking and civil air defense purpose. The residential portion of the project will be developed into a quality residential community for first home buyer and upgraders, whilst the

commercial portion will be developed as an entertainment complex with a studio in the centre of the development surrounded by office building, hotel, shopping malls, and food and beverages facilities. This project is comprised of three phases. Development of phase I commenced in September 2014 and is expected to complete in the fourth quarter of 2016, in which development of the villas and selected high-rise units was completed by December 2015, and development of the high-rise units is scheduled to complete in the fourth quarter of 2016. During the first half of 2016, this project achieved a contracted sales of approximately 24,220 square metres.

Huizhou Hallstatt See

Hallstatt See is a large-scale residential development project located in Boluo County, Huizhou City, Guangdong Province and is in close proximity to many amenities including golf course. Surrounded by hills and a 20-acre lake, the development occupies an aggregate site area of approximately 984,000 square metres and has an aggregate planned gross floor area of approximately 1,003,000 square metres. The project received 4A tourist attraction rating by the China National Tourism Administration in 2015, and was given an award for its innovative cultural and resort real estate model (文化與旅遊度假地產模式創新大獎) in the 10th Annual Real Estate Billboard event hosted by the China Commercial Real Estate Commission. It is comprised of seven phases. Development of Phase I and part of Phase II was completed and delivered in 2013 and 2014 respectively. Construction of the majority of Phase II and Phase III was completed in November 2015. The entire project is scheduled to complete by the end of 2019. During the first half of 2016, this project achieved a contracted sales of approximately 25,736 square metres.

Land Bank

As at 30 June 2016, the Group had a land bank developable in gross floor area of approximately 3.03 million square metres across 11 real estate development projects in 7 cities located in mainland China, including Beijing, Yingkou, Langfang, Tianjin, Nanjing, Changsha and Huizhou.

SPECIALISED CONSTRUCTION

The Group is engaged in the business of specialised construction mainly encompassing the services of design, production and installation of curtain walls system, windows and associated metal works via Minmetals Condo (Shanghai) Construction Co., Ltd. (“Condo Shanghai”) for the PRC market, Condo Hong Kong for the Hong Kong market and Minmetals Condo (Macau) Engineering Company Limited (“Condo Macau”) for the Macau market. In the first half of 2016, revenue derived from this operating segment recorded a significant growth of 45.4% and its operating results, net of intra-group transactions, showed an operating gain of HK\$19.8 million (30 June 2015: loss of HK\$5.3 million).

During the period, Condo Shanghai has an improving performance in financial management and accounts receivables collection rate. Tendering will remain as top priority for the business unit in the remainder of the year. During the first half of 2016, Condo Shanghai has secured new tenders amounting to approximately RMB92 million and it has projects on hand as at end of June amounting to RMB423 million. Despite intense industry competition in the Hong Kong market, Condo Hong Kong has secured new tenders amounting to approximately HK\$300 million in the first half of 2016 with projects on hand amounting to around HK\$1 billion as of 30 June 2016. Condo Macau has only one project, MGM Cotai in Macau, which is currently under construction.

PROPERTY INVESTMENT

The Group’s investment property portfolio in Hong Kong comprises two commercial office buildings, namely China Minmetals Tower in Tsimshatsui and LKF 29 in Central, and four residential units, all of which are located in Hong Kong with a total gross floor area of 14,458 square metres. In the first half of 2016, as the overall economic activities in Hong Kong cool down, revenue from this operating segment dropped by 14.5% to HK\$31.3 million (30 June 2015: HK\$36.6 million). As at 30 June 2016, the occupancy rate of LKF 29 was 94.6% (31 December 2015: 92.0%) while China Minmetals Tower remained 100% occupied (31 December 2015: 100%).

ENTRUSTED ASSET MANAGEMENT

In March 2016, the Group announced the entrusted management of China Minmetals Corporation's ("CMC") non-listed real estate and construction assets, under which CMC entrusted the Company with the management of all non-listed assets within its real estate development and construction division, for a term of 2 years for an annual fixed fee of RMB30 million. As of 30 June 2016, the Group has recorded RMB8.6 million in management fees according to the entrusted management service agreement.

The entrusted assets comprise two wholly-owned subsidiaries and one non wholly-owned subsidiary of CMC and two wholly-owned subsidiaries of China Minmetals Corporation Limited established in the PRC which principally engage in real estate development and investment, construction, property management and other related services, including 25 real estate development and management projects which those subsidiaries have interests in. These projects are located in Beijing, Tianjin, Shenyang, Liaoning, Shandong, Qinghai, Jiangsu, Hunan and Guangdong.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2016, the Group's operations were financed mainly by cash flows generated internally from business operations as well as borrowings.

As at 30 June 2016, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted to HK\$13,173.0 million (31 December 2015: HK\$10,672.9 million).

The Group had utilised financing to supplement internal resources to finance the acquisition of new projects and the development of existing projects. Total borrowings of the Group stood at HK\$11,726.8 million as at 30 June 2016 (31 December 2015: HK\$12,578.5 million), which mainly comprised of borrowings from banks and bond issuance. The Group was at a net cash position as at 30 June 2016 (31 December 2015: net gearing ratio was 13.8%).

Maturity profile of the Group's borrowings is as follows:

	30 June 2016		31 December 2015	
	HK\$ million	%	HK\$ million	%
Within one year	920.2	7.9	4,452.0	35.4
In the second year	2,385.0	20.3	994.3	7.9
In the third to fifth year	7,463.0	63.6	6,174.3	49.1
Beyond five years	958.6	8.2	957.9	7.6
Total	11,726.8	100.0	12,578.5	100.0

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

	30 June 2016		31 December 2015	
	HK\$ million	%	HK\$ million	%
Renminbi	815.7	7.0	860.6	6.8
Hong Kong Dollar	8,216.7	70.0	9,027.2	71.8
United States Dollar	2,694.4	23.0	2,690.7	21.4
Total	11,726.8	100.0	12,578.5	100.0

The unutilised banking facilities of the Group as at 30 June 2016 amounted to HK\$5,154.2 million (31 December

2015: HK\$336.9 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

During the first half of 2016, most of the Group's revenue and costs were denominated in Hong Kong dollar and Renminbi. The Group is exposed to exchange rate risk on transactions that are denominated in a currency other than Hong Kong dollar, the reporting and functional currency of the Group. The Group has not implemented or entered into any foreign exchange hedging arrangement to manage its exchange rate risk during the period. However, the Group has been closely monitoring the recent fluctuation in Renminbi exchange rate, and will adopt necessary measures to minimize the impact arising from adverse currency fluctuation.

CHARGES ON GROUP ASSETS

As at 30 June 2016, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and mortgage loan facilities to the buyers of the Group's properties, and these pledged assets of the Group included:

- i. inventories with carrying amounts of HK\$1,108.0 million (31 December 2015: HK\$1,388.7 million); and
- ii. bank deposits with carrying amounts of HK\$108.7 million (31 December 2015: HK\$115.4 million).

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2016, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK\$11,532.5 million (31 December 2015: HK\$7,742.4 million). Such guarantees will terminate upon the earlier of (i) 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) satisfaction of mortgaged loans by the purchasers. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take the possession of the related properties. Under such circumstances, the Group is able to retain the property sales proceeds previously received from the customers and sell the property to recover any amounts paid by the Group to the banks. The Directors therefore consider that no provision is required for the guarantees.

HUMAN RESOURCES

Total number of staff of the Group, including the Directors, was 1,250 as at 30 June 2016 (30 June 2015: 1,136). The Group will continue to adopt a remuneration policy in line with local market practice and standards. Total remuneration and benefits of the Directors and staff of the Group during the first half of 2016 were approximately HK\$106.0 million (30 June 2015: HK\$107.9 million).

CORPORATE GOVERNANCE

Corporate Governance Code

In the opinion of the Directors, throughout the six months ended 30 June 2016, the Company had complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except for the following deviation:

- (i) Code provision A.4.2 requires that all directors appointed to fill a casual vacancy in listed companies be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Instead of having elected at the first general meeting, Directors appointed by the Company to fill a casual

vacancy are subject to election at the first annual general meeting after their appointment. Besides, all Directors are subject to retirement by rotation in the manner as set out in the said code provision save for the Chairman and the Managing Director of the Company where they are not required to do so pursuant to the private company act 1991 by which the Company was incorporated.

- (ii) Code provision E.1.2 requires that the chairman of the Board and the chairman of all board committees of listed companies to attend and answer questions at the annual general meeting.

Mr. Zhang Yuanrong, the Chairman of the Board and of the Nomination Committee, was not available for the Company's annual general meeting for 2016 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the Deputy Chairman, Managing Director and a member of the Nomination Committee, took the chair of the said meeting.

Code for Securities Transactions by Directors

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

Having made specific enquiry of all Directors, they have confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2016.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2016, which have also been reviewed by the Group's independent auditor, Messrs. 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 HKICPA.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Zhang Yuanrong as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Mr. Yin Liang, Ms. He Xiaoli and Mr. Liu Zeping as executive Directors, Mr. Cui Hushan as a non-executive Director, and Mr. Selwyn Mar, Ms. Tam Wai Chu, Maria and Mr. Lam Chung Lun, Billy as independent non-executive Directors.

By order of the Board

He Jianbo

Deputy Chairman and Managing Director

Hong Kong, 31 August 2016

website: www.minmetalsland.com