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 2017

UNAUDITED INTERIM RESULTS

The board of directors (the "Board") of Minmetals Land Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 together with the comparative figures of the corresponding period in 2016.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	**HK$'000**	HK$'000
		(Unaudited)	(Unaudited)
Revenue	*3*	**4,375,868**	3,787,639
Cost of sales		**(2,750,145)**	(2,939,313)
Gross profit		**1,625,723**	848,326
Other income, other gains and losses	*4*	**35,099**	34,746
Fair value changes on investment properties		**43,000**	25,360
Selling and marketing expenses		**(74,442)**	(72,819)
Administrative and other expenses		**(186,115)**	(172,961)
Finance income		**66,418**	130,180
Finance costs		**(33,808)**	(32,222)
Share of results of associates		**127**	98
Profit before tax		**1,476,002**	760,708
Income tax expense	*5*	**(723,682)**	(299,814)
Profit for the period	*6*	**752,320**	460,894
Profit for the period attributable to:			
Equity holders of the Company		**395,424**	257,084
Non-controlling interests		**356,896**	203,810
		752,320	460,894
Earnings per share for profit attributable to equity holders of the Company, in HK cents			
Basic	*8*	**11.82**	7.69
Diluted	*8*	**11.82**	7.68

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit for the period	**752,320**	460,894
Other comprehensive income /(expense):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**394,457**	(374,252)
Fair value losses on hedging instruments in cash flow hedges	**(68,373)**	-
Share of other comprehensive income/(expense) of associates	**34,974**	(24,338)
	361,058	(398,590)
Items that will not be reclassified subsequently to profit or loss:		
Gain on revaluation of owner-occupied properties upon transfer to investment properties	**-**	3,045
Gain/(loss) arising on revaluation of financial assets at fair value through other comprehensive income	**260,431**	(108,321)
	260,431	(105,276)
Other comprehensive income/(expense) for the period	**621,489**	(503,866)
Total comprehensive income/(expense) for the period	**1,373,809**	(42,972)
Total comprehensive income/(expense) for the period attributable to:		
Equity holders of the Company	**950,574**	(161,728)
Non-controlling interests	**423,235**	118,756
	1,373,809	(42,972)

Condensed Consolidated Statement of Financial Position

As at 30 June 2017

	Note	30 June 2017 HK$'000 (Unaudited)	31 December 2016 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**187,792**	186,661
Investment properties		**1,705,609**	1,662,326
Goodwill		**9,153**	8,879
Interests in associates		**1,176,153**	1,141,052
Financial assets at fair value through other comprehensive income		**742,113**	481,682
Other financial assets		**47,264**	115,637
Deferred tax assets		**718,048**	560,757
		4,586,132	4,156,994
Current assets			
Inventories		**26,889,954**	18,919,140
Amounts due from customers for contract work		**340,524**	347,537
Prepayments, trade and other receivables	*9*	**5,696,176**	11,764,690
Cash and bank deposits, restricted		**683,352**	242,201
Cash and bank deposits, unrestricted		**8,395,072**	5,431,519
		42,005,078	36,705,087
Total assets		**46,591,210**	40,862,081
EQUITY			
Share capital		**334,444**	334,444
Reserves		**7,064,477**	6,247,680
Equity attributable to equity holders of the Company		**7,398,921**	6,582,124
Non-controlling interests		**2,380,885**	1,967,748
Total equity		**9,779,806**	8,549,872

Condensed Consolidated Statement of Financial Position (Continued)
As at 30 June 2017

	Note	**30 June 2017 HK$'000 (Unaudited)**	31 December 2016 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		**13,119,902**	11,314,859
Deferred tax liabilities		**137,024**	131,080
Other liabilities		**386**	386
		13,257,312	11,446,325
Current liabilities			
Borrowings		**1,983,863**	299,564
Other financial liabilities		**15,145**	-
Trade and other payables	*10*	**9,423,445**	7,753,209
Deferred revenue		**12,002,212**	12,419,623
Taxation payable		**129,427**	393,488
		23,554,092	20,865,884
Total liabilities		**36,811,404**	32,312,209
Total equity and liabilities		**46,591,210**	40,862,081
Net current assets		**18,450,986**	15,839,203
Total assets less current liabilities		**23,037,118**	19,996,197

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 30 August 2017.

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 certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2016.

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 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 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 Six months ended 30 June		**Specialised construction Six months ended 30 June**		**Property investment Six months ended 30 June**		**Securities investment Six months ended 30 June**		**Total Six months ended 30 June**	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	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	**3,858,724**	3,310,480	**484,565**	481,390	**35,493**	32,505	**-**	-	**4,378,782**	3,824,375
Inter-segment revenue	**-**	-	**(413)**	(35,555)	**(2,501)**	(1,181)	**-**	-	**(2,914)**	(36,736)
Sales to external customers	**3,858,724**	3,310,480	**484,152**	445,835	**32,992**	31,324	**-**	-	**4,375,868**	3,787,639
Results										
Segment results	**1,420,138**	641,196	**20,071**	19,815	**72,259**	51,234	**20,736**	18,432	**1,533,204**	730,677
Unallocated corporate expenses, net									**(89,939)**	(68,025)
									1,443,265	662,652
Finance income									**66,418**	130,180
Finance costs									**(33,808)**	(32,222)
Share of results of associates									**127**	98
Profit before tax									**1,476,002**	760,708

Segment assets

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	30 June 2017	31 December 2016	**30 June 2017**	31 December 2016	**30 June 2017**	31 December 2016	**30 June 2017**	31 December 2016	**30 June 2017**	31 December 2016
	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	**36,288,772**	33,520,084	**1,158,968**	1,123,835	**2,000,157**	1,768,600	**762,855**	481,682	**40,210,752**	36,894,201
Unallocated corporate assets									**6,380,458**	3,967,880
Total assets									**46,591,210**	40,862,081

4. Other income, other gains and losses

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Government subsidies	**3,046**	424
Dividend income	**20,742**	18,438
Management fee income from an intermediate holding company and the ultimate holding company	**16,909**	10,170
Fair value loss of other financial liabilities	**(15,145)**	–
Others	**9,547**	5,714
	35,099	34,746

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 2016: 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 2016: 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	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current tax - PRC		
Enterprise income tax	**491,778**	229,397
Land appreciation tax	**369,796**	94,361
Deferred tax	**(137,892)**	(23,944)
	723,682	299,814

6. Profit for the period

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Depreciation	**3,978**	4,616
Cost of properties sold (Note (i))	**2,307,494**	2,547,208
Cost of specialised construction	**437,323**	386,511
Direct out-goings arising from investment properties that generated rental income	**5,328**	5,594
Operating lease charges-minimum lease payment in respect of land and buildings	**6,613**	13,559
Net foreign exchange loss	**17,004**	4,721
Legal and professional fees	**5,397**	5,022
Employee benefit expense (including directors' emoluments) (Note (ii))	**84,725**	85,098

Notes:

(i) Included in cost of properties sold are interest expenses of HK$181,288,000 (30 June 2016: HK$167,535,000).

(ii) In addition, employee benefit expense capitalised to properties under development is HK$19,822,000 (30 June 2016: HK$20,866,000).

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 2017 (30 June 2016: Nil).

During the current interim period, a final dividend of HK4.0 cents per ordinary share in respect of the year ended 31 December 2016 (30 June 2016: HK2.0 cents per ordinary share in respect of the year ended 31 December 2015) 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$133,777,000 (30 June 2016: HK$66,886,000).

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 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 divided by the adjusted 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	
	2017	2016
	(Thousands)	(Thousands)
Number of shares:		
Number of ordinary shares in issue	**3,344,438**	3,344,279
Adjustment for share options	**2,171**	1,944
Number of ordinary shares for diluted earnings per share	**3,346,609**	3,346,223

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 2017 HK$'000 (Unaudited)	31 December 2016 HK$'000 (Audited)
0 to 90 days	**187,672**	181,979
91 to 180 days	**32,958**	28,986
181 days to 1 year	**70,020**	88,641
1 year to 2 years	**120,563**	158,270
Over 2 years	**93,602**	41,963
	504,815	499,839

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 2017 HK$'000 (Unaudited)	31 December 2016 HK$'000 (Audited)
0 to 90 days	**284,109**	357,298
91 to 180 days	**315,427**	49,361
181 days to 1 year	**320,439**	104,442
1 year to 2 years	**34,545**	50,817
Over 2 years	**145,586**	153,314
	1,100,106	715,232

11. Commitments

	30 June 2017 HK$'000 (Unaudited)	31 December 2016 HK$'000 (Audited)
Contracted but not provided for		
- Expenditure in respect of acquisition of land use rights	**–**	924,492
- Expenditure in respect of properties under development	**1,343,745**	1,419,555
	1,343,745	2,344,047

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's turnover for the first half of 2017 amounted to HK$4,375.9 million, representing an increase of 15.5% from HK$3,787.6 million in the corresponding period last year. The real estate development segment recorded a revenue growth of 16.6% to HK$3,858.7 million (30 June 2016: HK$3,310.5 million), which accounted for 88.2% of the overall revenue. The substantial growth in real estate development revenue was mainly attributable to the increase in the average selling price of the properties delivered to buyers. Revenue from specialised construction segment recorded an increase of 8.6% to HK$484.2 million (30 June 2016: HK$445.8 million) whilst revenue from property investment segment increased by 5.4% to HK$33.0 million (30 June 2016: HK$31.3 million).

During the period under review, overall gross profit margin has noted a significant surge from 22.4% to 37.2% as a result of higher-margin products recognised during the period. As market valuation for comparable asset class has grown significantly in the first half of 2017, especially for LKF 29, there was an increase in valuation gain in our Hong Kong investment properties to HK$43.0 million (30 June 2016: HK$25.4 million).

Selling expenses only recorded a slight increase to HK$74.4 million (30 June 2016: HK$72.8 million) due to slow down in sales promotion program from certain projects where those locations had experienced increasing tightening regulatory policies. Administrative and other expenses rose to HK$186.1 million (30 June 2016: HK$173.0 million) due to a HK$12.3 million increase in foreign exchange loss to HK$17.0 million (30 June 2016: HK$4.7 million) coming from the US dollar bonds of the Group.

Finance income recorded a significant decline to HK$66.4 million (30 June 2016: HK$130.2 million) as a result of higher portion of cash resources being deployed in land acquisition during the period. Finance costs charged to the profit or loss for the first half of 2017 increased to HK$33.8 million (30 June 2016: HK$32.2 million) after capitalisation of HK$217.8 million (30 June 2016: HK$210.0 million) into properties under development.

Core profit for the period, having excluded valuation gain from investment properties, increased by 68.4% to HK$741.5 million (30 June 2016: HK$440.3 million). Profit attributable to equity holders of the Company improved 53.8% to HK$395.4 million from HK$257.1 million for the corresponding period last year and basic earnings per share grew to HK11.82 cents (30 June 2016: HK7.69 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 considers 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 2017 (30 June 2016: Nil).

As at 30 June 2017, the Group's net assets increased by 14.4% to HK$9,779.8 million (31 December 2016: HK$8,549.9 million) mainly caused by substantial increase in core earnings and a growing reserve due to Renminbi exchange rate appreciation during the period. The financial position of the Group remained healthy. The Group's net gearing ratio was 61.6% (31 December 2016: 69.5%) and the net current assets increased 16.5% to HK$18,451.0 million (31 December 2016: HK$15,839.2 million). Deferred revenue that accounted for 51.0% of current liabilities dropped slightly by 3.4% to HK$12,002.2 million (31 December 2016: HK$12,419.6 million). It will be recognised as the Group's revenue when presold properties are completed and delivered.

MARKET OVERVIEW AND OUTLOOK

In the first half of 2017, as increasing number of cities have taken a varied approach in control measures, the property market has gradually made clear its positioning of "houses are built to be inhabited, not for speculation". On the policy front, we observed a record high number of cities introducing new tightening policy with stringent control in the first half of 2017, remarking it the toughest curbing period in history. There were the so-called "five restriction" rolls out; namely: home purchase restriction, lending restriction, selling restriction, pricing restriction and restriction on converting commercial properties to quasi-residential or serviced apartments. When compared to the cooling measures of the past few years, the selling restriction and the restriction on commercial property conversion became the main theme that further curbed liquidity and speculative demand in the property market. As a whole, the number of cities with tightening property measures has reached an unprecedented level of more than 50, with more to come in the future.

On the other hand, first hand sales in major cities remained robust. The key reason is that pricing restriction has led to a suppressed first hand price when compared to secondary market price which created an atmosphere of "buying is winning". Some properties have become so popular that even lottery system has to be set up to ease the situation. Even then, the properties got sold out within a day. For real estate developers, the first half of 2017 has been a period of wrestling against pricing restriction as part of the developers decided to suspend sales in response to a slower rate of release of pre-sale permits and increasing pricing restrictions. Nevertheless, real estate developers still achieved good sales performance riding on favourable sales momentum from last year. When many of these developers approaching debt repayment cycle in the second half of the year, they may face tighter funding conditions in light of stringent debt funding environment in terms of policy control and government approval process. It is anticipated that cashflow will then be of paramount concern than profit margin, which will subsequently push more real estate developers to boost sales pace as opposed to adhering to specific sales price. In addition, in view of the recent price rally in real estate company stocks, equity fund raising activities are likely to pick up in the second half of the year.

On the land market front, at the back of property sales frenzy in 2016, real estate companies are fueled to undergo active land replenishment and inventory restoration. In particular, the hot cities with severe land supply shortage have become major battlefields. To suppress land price in these cities, new measures like land pricing restriction, selling price restriction and bidding for self-owned portion have become new means to serve the purpose. The enforcement of land price curb and land price maintenance have therefore become the main theme of the land market for the first half of 2017. In order to regulate land price, establish a long-term mechanism and develop a housing rental market, we have observed unprecedented cases in cities such as Beijing and Foshan where the land plot has been bidden to 100% self-owned or to be built into rental housing only. These new market developments will undoubtedly push developers to reach a higher bar in terms of funding and overall development and operational capability. Under this backdrop, the means of obtaining land through joint ventures or consortiums will become mainstream practice and the Group will also employ such approach to expand its footprint at reasonable cost while lowering its development risk.

The Group actively participated in land bidding auctions in tier-1 and core tier-2 cities in the first half of this year and successfully entered into the Wuhan market through public land auction. In addition, the Group together with other property developers successfully acquired two residential land sites located in Nanjing Jiangpu District and Hexi District in early July. It is testimony to the Group's investment strategy of "establishing footprint in hot cities and deepen our footprint in cities with existing competitive advantage", and has provided high quality landbank resources to fuel future earning growth and business expansion.

The Group has been closely monitoring the Hong Kong and overseas markets since the acquisition of the Yau Tong site last year. When viewed against the PRC market where the Group has had a long term footprint, the land cost to sales price ratio as well as the profit margin thereof in Hong Kong and selected Asian, European and American gateway cities have remained at a reasonable level. The Group will seize potential investment and project cooperation opportunities in these regions and continue to carry out its overseas investment strategy.

In terms of finance, 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 the SOE background. The Group will continue to apply stringent control over cash collection rate, improve projects' capital turnover in order to maintain the gearing level at a relatively reasonable level.

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 2017, together with the comparative figures for the corresponding period last year.

Segment Revenue

	For the six months ended 30 June				**Year-on-year**
	2017		2016		**change**
	HK$ million	**%**	HK$ million	%	**%**
Real estate development	**3,858.7**	**88.2**	3,310.5	87.4	**16.6**
Specialised construction	**484.2**	**11.1**	445.8	11.8	**8.6**
Property investment	**33.0**	**0.7**	31.3	0.8	**5.4**
Total	**4,375.9**	**100.0**	3,787.6	100.0	**15.5**

Segment Results

	For the six months ended 30 June				**Year-on-year**
	2017		2016		**change**
	HK$ million	**%**	HK$ million	%	**%**
Real estate development	**1,420.1**	**92.6**	641.2	87.8	**121.5**
Specialised construction	**20.1**	**1.3**	19.8	2.7	**1.5**
Property investment	**72.3**	**4.7**	51.2	7.0	**41.2**
Securities investment	**20.7**	**1.4**	18.5	2.5	**11.9**
Total	**1,533.2**	**100.0**	730.7	100.0	**109.8**

REAL ESTATE DEVELOPMENT

Land Bank

As at 30 June 2017, the Group had a land bank developable in gross floor area of approximately 3.2 million square metres across 17 real estate development projects in 11 cities located in mainland China, including Beijing, Yingkou, Langfang, Tianjin, Nanjing, Changsha, Wuhan, Huizhou, Foshan, Guangzhou and Hong Kong.

Contracted Sales

In the first half of 2017, the Group's total contracted sales reached RMB2,757 million (30 June 2016: RMB7,449 million) and the gross floor area contracted for sale amounted to 145,000 square metres (30 June 2016: 357,000 square metres) over 1,954 units (30 June 2016: 2,763 units). The average selling price remained steady at approximately RMB19,039 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 of contracted sales by projects for the first half of 2016 and 2017:

Project	Six months ended 30 June 2017 Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)	Six months ended 30 June 2016 Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)
Beijing Fortune Garden	**1,539**	**21,230**	**72,514**	1,604	22,893	70,097
Yingkou Platinum Bay	**55**	**12,064**	**4,574**	42	7,290	5,722
Langfang Minmetals Vanke City	**510**	**42,628**	**11,972**	422	40,528	10,405
Tianjin Minmetals International	**–**	**–**	**–**	–	–	–
Nanjing Sello Royale	**–**	**–**	**–**	342	20,854	16,401
Nanjing Academic Royale*	**27**	**–**	**–**	2,552	79,895	31,947
Nanjing Yan Shan Ju	**42**	**1,210**	**34,884**	1,612	47,959	33,625
Changsha LOHAS International Community	**242**	**38,797**	**6,229**	447	87,310	5,125
Changsha Scotland Town	**49**	**5,568**	**8,714**	–	–	–
Changsha Qin Royale	**72**	**5,044**	**14,283**	168	24,220	6,949
Huizhou Hallstatt See	**221**	**18,265**	**12,110**	260	25,736	10,113
Total	**2,757**	**144,806**	**19,039**	7,449	356,685	20,887

* all the sales amount comes from sales of car-park, which does not attribute to contracted GFA.

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%	139,000	414,000	306,000	108,000	–
2. Yingkou Platinum Bay	100%	396,000	521,000	147,000	11,500	362,500
3. Langfang Minmetals Vanke City	50%	433,000	704,000	131,000	284,000	289,000
4. Tianjin Minmetals International	100%	21,000	183,000	183,000	–	–
Yangtze River Delta						
5. Nanjing Sello Royale	100%	179,000	270,000	270,000	–	–
6. Nanjing Academic Royale	100%	136,000	482,000	403,000	79,000	–
7. Nanjing Yan Shan Ju	100%	91,000	203,000	192,000	11,000	–
8. Nanjing G55 Project	100%	95,000	179,000	–	–	179,000
9. Nanjing G57 Project	100%	68,000	98,000	–	–	98,000
Central China						
10. Changsha LOHAS International Community	100%	643,000	1,084,000	924,000	158,000	2,000
11. Changsha Scotland Town	100%	333,000	442,000	442,000	–	–
12. Changsha Qin Royale	100%	150,000	534,000	128,000	55,000	351,000
13. Wuhan Project	100%	61,000	128,000	–	–	128,000
Pearl River Delta						
14. Huizhou Hallstatt See	100%	984,000	1,003,000	194,000	55,000	754,000
15. Foshan Project	100%	42,500	150,000	–	–	150,000
16. Guangzhou Project	100%	30,600	17,500	–	–	17,500
17. Hong Kong Yau Tong Project	100%	10,500	53,000	–	–	53,000
Total		**3,812,600**	**6,465,500**	**3,320,000**	**761,500**	**2,384,000**

Beijing Fortune Garden

Fortune Garden is a residential development project located at Xibeiwang Town, Haidian District, Beijing. It 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" granted by the British Association of Landscape Industries in recognition of its outstanding landscape design. The project is comprised of two phases. Whilst Phase I of the project was completed and delivered, Phase II is scheduled to deliver to buyers by 2018. During the first half of 2017, this project achieved a contracted sales of 21,230 square metres.

Yingkou Platinum Bay

Platinum Bay is a residential development project comprises villas and apartments. 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 is comprised of five phases. Development of Phases I and II was completed in December 2012. Part I of Phase III of the project commenced delivery at the end of 2015 and Part II of it is scheduled to deliver to buyers by the end of 2017. Construction of Part I of Phase IV commenced in 2017 and is scheduled to complete by the end of 2018. The construction of Parts II, III and IV of Phase IV is ready to commence. Construction of Phase V's high-rise units is dependent on market condition. During the first half of 2017, this project achieved a contracted sales of 12,064 square metres.

Langfang Minmetals Vanke City

Minmetals Vanke City is a residential development project comprises villas and high-rise units. 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 Phase I of the project commenced in October 2014 with pre-sale in December 2014. Construction of Phase II's high-rise units commenced in 2016 and is scheduled to complete by the end of 2017. The remaining parts of the project are currently under planning. During the first half of 2017, this project achieved a contracted sales of 42,628 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, retail stores as well as car-parking spaces. It 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, 94% of the gross saleable floor area was sold. No contracted sales had been recorded from this project during the first half of 2017.

Nanjing Sello Royale

Sello Royale is a completed residential development project located at the south of Hongjing Road, Science Park, Jiangning District, Nanjing, Jiangsu Province. The project is comprised of villas and low-rise apartments. It occupies an aggregate site area of approximately 179,000 square metres and has an aggregate gross floor area of approximately 270,000 square metres. The project was awarded the "Best Residential Development in 2014 (East & Central China)" at the first China Property Awards hosted by Ensign Media. Majority of the development works of the project had been completed. So far, 99% of the gross saleable floor area was sold. No contracted sales had been recorded from this project during the first half of 2017.

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. The project is situate in the Nanjing Hexi New City Zone, a district of key future development with a construction plan of becoming comfortable living Eco-City. The project is 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. The project is comprised of four phases. Development of Phase I and Phase II was completed in 2015 and 2016 respectively. Phase III's development commenced in January 2015 with presale in November 2015, is expected to complete with full refurbishment in the fourth quarter of 2017. It is scheduled to deliver to buyers by the end of 2017. Phase IV's development commenced in April 2016 and is expected to complete with full refurbishment in the fourth quarter of 2018. The entire project is expected to complete by the fourth quarter of 2018. During the first half of 2017, this project achieved a contracted sales of approximately RMB27 million which are all car parking lots.

Nanjing Yan Shan Ju

Yan Shan Ju is a residential development project located in the established prime residential area at the southeast of Zijin Mountains in Nanjing Xuanwu District where land supply is limited. It 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 is designed as a high-end low-density residential community comprises low-rise apartments for first home buyers and upgraders from the local district and the Nanjing City. It is comprised of two phases. Development of Phase I that commenced in the first quarter of 2015 with pre-sale in July 2015 has completed with full refurbishment in the second quarter of 2017. Development of Phase II that commenced in the third quarter of 2015 with pre-sale in the first quarter of 2016 has completed with full refurbishment in June 2017 and is scheduled to deliver to buyers in the second quarter of 2018. During the first half of 2017, this project achieved a contracted sales of 1,210 square metres.

Nanjing G55 Project

Nanjing G55 Project is a residential development project located within the core centre of Zijin Technology Entrepreneurial Special Zone at the junction of Shuanglong Avenue and Xueliu dong Road, and to the west of Shangqinhuai Wetland Park, the largest wetland park in China. The project occupies an aggregate site area of approximately 95,000 square metres and has an aggregate planned gross floor area of approximately 179,000 square metres. The project is comprised of two phases. Development of Phase I has commenced in the second quarter of 2017. The project is expected to complete in the third quarter of 2019 for sale.

Nanjing G57 Project

Nanjing G57 Project is a residential development project located in the south-eastern corner of Fangshan, Jiangning District within the Jiangning University Town at the junction of Fangqian Avenue and Wushi Road. The project occupies an aggregate site area of approximately 68,000 square metres and has an aggregate planned gross floor area of approximately 98,000 square metres. Development of the project has commenced in the second quarter of 2017. The project is expected to complete in the third quarter of 2018 for sale.

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. The project is comprised of five phases. Whilst development of Phases I to IV was completed during the years from 2010 to 2014, the development of Part I of Phase V was completed in the fourth quarter of 2015. Development of Part II of Phase V has commenced in 2016 and is expected to complete in the fourth quarter of 2018. During the first half of 2017, this project achieved a contracted sales of 38,797 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 project occupies an aggregate site area of approximately 333,000 square metres and has an aggregate gross floor area of approximately 442,000 square metres. So far, 96% of the gross saleable floor area, including car-parking lots was sold. During the first half of 2017, this project achieved a contracted sales of 5,568 square metres.

Changsha Qin Royale

Qin Royale is a residential and commercial development project located at Fu Yuan West Road, Kaifu District, Changsha County, Hunan Province which is within a comfortable living Eco-City zone under planning, with close proximity to the Kaifu District Administration Centre. The project 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. Whilst the residential portion of the project will be developed into a quality residential community for first home buyers and upgraders, the commercial portion will be developed as an entertainment complex with a studio in the center of the development surrounded by office buildings, hotel, shopping malls, and food and beverage facilities. The project is comprised of three phases namely, Phase I and II for residential development and Phase III for commercial development. Development of Phase I which is comprised of villas and selected high-rise units was completed in the fourth quarter of 2016. Phase II commenced construction in the first quarter of 2017. Phase III is currently under planning. During the first half of 2017, this project achieved a contracted sales of 5,044 square metres.

Wuhan Project

Wuhan Project is a residential development project located within the Panlongcheng Economic Development Zone of Huangpi District, Wuhan City at the junction of Songjiagang East Road and Huayun Road. The project occupies an aggregate site area of approximately 61,000 square metres and has an aggregate planned gross floor area of approximately 128,000 square metres. The project will be developed into a quality residential community for first home buyers and upgraders mainly comprised of mid-rise buildings. Development of the project is scheduled to commence in the fourth quarter of 2017 with presale in the second quarter of 2018, and construction is expected to complete in the second quarter of 2020.

Huizhou Hallstatt See

Hallstatt See is a large-scale residential development project located at Mai Tian Ling, 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 project 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 China National Tourism Administration in 2015, and was given an award for its innovative cultural and resort real estate model in the 10th Annual Real Estate Billboard event hosted by 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. During the first half of 2017, this project achieved a contracted sales of 18,265 square metres.

Foshan Project

Foshan Project is a residential development project located at Lujingdong Road, Chancheng District, Foshan. Being part of the Guangzhou-Foshan Urban Integration Development Region, the project is located at the intersection of Foshan’s Central Nanhai District and Chancheng District, within half an hour drive to Guangzhou and Foshan’s core districts. It occupies an aggregate site area of approximately 42,500 square metres and has an aggregate planned gross floor area of approximately 150,000 square metres. The project will be developed into a quality residential community for first home buyers and upgraders mainly comprised of high-rise buildings. The project is comprised of two phases. Development of Phase I commenced in the first quarter of 2017. The construction of the whole project is scheduled to complete in the second quarter of 2022.

Guangzhou Project

Guangzhou Project is a residential development project located at Xingnan Avenue of Nancun Town, Panyu District, Guangzhou. Being one of the few low-density sites located in the Huanan New Zone, the close proximity to metro line No. 7 and the various developments and facilities in the Wanbo Commercial Area in the near future will add tremendous value to the project. It occupies an aggregate site area of approximately 30,600 square metres and has an aggregate planned gross floor area of approximately 17,500 square metres. The project will be developed into a high-end low-density villa community. Development of the project is scheduled to commence in the third quarter of 2017 and the project is expected to complete in the fourth quarter of 2019.

Hong Kong Yau Tong Project

Hong Kong Yau Tong Project is a residential development project located at the junction of Shung Shun Street and Yan Yue Wai, Yau Tong, Kowloon, Hong Kong. The site is a rare piece of urban land with direct access to the sea, and it enjoys 180 degrees of exceptional and unobstructed view of the Victoria Harbour. The project occupies an aggregate site area of approximately 10,500 square metres and has an aggregate planned gross floor area of approximately 53,000 square metres. The project consists of 4 high-rise blocks with approximately 600 units which are mostly medium-sized, to meet owner occupier and upgrade demand from singles and expanding families. Construction is scheduled to commence in the fourth quarter of 2017, pre-sale is scheduled to commence in the third quarter of 2019 and construction is scheduled to complete in the third quarter of 2022.

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, Minmetals Condo (Hong Kong) Engineering Company Limited (“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 2017, revenue derived from this operating segment recorded modest growth of 8.6% to HK$484.2 million (30 June 2016: HK$445.8 million) and recorded an operating gain of HK$20.1 million (30 June 2016: HK$19.8 million).

During the first half of 2017, Condo Shanghai has secured new tenders amounting to approximately RMB170 million and it has projects on hand as at the end of June amounting to RMB225 million. During the period, despite intense industry competition in the Hong Kong market, Condo Hong Kong has secured new tenders amounting to approximately HK$300 million with projects on hand amounting to approximately HK$1 billion as at 30 June 2017. 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 Lan Kwai Fong, Central, and four residential units, all of which are located on the Hong Kong Island with a total gross floor area of 15,826 square metres. In the first half of 2017, vacancy rate in Lan Kwai Fong starts to rise as the overall leisure and entertainment activities in the district cooled down. Revenue from this operating segment recorded modest growth of 5.4% to HK$33.0 million (30 June 2016: HK$31.3 million). As at 30 June 2017, the occupancy rates of LKF 29 was around 71.0% (31 December 2016: 82.0%) while China Minmetals Tower was 95.0% occupied (31 December 2016: 97.3%).

ENTRUSTED ASSET MANAGEMENT

In March 2016, the Group announced the entrusted management of China Minmetals Corporation’s non-listed real estate and construction assets, under which China Minmetals Corporation 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. The said entrusted assets included 25 real estate development and management projects in Beijing, Tianjin, Shenyang, Liaoning, Shandong, Qinghai, Jiangsu, Hunan and Guangdong.

As at 30 June 2017, the Group has recorded RMB14.9 million (30 June 2016: RMB8.6 million) in management fee income according to the entrusted management service agreement.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2017, the Group's operations were financed mainly by cash flows generated internally from business operations as well as borrowings.

As at 30 June 2017, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted to HK$8,395.1 million (31 December 2016: HK$5,431.5 million).

The Group had utilised financing to supplement internal resources to finance the acquisition of new projects and the development of existing projects. As at 30 June 2017, the total borrowings of the Group stood at HK$15,103.8 million (31 December 2016: HK$11,614.4 million) and the gearing ratio of net debt to total equity of the Group was 61.6% (31 December 2016: 69.5%).

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

	30 June 2017		31 December 2016	
	HK$ million	**%**	HK$ million	%
Within one year	**1,983.9**	**13.1**	299.6	2.6
In the second year	**3,193.3**	**21.2**	5,902.9	50.8
In the third to fifth year	**6,930.7**	**45.9**	4,452.0	38.3
Beyond five years	**2,995.9**	**19.8**	959.9	8.3
Total	**15,103.8**	**100.0**	11,614.4	100.0

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

	30 June 2017		31 December 2016	
	HK$ million	**%**	HK$ million	%
Renminbi	**127.5**	**0.8**	299.6	2.6
Hong Kong Dollar	**12,261.1**	**81.2**	8,618.4	74.2
United States Dollar	**2,715.2**	**18.0**	2,696.4	23.2
Total	**15,103.8**	**100.0**	11,614.4	100.0

The unutilised banking facilities of the Group as at 30 June 2017 amounted to HK$4,367.5 million (31 December 2016: HK$3,464.6 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

During the first half of 2017, 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 implemented foreign exchange hedging arrangement to manage its exchange rate risk during the period.

CHARGES ON GROUP ASSETS

As at 30 June 2017, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and mortgage loan facilities to buyers of the Group's properties, and these pledged assets of the Group included:

i. properties under development with carrying amounts of HK$4,162.3 million (31 December 2016: Nil); and

ii. 100% equity interest in subsidiaries.

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2017, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK$13,882.3 million (31 December 2016: HK$13,688.8 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. Pursuant to the terms of the guarantees, 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 upon default in mortgage payments by such purchasers. Under such circumstances, the Group is able to retain the property sales proceeds previously received from such purchasers 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 755 as at 30 June 2017 (30 June 2016: 778). 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 2017 were approximately HK$104.5 million (30 June 2016: HK$106.0 million).

CORPORATE GOVERNANCE

Corporate Governance Code

In the opinion of the Directors, throughout the six months ended 30 June 2017, 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:

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, the Directors (save for the Chairman and the Managing Director of the Company) 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.

Code for Securities Transactions by Directors

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

Having made specific enquiries of all Directors, they had confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2017.

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 2017, which have also been reviewed by the Company'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 2017.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Li Fuli as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Ms. He Xiaoli, Mr. Liu Zeping and Mr. Yang Shangping 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, 30 August 2017

website: www.minmetalsland.com