



五礦建設有限公司*
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 230



High
Growth
Ahead

Interim Report 中期報告 2009



ABOUT US

Minmetals Land Limited is a subsidiary and the sole listed real estate flagship of China Minmetals Corporation. Minmetals Land Limited's principal business includes real estate development and specialised construction. Currently, its real estate development business covers the Pearl River Delta, Yangtze River Delta and the central regions and the total gross floor area of all of its real estate development projects is about 1.6 million square metres; while the specialised construction business that based in Shanghai and Hong Kong has coverage in fifteen provinces and cities in the country.

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Chairman & Non-executive Director

Mr. Sun Xiaomin

Executive Directors

Mr. Qian Wenchao – Deputy Chairman
Mr. He Jianbo – Managing Director
Mr. Yin Liang – Senior Deputy Managing Director
Mr. Yan Xichuan – Deputy Managing Director
Ms. He Xiaoli

Independent Non-executive Directors

Mr. Lam Chun, Daniel
Mr. Selwyn Mar
Ms. Tam Wai Chu, Maria

Company Secretary

Ms. Chung Wing Yee, Zoe

Auditor

PricewaterhouseCoopers
22nd Floor, Prince's Building,
Central, Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China
(Asia) Limited

Branch Share Register

Computershare Hong Kong
Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Hong Kong

Registered Office

Canon's Court,
22 Victoria Street,
Hamilton HM 12,
Bermuda

Principal Place of Business in Hong Kong

18th Floor, China Minmetals Tower,
79 Chatham Road South,
Tsimshatsui, Kowloon, Hong Kong
Tel: 2613 6363
Fax: 2581 9823

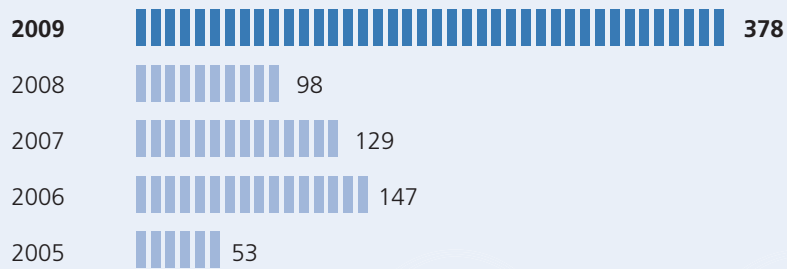
Website

<http://www.minmetalsland.com>



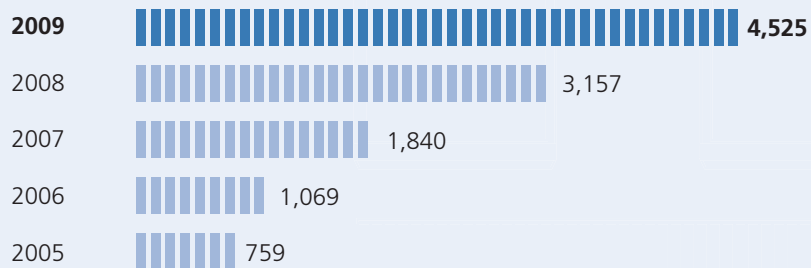
Turnover (HK\$ Million)

(For the six months ended 30 June)



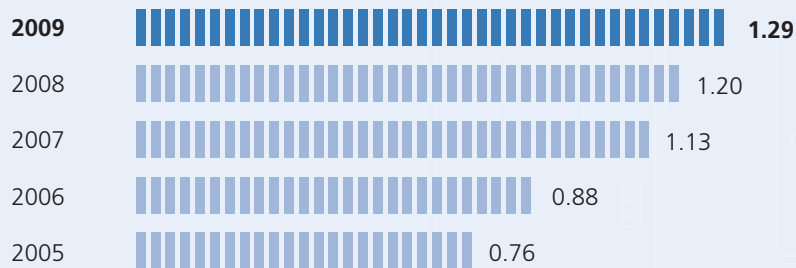
Total Assets (HK\$ Million)

(As at 30 June)



NAV Per Share (HK\$)

(As at 30 June)



Major Properties Under Development



Nanjing

Project : **Laguna Bay**
 Location : At the junction of Xue Si Road and Xue Qi Road, Science Park, Jiangning District, Nanjing, Jiangsu Province, the PRC
 Usage : Residential
 Site area : 310,296 square metres
 Gross floor area : 311,080 square metres
 Group's interest : 71%
 Expected construction : 4Q 2011
 completion date

Project : **Riveria Royale**
 Location : At No. 188 Mengdu Avenue, Jianye District, Nanjing City, Jiangsu Province, the PRC
 Usage : Residential
 Site area : 73,334 square metres
 Gross floor area : 230,200 square metres
 Group's interest : 50.89%
 Expected construction : 4Q 2011
 completion date



Changsha

Project : **LOHAS International Community**
 Location : At Gaoyun Road, Muyun Town, Changsha County, Changsha City, Hunan Province, the PRC
 Usage : Residential
 Site area : 632,837 square metres
 Gross floor area : 1,071,300 square metres
 Group's interest : 51%
 Expected construction : 4Q 2013
 completion date

Major Investment Properties



Hong Kong

Building : **ONFEM Tower**
 Location : No. 29 Wyndham Street, Central, Hong Kong
 Usage : Commercial
 Lease term : Long term



Building : **China Minmetals Tower**
 Location : No. 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong
 Usage : Commercial
 Lease term : Long term



Following the successful implementation of restructuring and development initiatives including the disposal of the manufacturing and trading business at the end of 2008, the Group is now focusing on three synergistic core businesses with quality assets and operations, namely real estate development and project management, specialised construction and property investment.

During the six months ended 30 June 2009, the Group recorded consolidated revenue of HK\$378.1 million, representing an increase of 285.6% over the comparative figure of HK\$98.0 million for the corresponding period last year. This significant increase was mainly attributable to the revenue recognised in the real estate development operations and the additional rental contribution from the China Minmetals Tower acquired in August 2008.

Profit attributable to equity holders of the Company increased by 50.8% to HK\$41.0 million for the six months ended 30 June 2009 (30 June 2008: HK\$27.2 million). Excluding revaluation gain on investment properties of HK\$20.0 million (30 June 2008: HK\$15.0 million), profit attributable to equity holders of the Company during the period under review was HK\$21.0 million as compared to HK\$12.2 million for the same period last year.

In August 2008, the Group acquired the China Minmetals Tower from its controlling Shareholder and as consideration, issued 340,000,000 new Shares. On 30 June 2009, the Company completed a rights issue on the basis of one rights share for every two Shares. As a result of these two transactions, the Shares in issue increased from 773,831,783 Shares as at 30 June 2008 to 1,113,831,783 Shares as at 31 December 2008, and further increased to 1,670,747,674 Shares as at 30 June 2009. Despite the substantial expansion of the share capital of the Company, basic earnings per Share for the six months ended 30 June 2009 for the continuing operations increased by 16.1% year-on-year to HK 3.67 cents (30 June 2008: HK 3.16 cents).

Following the issue of new Shares during the 12 months ended 30 June 2009, the financial position of the Group, particularly in terms of total assets and total equity, has been considerably enhanced. As at 30 June 2009, total assets and total equity of the Group amounted to HK\$4,525.4 million (30 June 2008: HK\$3,157.2 million) and HK\$2,372.8 million (30 June 2008: HK\$1,136.4 million), respectively. Furthermore, on 4 September 2009, the acquisition of the entire equity interest in Luck Achieve by the Group was concluded and has resulted in the addition to the Group's assets of approximately 230 million ordinary shares in Hong Kong-listed Franshion Properties (China) Limited (stock code: 817.HK) as well as approximately HK\$172.0 million in cash.

The board of Directors has resolved not to declare an interim dividend for the six months ended 30 June 2009 (30 June 2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets out total revenue and segment results of the Group by business segment with respect to the continuing operations for the six months ended 30 June 2009, together with the comparative figures for the corresponding period last year:

TOTAL REVENUE AND SEGMENT RESULTS BY BUSINESS SEGMENT

	Six months ended 30 June			
	Revenue		Segment results	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Real estate development and project management	273,572	557	13,753	(18,355)
Specialised construction	81,049	87,048	4,636	1,354
Property investment	23,432	10,430	41,158 ^(Note)	24,069 ^(Note)
Total	378,053	98,035	59,547	7,068

Note: including revaluation gain on investment properties of HK\$20.0 million and HK\$15.0 million for the six months ended 30 June 2009 and 2008, respectively

REAL ESTATE DEVELOPMENT AND PROJECT MANAGEMENT

The Group completed the sale of residential and commercial units of The Grand Panorama Project in Zhuhai, Guangdong Province, the PRC, in 2008 with only several car parking spaces remaining available for sale as at 30 June 2009. For the six months ended 30 June 2009, the Group was undertaking three real estate development projects in two cities in the PRC.

Location	Project	Interest of the Group
Nanjing City, Jiangsu Province	Laguna Bay Project	71.00%
	Riveria Royale Project	50.89%
Changsha City, Hunan Province	LOHAS International Community Project	51.00%

During the six months ended 30 June 2009, segment revenue of HK\$273.6 million was generated from the sale of the Laguna Bay Project and the car parking spaces of The Grand Panorama Project, and no revenue was generated by the Group from project management activities. The revenue of HK\$0.6 million in the corresponding period last year was, however, generated entirely from the remaining balance of the service fees from a project management service contract. This business segment achieved a profit of HK\$13.8 million against a loss of HK\$18.4 million in the previous period last year.

Laguna Bay Project

This three-phased residential development project is located in Jiangning District in Nanjing City of Jiangsu Province of the PRC with a total gross saleable floor area of approximately 262,000 square metres. The Group has a 71% interest in the Laguna Bay Project.



Construction of Phase I of this project was completed in the first half of the year with more than 98% of the units pre-sold up to mid-September 2009. Most of the units pre-sold before 30 June 2009 were handed over to buyers during the period under review and hence the corresponding sale proceeds were recognised as revenue of the Group. Based on the satisfactory pre-sale results subsequent to 30 June 2009, the Group expects to recognise substantially all the sale proceeds from Phase I within the year 2009.

The pre-sale of the Phase II low-rise residential units and villas will commence in the fourth quarter of this year, while handover of the property units is expected to take place from December 2009. The construction work and pre-sale of Phase III are scheduled to start before the end of 2009 and in 2010 respectively.

LOHAS International Community Project

This six-phased residential development project is located in Changsha City in Hunan Province of the PRC with a total gross saleable floor area of approximately 1.0 million square metres. The Group has a 51% interest in the LOHAS International Community Project.

Following the completion of the central commercial complex comprising residents' clubhouse and shops, pre-sale of part I of Phase I was officially launched in early September this year. Thus far, pre-sale results have been encouraging. Up to mid-September 2009, more than 140 residential units out of the 296 units allocated for pre-sale were contracted for sale, and these pre-sold units are expected to be handed over to buyers in stages commencing December 2009.

The construction work of part II of Phase I is under way and pre-sale is expected to be launched before the end of 2009.

Riveria Royale Project

This residential development project is located in Jianye District in Nanjing City of Jiangsu Province of the PRC with a total gross saleable floor area of approximately 173,000 square metres. The Group has a 50.89% interest in the Riviera Royale Project.

The project comprises condominium units and villas with a complex of shops and restaurants. During the period under review, site formation work had been completed. It is expected that the relevant permit for construction will be obtained imminently from the government authorities in the PRC and the construction work will commence in the fourth quarter of 2009. Pre-sale of the project is scheduled to be launched in the first quarter of 2010.

SPECIALISED CONSTRUCTION

The Group has been carrying out the specialised construction business in the form of design and installation of curtain walls through SJQ in the PRC and through Condo HK in Hong Kong and Macau. Both SJQ and Condo HK are wholly-owned subsidiaries of the Group.

SJQ

SJQ recorded revenue of HK\$68.9 million from external sales for the period under review as compared to the comparative figure of HK\$68.6 million in the corresponding period last year. Segment profit was HK\$3.5 million, up from HK\$0.04 million for the six months ended 30 June 2008. SJQ secured new contracts of a total amount of HK\$136.8 million in the first half of 2009. As at 30 June 2009, outstanding contracts on hand amounted to HK\$159.6 million (30 June 2008: HK\$163.9 million).

Condo HK

During the period ended 30 June 2009, Condo HK's revenue from external sales amounted to HK\$12.0 million as compared to the comparative figure of HK\$18.5 million in the corresponding period last year. Segment profit was HK\$0.9 million as compared to HK\$1.2 million for the same period in the preceding year. As at 30 June 2009, Condo HK's outstanding contracts on hand, including the Tamar Development Project, amounted to HK\$24.2 million (30 June 2008: HK\$43.7 million).

PROPERTY INVESTMENT

During the period under review, the property investment business primarily encompassed the leasing of office and commercial space of the ONFEM Tower and the China Minmetals Tower.

Revenue from this business segment increased by 124.7% year-on-year to HK\$23.4 million for the period under review (30 June 2008: HK\$10.4 million), mainly due to the additional rental contribution from the China Minmetals Tower since the third quarter of 2008. In the first half of 2009, the office acquisition market in Hong Kong was active, fuelled by the low interest rate environment. Buoyant conditions were evidenced by the revaluation gain on investment properties recorded by the Group of HK\$20.0 million during the period under review (30 June 2008: HK\$15.0 million). On the other hand, office rent in core areas such as the Central District generally faced downward pressure, as office space surrendered by companies had yet to be fully taken up. As such, rental rates of renewed leases in both the ONFEM Tower and the China Minmetals Tower during the first half of 2009 were slightly lower as compared to the rates achieved at the end of 2008. Nevertheless, according to market reports published by leading property valuers in Hong Kong, the downward pressure on office rents in core areas in Hong Kong may ease in the short-term as many companies may have already completed their downsizing. Excluding revaluation gain, segment profit was HK\$21.2 million for the six months ended 30 June 2009, up 133.0% from HK\$9.1 million in the corresponding period last year.

ONFEM Tower is a 25-storey commercial building located in the Central District on the Hong Kong Island and its occupancy rate was 88% as at 30 June 2009 (31 December 2008: 86%). China Minmetals Tower is a 20-storey office and commercial building located in Tsimshatsui in Kowloon. As at 30 June 2009, the occupancy rate for office and commercial spaces of the China Minmetals Tower were 90% and 59% respectively (31 December 2008: 92% and 59%).

OUTLOOK

In the first half of 2009, while the global economy was still being affected by the global financial crisis, improvement in the economic situation in the PRC became apparent after implementation of a series of economic stimulus policies. In the PRC and in particular since the second quarter of 2009, the government had introduced a RMB4 trillion stimulus plan by increasing credit and liquidity in the market primarily to boost domestic demand. At least partially driven by such stimulus policies, a substantial pick-up in latent demand was seen as evidenced by the rebound in the PRC real estate market in terms of transaction volumes and prices in recent months.

Facing the unexpected change in market fundamentals as described above, the Group promptly adapted to more positive market conditions. Capitalising on the experience of our dedicated management team and leveraging on the strong brand name of China Minmetals, our controlling Shareholder, the Group continued to focus on using effective and pertinent marketing strategies for its real estate development business to achieve satisfactory results. Furthermore, with strong support from China Minmetals, the Group was able to complete a series of acquisitions and fund-raising activities, thereby enhancing our asset base and position the Group for future growth and expansion.



At present, whilst the economic situation in the PRC appears to be in the process of stabilising with some early signs of recovery, there is still uncertainty as to whether or not the recovery will be sustainable. The current rebound in the PRC real estate market is likely to have been induced by low interest rates, abundant liquidity and medium-term inflationary expectations all contributing to a one-time release of latent demand. Similarly, it is uncertain as to whether and how the PRC government's fine-tuning policies in the near future might impact on the real estate sector in light of the uncertain economic recovery. Nevertheless, given the PRC government's reiteration that the "appropriately relaxed" monetary policy will continue in the short-run, the Group is optimistic about the medium to long-term prospects of the property market in the PRC and will pay close attention to the potential influence of changes in macro economic policies.

In order to continue and sustain business growth, the Group will continue to adopt a "proactive, prudent and appropriately focused" principle of investment in its real estate development business. More specifically, the Group will continue to identify and pursue quality real estate development projects in the PRC in first-tier cities (such as Beijing, Shanghai and Tianjin) and core second-tier cities (such as Changsha and Nanjing). Projects which are determined to be attractive after rigorous feasibility and risk assessment will be pursued through various means such as public auction and private acquisition so that the Group's real estate project portfolio will maintain its healthy growth.

Looking ahead, the Group considers that the prospects for the real estate market in the PRC to be favourable and believes that, with the support of our controlling Shareholder and the efforts of our management to enhance our business management capabilities, product quality, brand value and ability to innovate, we will be able to achieve satisfactory results and continue to enhance Shareholders value.

FUND RAISING ACTIVITIES, LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group's operations were financed by funds mainly from cash flows generated from business operations, the Rights Issue as well as borrowings from banks.

For the purpose of strengthening the capital base and raising long-term equity for future development of the Group's real estate development business (including acquisitions of land and investments in new real estate development projects) and for general working capital, the Company conducted the following activities:

- (i) The Company allotted and issued 556,915,891 new Shares on 30 June 2009 pursuant to the Rights Issue at the subscription price of HK\$0.94 per Share. The net proceeds of the Rights Issue amounted to approximately HK\$522.1 million; and
- (ii) Subsequent to the period ended 30 June 2009, the Company placed an aggregate of 222,000,000 Shares at a price of HK\$2.10 per Share to professional, institutional and individual investors on 18 August 2009 and allotted and issued on 26 August 2009 a total of 222,000,000 Shares to June Glory, the immediate controlling Shareholder of the Company under the Top-up Placement. The net proceeds of the Top-up Placement amounted to approximately HK\$453.5 million.

As at 30 June 2009, cash and bank deposits (excluding restricted cash and pledged deposits) of the Group amounted to HK\$1,117.6 million (31 December 2008: HK\$635.9 million), of which 49.9%, 49.5% and 0.6% (31 December 2008: 90.6%, 8.8% and 0.6%) were denominated in Renminbi, Hong Kong dollars and United States dollars respectively.

To supplement finance the acquisition of new real estate development projects and the development of existing projects, the Group had total borrowings of HK\$1,599.8 million as at 30 June 2009 (31 December 2008: HK\$639.1 million). The total borrowings included borrowings from banks, minority investors of subsidiaries of the Company and a fellow subsidiary of the Company. The net debt (total borrowings less cash and bank deposits excluding restricted cash and pledged deposits) of the Group as at 30 June 2009 amounted to HK\$482.2 million (31 December 2008: HK\$3.3 million) making the Group's gearing ratio at 20.3% on the said date (31 December 2008: 0.2%), calculated by net debt divided by total equity of HK\$2,372.8 million (31 December 2008: HK\$1,777.0 million).

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

	30 June 2009 <i>HK\$'000</i>	31 December 2008 <i>HK\$'000</i>
Within one year	1,059,552	639,134
In the second to fifth year	540,220	–
	1,599,772	639,134

As at 30 June 2009, borrowings denominated in Renminbi amounted to RMB436.5 million (approximately HK\$497.5 million) (31 December 2008: RMB388.2 million (approximately HK\$438.3 million)), while the remaining balance of HK\$1,102.3 million (31 December 2008: HK\$200.8 million) was borrowings denominated in Hong Kong dollars. All of the Group's borrowings are on a floating interest rate basis. Finance costs charged to the consolidated income statement for the six months ended 30 June 2009 amounted to HK\$156,000 (30 June 2008: HK\$310,000) after capitalisation of HK\$36.3 million (30 June 2008: HK\$20.3 million) into the cost of properties under development. The unutilised banking facilities of the Group amounted to HK\$59.1 million as at 30 June 2009 (31 December 2008: HK\$81.4 million).

Property development commitments of the Group as at 30 June 2009 amounted to HK\$384.7 million (31 December 2008: HK\$289.8 million). These commitments are to be financed by internal funds and borrowings.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group is exposed to exchange rate risk on transactions that are denominated in a currency other than Hong Kong dollars, the functional currency of the Group. During the period under review, most of the transactions of the Group were denominated in Hong Kong dollars and Renminbi. As such, the Group has exposure to exchange rate movements between Hong Kong dollars and Renminbi. Given that the expected continuing strength of Renminbi would have a positive impact, in Hong Kong dollar terms, on the Group's assets in and income generated from the PRC, the Group had not implemented any hedging or other alternative measures during the six months ended 30 June 2009 but is closely monitoring the aforesaid exchange rate risks. As at 30 June 2009, the Group did not have exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.



CHARGES ON GROUP ASSETS

As at 30 June 2009, certain assets of the Group were pledged as securities for the Group's banking facilities and these pledged assets of the Group included (i) investment properties with carrying amounts of HK\$918.0 million (31 December 2008: HK\$344.0 million), (ii) properties under development of HK\$1,153.9 million (31 December 2008: HK\$428.7 million), (iii) leasehold land and buildings of HK\$59.9 million (31 December 2008: Nil), and (iv) fixed bank deposits of HK\$5.6 million (31 December 2008: HK\$5.6 million).

CONTINGENT LIABILITIES

As at 30 June 2009, the Group has provided guarantees to certain banks relating to mortgage facilities arranged for certain purchasers of properties developed by the Group and the outstanding mortgage loans under these guarantees amounted to HK\$418.4 million (31 December 2008: HK\$422.2 million).

EMPLOYEES

As at 30 June 2009, the Group employed 294 (30 June 2008: 298) staff, including the Directors. The total remuneration and benefits of the Directors and staff of the Group during the six months ended 30 June 2009 were HK\$21.9 million (30 June 2008: HK\$19.5 million). The Group adopts a remuneration policy in line with market practice.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 29 May 2003 to recognise and acknowledge the contributions that eligible persons (as defined in the Share Option Scheme (as amended)) had made or may from time to time make to the Group whether in the past or in the future. For the summary of the principal terms of the Share Option Scheme (as amended), please refer to the 2008 annual report of the Company.

Details of the movements of share options during the six months ended 30 June 2009 are as follows:

Category of participant	Date of grant	Exercisable period	Exercise price <i>(Note 1)</i>	Number of share options				As at 30 June 2009 <i>HK\$</i>
				As at 1 January 2009	Adjustment during the period <i>(Note 1)</i>	Granted during the period	Exercised during the period	
(i) Directors								
Mr. Qian Wenchao	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,300,000	173,333	-	-	1,473,333
Mr. He Jianbo	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,800,000	240,000	-	-	2,040,000
Mr. Yin Liang	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,200,000	160,000	-	-	1,360,000
Mr. Yan Xichuan	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,200,000	160,000	-	-	1,360,000
Ms. He Xiaoli	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,000,000	133,333	-	-	1,133,333
(ii) Employees of the Group	1 December 2008	1 December 2010 to 30 November 2018	0.45	5,780,000	770,667	-	-	6,550,667
(iii) Others	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,350,000	180,000	-	-	1,530,000
				13,630,000	1,817,333	-	-	15,447,333

Notes:

- Pursuant to the terms of the Share Option Scheme (as amended), (i) the exercise price of the share options has been adjusted from HK\$0.51 per Share to HK\$0.45 per Share and (ii) the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to the outstanding share options has been adjusted from 13,630,000 to 15,447,333 following completion of the Rights Issue.
- These share options are exercisable in three tranches: the maximum percentage of share options exercisable within the periods commencing from 1 December 2010 to 30 November 2018, from 1 December 2011 to 30 November 2018 and from 1 December 2012 to 30 November 2018 are 30%, 30% and 40% respectively.

Save as disclosed above, no share options were granted, lapsed or were cancelled in accordance with the terms of the Share Option Scheme during the six months ended 30 June 2009.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2009, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, or as recorded in the register kept by the Company pursuant to section 352 of the SFO, were as follows:

Long Position in Shares

Name of Director	Nature of interest	Number of Shares held	Percentage of total issued Shares
Ms. He Xiaoli	Personal	30,000	0.0018%

Details of the interests of Directors in share options of the Company are disclosed in the section headed "Share Option Scheme" above.

Save as disclosed above, as at 30 June 2009, none of the Directors and the chief executive of the Company or any of their associates had any personal, family, corporate or other interests or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO).

Save as disclosed above, none of the Directors and the chief executive of the Company nor their spouses or children under 18 years of age, was granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of the SFO) during the six months ended 30 June 2009.

SUBSTANTIAL SHAREHOLDERS

- (i) As at 30 June 2009, according to the register of interests kept by the Company under section 336 of the SFO, the following entities had interests in the Shares and underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long Position in Shares as at 30 June 2009

Name of Shareholder	Interest in Shares	Approximate percentage of total issued Shares
China Minmetals	1,134,878,778 <i>(Note 1)</i>	67.93%
	1,596,005,726 <i>(Note 2)</i>	95.53%
Minmetals HK	1,134,878,778 <i>(Note 1)</i>	67.93%
	1,596,005,726 <i>(Note 2)</i>	95.53%
June Glory	1,134,878,778	67.93%
Mountain Trend	1,596,005,726 <i>(Note 2)</i>	95.53%

- (ii) As at 24 September 2009, the date of this report, according to the register of interests kept by the Company under section 336 of the SFO, the following entities had interests in the Shares and underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long Position in Shares as at 24 September 2009

Name of Shareholder	Number of Shares held	Approximate percentage of total issued Shares
China Minmetals	1,504,918,447 <i>(Note 1)</i>	64.24%
Minmetals HK	1,504,918,447 <i>(Note 1)</i>	64.24%
June Glory	1,504,918,447 <i>(Note 3)</i>	64.24%

Notes:

1. These Shares are held by June Glory, an indirect wholly-owned subsidiary of Minmetals HK, which in turn is wholly owned by China Minmetals.
2. Pursuant to the Acquisition Agreement (as defined in the Company's circular dated 28 November 2008) and as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement (both as defined in the Company's circular dated 12 August 2009), 1,596,005,726 Convertible Preference Shares (as defined in the Company's circular dated 28 November 2008) were proposed to be allotted and issued to Mountain Trend (a wholly-owned subsidiary of Minmetals HK, which in turn is wholly owned by China Minmetals). These Convertible Preference Shares are convertible into Shares initially on a "one on one" basis. The creation of the Convertible Preference Shares is subject to approval of the independent shareholders of the Company.

Pursuant to the Third Supplemental Agreement (as defined in the Company's circular dated 12 August 2009), the parties to the Acquisition Agreement agreed, among other things, that Shares would be issued in lieu of Convertible Preference Shares in satisfaction of the Consideration (as defined in the Company's circular dated 12 August 2009) payable by the Group under the Acquisition Agreement.

3. The Acquisition was completed on 4 September 2009 and 450,039,669 Shares were allotted and issued to June Glory on 4 September 2009 at the instruction of Mountain Trend pursuant to the terms of the Third Supplemental Agreement.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

In the opinion of the Directors, throughout the six months ended 30 June 2009, the Company has complied with the code provisions of the CG Code as set out in Appendix 14 to the Listing Rules, except for the following deviations:

- (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, the Directors appointed by the Company to fill a casual vacancy would be 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 the board committees of listed companies to attend and answer questions at the annual general meeting.

Mr. Zhou Zhongshu, the former Chairman of the Board and of the remuneration committee, did not attend the Company's annual general meeting for 2009 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the Managing Director and a member of the remuneration 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” (the “Rules for Securities Transactions”) on terms no less exacting than those contained in the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry had been made with all Directors who had confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2009.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of the Directors subsequent to the date of the 2008 annual report are set out below:

Name of Director	Details of Changes
Mr. Zhou Zhongshu	Resigned as a Non-executive Director and the Chairman of the Company and of the remuneration committee of the Company on 26 June 2009
Mr. Sun Xiaomin	Appointed as a Non-executive Director and the Chairman of the Company and of the remuneration committee of the Company on 26 June 2009
Mr. Yin Liang	Resigned as a director of Shenzhen SDG Information Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange, on 29 April 2009

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company comprises three Independent Non-executive Directors namely, Mr. Selwyn Mar, Mr. Lam Chun, Daniel and Ms. Tam Wai Chu, Maria. The audit committee has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2009, which has also been reviewed by the Company’s independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2009.

CONTINUING DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

1. OFL and Virtyre, all being wholly-owned subsidiaries of the Company, accepted the offers from a bank for the grant of various general banking facilities (the “Facilities”) to the extent of an aggregate amount of HK\$245,000,000 pursuant to the facility letters dated 27 November 2008 and 7 May 2009 issued to OFL and Virtyre respectively (the “Facility Letters”). The Facilities have no specific date of expiry.

As one of the conditions of the Facilities, China Minmetals shall, directly or indirectly, maintain its major shareholding (not defined in the Facility Letters) in the Company during the life of the Facilities. A breach of the abovementioned condition will constitute an event of default and as a result, the Facilities will become immediately due and repayable.

2. The Company accepted the offer from a bank for the grant of general banking facilities (the “Facilities”) to the extent of an aggregate amount of HK\$500,000,000 pursuant to the facility letter dated 9 October 2008. The loan agreement was subsequently entered into between OFL and the bank. The Facilities will mature 3 years from the loan agreement date.

As one of the conditions of the Facilities, China Minmetals shall, directly or indirectly, maintain its management control and with no less than 35% in the Company’s shareholding during the life of the Facilities. A breach of the abovementioned condition will constitute an event of default and as a result, the Facilities will become immediately due and repayable.

Save as disclosed above, the Company does not have other disclosure obligations under Rules 13.18 and 13.21 of the Listing Rules.

APPRECIATION

Due to changes in work posting, Mr. Zhou Zhongshu resigned from the positions of Non-executive Director and the Chairman of the Company with effect from 26 June 2009. The Board would like to express its sincere gratitude to Mr. Zhou for his valuable contributions and guidance during his tenure of office and to extend its warmest welcome to Mr. Sun Xiaomin in joining the Board as a Non-executive Director and the Chairman of the Company.

By order of the Board

He Jianbo

Managing Director

Hong Kong, 24 September 2009

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial information set out on pages 19 to 37, which comprises the condensed consolidated balance sheet of Minmetals Land Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2009 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 24 September 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	Note	Unaudited	
		Six months ended 30 June	
		2009	2008
		HK\$'000	HK\$'000
Continuing operations			
Revenue	3	378,053	98,035
Cost of sales	4	(322,367)	(83,164)
		<hr/>	
Gross profit		55,686	14,871
Other gains		2,087	145
Selling and distribution costs	4	(5,179)	(8,569)
Administrative expenses	4	(31,055)	(12,739)
Revaluation gain on investment properties	8(a)	20,000	15,000
		<hr/>	
Operating profit		41,539	8,708
Finance income		6,576	10,825
Finance costs		(156)	(310)
		<hr/>	
Profit before tax		47,959	19,223
Tax charge	5	(1,931)	(18)
		<hr/>	
Profit for the period from continuing operations		46,028	19,205
Profit for the period from discontinued operations		–	2,738
		<hr/>	
Profit for the period		46,028	21,943
		<hr/>	
Attributable to:			
Equity holders of the Company		40,961	27,169
Minority interests		5,067	(5,226)
		<hr/>	
		46,028	21,943
		<hr/>	
Earnings per share for profit attributable to equity holders of the Company during the period (expressed in HK cents per share)			
Basic and diluted			
– from continuing operations	6	3.67	3.16
– from discontinued operations	6	–	0.35
		<hr/>	
		3.67	3.51
		<hr/>	
Dividends	7	–	–
		<hr/>	

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2009

	Note	Unaudited 30 June 2009 HK\$'000	Audited 31 December 2008 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	77,549	77,679
Investment properties	8	917,959	897,959
Goodwill	8	11,391	9,003
		1,006,899	984,641
Current assets			
Inventories	9	2,156,552	1,234,937
Trade and other receivables	10	231,018	251,438
Gross amounts due from customers for contract work		741	328
Current tax recoverable		707	707
Restricted cash and pledged deposits		11,939	14,288
Cash and bank deposits		1,117,568	635,853
		3,518,525	2,137,551
Total assets		4,525,424	3,122,192
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	167,075	111,383
Reserves	12	1,991,454	1,470,677
		2,158,529	1,582,060
Minority interests		214,253	194,918
Total equity		2,372,782	1,776,978

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2009

	Note	Unaudited 30 June 2009 HK\$'000	Audited 31 December 2008 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	13	540,220	–
Deferred tax liabilities		7,285	7,069
Other liabilities		6,543	11,159
		554,048	18,228
Current liabilities			
Trade and other payables	14	484,540	449,322
Deferred revenue		10,620	194,995
Current tax payable		43,882	43,535
Borrowings	13	1,059,552	639,134
		1,598,594	1,326,986
Total liabilities		2,152,642	1,345,214
Total equity and liabilities		4,525,424	3,122,192
Net current assets		1,919,931	810,565
Total assets less current liabilities		2,926,830	1,795,206

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Unaudited	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
Profit for the period	46,028	21,943
Other comprehensive income		
Currency translation differences	14,081	41,107
Total comprehensive income for the period	60,109	63,050
Attributable to:		
Equity holders of the Company	52,170	53,803
Minority interests	7,939	9,247
	60,109	63,050

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Unaudited				
	Attributable to equity holders of the Company			Minority interests	Total
	Share capital	Reserves	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 January 2008	77,383	800,707	878,090	195,246	1,073,336
Total comprehensive income for the period	–	53,803	53,803	9,247	63,050
Balance as at 30 June 2008	77,383	854,510	931,893	204,493	1,136,386
Balance as at 1 January 2009	111,383	1,470,677	1,582,060	194,918	1,776,978
Issue of shares on rights issue	55,692	467,809	523,501	–	523,501
Acquisition of a subsidiary	–	–	–	11,396	11,396
Employee share option benefits	–	798	798	–	798
Total comprehensive income for the period	–	52,170	52,170	7,939	60,109
Balance as at 30 June 2009	167,075	1,991,454	2,158,529	214,253	2,372,782

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	9,956	(11,537)
Net cash (used in)/generated from investing activities	(491,985)	6,927
Net cash generated from/(used in) financing activities	963,744	(9,160)
Net increase/(decrease) in cash and cash equivalents	481,715	(13,770)
Cash and cash equivalents at beginning of the period	635,853	796,683
Cash and cash equivalents at end of the period	1,117,568	782,913
Analysis of balances of cash and cash equivalents		
Cash and bank deposits	1,117,568	783,143
Bank overdrafts	-	(230)
	1,117,568	782,913

1. ORGANISATION AND OPERATIONS

Minmetals Land Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is principally engaged in real estate development and project management, specialised construction and property investment. The Group’s businesses participate in two principal economic environments. Hong Kong and Macau, and The People’s Republic of China (other than Hong Kong and Macau) (the “PRC”) are the major markets for all the Group’s businesses, with a small portion of its income derived from other countries.

The Company is a limited liability company incorporated in Bermuda and acts as an investment holding company. The Company is listed on The Stock Exchange of Hong Kong Limited.

This condensed consolidated financial information is presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated. This condensed consolidated financial information has been approved for issue by the Board of Directors of the Company on 24 September 2009.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated financial information for the six months ended 30 June 2009 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. It should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those described in the annual financial statements for the year ended 31 December 2008, except for the adoption of the following new and revised standards which are mandatory for the first time for the financial year beginning 1 January 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments

HKAS 1 (Revised) prohibits the presentation of items of income and expenses (that is “non-owner changes in equity”) in the statement of changes in equity, requiring “non-owner changes in equity” to be presented separately from owner changes in equity. All “non-owner changes in equity” are required to be shown in a performance statement. The Group has presented two performance statements, the income statement and the statement of comprehensive income, which are prepared under the revised disclosure requirements.

HKAS 23 (Revised) requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. The adoption of this revised standard did not have any material impact on the Group’s financial information.

HKFRS 8 replaces HKAS 14, “Segment reporting”. It requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this new standard did not have any material impact on the Group’s financial information.

3. SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board of Directors. The Board of Directors reviews the Group's internal financial reports in order to assess performance and allocate resources. The Board of Directors has determined the operating segments based on these reports as follows:

Real estate development and project management:	Development of residential and commercial properties, as well as provision of construction project management services in the PRC
Specialised construction:	Design, installation and selling of curtain walls and aluminium windows, doors and fire-proof materials in Hong Kong and the PRC
Property investment:	Holding of properties to generate rental income and to gain from the appreciation in the properties' values in the long term in Hong Kong
Manufacturing and trading (Discontinued in 2008):	Manufacturing and trading of lubricant oil, industrial tools and chemical products in Hong Kong and the PRC

	Continuing operations								Discontinued operations		
	Real estate development and project management		Specialised construction		Property investment		Total		Manufacturing and trading		
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
For the six months ended 30 June (unaudited)											
REVENUE											
Sales to external customers	273,572	557	81,049	87,048	23,432	10,430	378,053	98,035	-	37,046	
RESULTS											
Segment results	13,753	(18,355)	4,636	1,354	41,158	24,069	59,547	7,068	-	2,049	
Unallocated (costs)/profit, net								(18,008)	1,640	-	-
Operating profit								41,539	8,708	-	2,049
Finance income								6,576	10,825	-	-
Finance costs								(156)	(310)	-	(8)
Tax (charge)/credit								(1,931)	(18)	-	697
Profit for the period								46,028	19,205	-	2,738
Other segment information											
Depreciation	328	405	282	266	579	73	1,189	744	-	281	

Unallocated (costs)/profit, net represent corporate expenses and losses net of corporate income and gains such as net foreign exchange gain of HK\$2.0 million (30 June 2008: HK\$18.5 million).

4. EXPENSES BY NATURE

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Amortisation of land lease premium	13,419	7,132
Less: Amount capitalised into properties under development	(13,213)	(7,132)
	206	–
Depreciation	1,921	1,160
Operating lease charges – minimum lease payment in respect of land and buildings	2,330	3,598
Cost of inventories sold	241,859	–
Net foreign exchange gain	(1,975)	(18,468)
Employee benefit expense, including Directors' emoluments	21,879	19,459
Reversal of provision for impairment of receivables	(6,335)	–
Direct outgoings arising from investment properties that generated rental income	3,801	1,244
Specialised construction costs	76,707	81,746
Selling and distribution costs	5,179	8,569
Legal and professional fees	2,319	2,474
Project management costs	–	174
Others	10,710	4,516
Total of cost of sales, selling and distribution costs and administrative expenses	358,601	104,472

5. TAX CHARGE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2008: Nil).

Corporate income tax has been calculated on the estimated assessable profit for the period derived in the PRC at the rate of 25% (30 June 2008: 15%).

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Current tax – PRC corporate income tax Provision for the period	1,715	18
Deferred tax Recognition of temporary differences	216	–
Tax charge	1,931	18

6. EARNINGS PER SHARE

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

The basic and diluted earnings per share are the same since there are no potential dilutive shares for the period (30 June 2008: Nil). The Company's outstanding share options did not have a dilutive effect on the earnings per share.

	Six months ended 30 June	
	2009	2008
Weighted average number of ordinary shares in issue (thousands)	1,116,909	773,832
Profit from continuing operations attributable to equity holders (HK\$'000)	40,961	24,431
Earnings per share from continuing operations (HK cents)	3.67	3.16
Profit from discontinued operations attributable to equity holders (HK\$'000)	–	2,738
Earnings per share from discontinued operations (HK cents)	–	0.35

7. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2009 (30 June 2008: Nil).

8. CAPITAL EXPENDITURE

	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Goodwill HK\$'000
Six months ended 30 June 2009			
Opening net book amount as at 1 January 2009	77,679	897,959	9,003
Additions	1,643	–	2,293
Revaluation gain (a)	–	20,000	–
Depreciation	(1,921)	–	–
Exchange differences	148	–	95
Closing net book amount as at 30 June 2009	77,549	917,959	11,391

- (a) The Group has estimated the fair values of investment properties as at 30 June 2009 with reference to the current prices in an active market for similar properties in the same location and condition and subject to similar leases and other contracts. A revaluation gain of HK\$20,000,000 (2008: HK\$15,000,000) was recognised during the period.

9. INVENTORIES

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Raw materials	–	1,480
Completed properties for sale – located in the PRC	92,890	15,934
Properties under development-located in the PRC (a)	2,063,662	1,217,523
	2,156,552	1,234,937

(a) Properties under development

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Land costs	1,638,348	731,673
Construction in progress	425,314	485,850
	2,063,662	1,217,523

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade and contract receivables of which the aging analysis is as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
0 – 30 days	15,757	39,899
31 – 60 days	9,751	31,811
61 – 90 days	24,682	25,525
Over 90 days	110,052	73,773
	160,242	171,008
Less: provision for impairment of receivables	(1,208)	(1,196)
	159,034	169,812

For the period ended 30 June 2009, no credit period is granted by the Group to the customers for contract receivables. A credit period of 30 days to 60 days from the date of invoice was granted to customers for trade receivables.

11. SHARE CAPITAL

	Six months ended 30 June 2009		Year ended 31 December 2008	
	Number of shares (‘000)	Amount HK\$‘000	Number of shares (‘000)	Amount HK\$‘000
Authorised (ordinary shares of HK\$0.1 each)				
Balance at beginning and end of period/year	2,000,000	200,000	2,000,000	200,000
Issued and fully paid (ordinary shares of HK\$0.1 each)				
Balance at beginning of period/year	1,113,832	111,383	773,832	77,383
Issue of shares as consideration for acquisition of a subsidiary (b)	–	–	340,000	34,000
Issue of shares on rights issue (c)	556,916	55,692	–	–
Balance at end of period/year	1,670,748	167,075	1,113,832	111,383

(a) Movements in the share options are as follows:

	Number of share options	
	Six months ended 30 June 2009 (‘000)	Year ended 31 December 2008 (‘000)
Balance at beginning of period/year	13,630	–
Granted	–	13,630
Adjusted	1,817	–
Balance at end of period/year	15,447	13,630

(b) During the year ended 31 December 2008, the Company allotted and issued 340,000,000 ordinary shares of HK\$0.1 each at HK\$1.58 per share as consideration for the acquisition of a subsidiary.

(c) On 30 June 2009, the Company completed a rights issue on the basis of one rights share for every two shares held at HK\$0.94 per share. As a result, 556,915,891 ordinary shares of HK\$0.1 each were allotted and issued.

12. RESERVES

	Share premium HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Exchange reserve HK\$'000	Revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance as at 1 January 2008	410,942	600,412	769	-	23,713	-	(235,129)	800,707
Currency translation adjustments	-	-	-	-	26,634	-	-	26,634
Profit for the period	-	-	-	-	-	-	27,169	27,169
Balance as at 30 June 2008	410,942	600,412	769	-	50,347	-	(207,960)	854,510
Balance as at 1 January 2009	914,142	600,412	769	133	48,172	1,314	(94,265)	1,470,677
Issue of shares on rights issue	467,809	-	-	-	-	-	-	467,809
Employee share option benefits	-	-	-	798	-	-	-	798
Currency translation adjustments	-	-	-	-	11,209	-	-	11,209
Profit for the period	-	-	-	-	-	-	40,961	40,961
Balance as at 30 June 2009	1,381,951	600,412	769	931	59,381	1,314	(53,304)	1,991,454

13. BORROWINGS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Non-current		
Bank loans, secured	540,220	–
Current		
Bank loans, secured	267,655	259,222
Loans from a fellow subsidiary, secured	171,301	169,711
Loans from minority investors of subsidiaries, unsecured	620,596	210,201
	1,059,552	639,134
Total borrowings	1,599,772	639,134

14. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade, bills and contract payables of which the aging analysis is as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
0 – 30 days	4,999	29,222
31 – 60 days	5,627	18,116
61 – 90 days	9,738	21,280
Over 90 days	84,594	65,715
	104,958	134,333

15. CAPITAL COMMITMENTS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Contracted but not provided for in relation to		
Property development	384,730	289,816
Capital commitment in a new property development company	–	514,101
Others	187	187
	384,917	804,104

16. FINANCIAL GUARANTEES

As at 30 June 2009, guarantees given to banks for mortgage facilities granted to certain buyers of the Group's properties amounted to HK\$418,395,000 (2008: HK\$422,249,000).

17. ACQUISITION OF SUBSIDIARIES

On 21 April 2009, the Group together with a minority investor, acquired 50.89% and 47.99% equity interest in Minmetals Property Development Nanjing Co. Ltd ("MPDNC") respectively. MPDNC is principally engaged in property development in the PRC and it contributed revenue of HK\$nil and net loss of HK\$3,341,000 to the Group for the period from 21 April 2009 to 30 June 2009. If the acquisition had occurred on 1 January 2009, the Group's revenue would have been increased by HK\$nil and profit for the period would have decreased by HK\$3,691,000. These amounts have been calculated using the accounting policies of the Group.

17. ACQUISITION OF SUBSIDIARIES (Cont'd)

	As at 21 April 2009 HK\$'000
<hr/>	
Net assets acquired as of the acquisition date	
Inventories	1,023,063
Trade and other receivables	106
Cash and bank deposits	6,567
Trade and other payables	(542)
Shareholder's loan	(1,020,144)
	<hr/>
	9,050
Capital contributions from:	
– the Group	516,606
– the minority investor	487,111
	<hr/>
	1,012,767
Share of 98.88% net assets acquired by the Group and the minority investor after the capital contributions	<hr/>
	1,001,424

Capital contributions from:	
– the Group	516,606
– the minority investor	487,111
	<hr/>
	1,003,717

Goodwill arising from the acquisition	<hr/>
	2,293
	<hr/>

The fair values of all assets and liabilities acquired as of the acquisition date, 21 April 2009, approximate their carrying amounts.

Analysis of the net cash inflow in respect of the acquisition:

	For the period ended 30 June 2009 HK\$'000
<hr/>	
Cash and bank deposits acquired	6,567
Add: Capital contribution by the minority investor	487,111
	<hr/>
Net cash inflow in respect of the acquisition of subsidiaries	493,678
	<hr/>

18. RELATED PARTY TRANSACTIONS

The Directors consider the immediate holding company to be June Glory International Limited, a company incorporated in the British Virgin Islands; the intermediate holding company to be China Minmetals H.K. (Holdings) Limited (“Minmetals HK”), a company incorporated in Hong Kong; and the ultimate holding company to be China Minmetals Corporation (“China Minmetals”), a company incorporated in the PRC.

The Group had the following material transactions and balances with related parties, which were carried out in the ordinary and normal course of business of the Group.

(a) Transactions with related parties

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Construction project management service revenue from a fellow subsidiary (i)	–	(557)
Specialised construction revenue from related companies (ii)	(21,400)	(26,732)
Construction costs to related companies for real estate development projects (ii)	–	89,669
Construction costs to a fellow subsidiary for real estate development projects (iii)	30,269	26,264
Rental expenses and license fees to fellow subsidiaries (iv)	–	1,273
Rental income from fellow subsidiaries (iv)	(3,065)	–
Loan interest expenses to a minority investor of a subsidiary (v)	5,765	7,965
Loan interest expenses to a fellow subsidiary (vi)	6,259	3,238
Interest income from state-owned banks (ii)	(6,557)	(10,491)
Interest expenses to state-owned banks (ii)	8,448	8,468
Interest expenses to a fellow subsidiary (vii)	–	615

18. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Balances with related parties

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Contract and other receivables from related companies for specialised construction contracts (ii)	66,307	71,009
Prepaid construction costs to a fellow subsidiary for real estate development projects (iii)	31,305	–
Contract payable to a fellow subsidiary for real estate development projects (iii)	(12,557)	(21,469)
Contract payable to related companies for real estate development projects (ii)	–	(59,958)
Loans from minority investors of subsidiaries (v)	(620,596)	(210,201)
Short-term loans from a fellow subsidiary (vi)	(171,301)	(169,711)
Amounts due to minority investors of subsidiaries (viii)	(99,184)	(11,130)
Bank borrowings from state-owned banks (ii)	(814,125)	(251,658)
Bank deposits in state-owned banks (ii)	991,621	638,471

(c) Key management compensation

	Six months ended 30 June 2009 HK\$'000	2008 HK\$'000
Salaries and short-term employee benefits	3,754	3,317
Pension costs-defined contribution plans	138	30
	3,892	3,347

18. RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

- (i) Details of the construction project management agreement dated 29 July 2004 entered into between a subsidiary and a fellow subsidiary of the Company have been published in the Company's announcement dated 29 July 2004.
- (ii) As China Minmetals is a state-owned enterprise, the PRC government is considered as the Company's ultimate controlling party. Other state-controlled enterprises and their subsidiaries, in addition to China Minmetals, directly or indirectly controlled by the PRC Government are also considered as related parties of the Group. To balance the cost and benefit in making disclosure, the Group has only disclosed material transactions with such state-controlled enterprises.
- (iii) Details of the construction contracts entered into between subsidiaries and a fellow subsidiary of the Company have been published in the Company's announcement dated 31 July 2007 and 30 September 2008.
- (iv) Rental income, rental expenses and license fees received from/paid to fellow subsidiaries of the Company were based on the agreements entered into between the parties involved with reference to market rates.
- (v) The unsecured loan of HK\$212,212,000 from a minority investor, an indirect subsidiary of China Minmetals bears interest at the floating rate for Renminbi 1-3 years term loans per annum as quoted by The People's Bank of China from time to time, and is repayable on 12 November 2009. The remaining balance of HK\$408,384,000 was unsecured, non-interest bearing and with no fixed repayment terms.
- (vi) The short-term loans from a fellow subsidiary are repayable within one year, secured by the corporate guarantee from Minmetals HK and bear interest at a rate of 7.2765% per annum. For the period ended 30 June 2008, the loan interest was charged at a rate of 7.029% per annum.
- (vii) The amount due to a fellow subsidiary bore interest at the floating rate of 90% of the rate for Renminbi short-term loans per annum as quoted by The People's Bank of China from time to time, was unsecured and repaid in 2008. The transaction constituted a connected transaction as defined in the Listing Rules.
- (viii) The amounts due to minority investors of subsidiaries of the Company, is unsecured and payable on demand.

19. EVENTS AFTER BALANCE SHEET DATE

- (i) The Company completed the placing of existing shares and the subscription of new shares on 18 August 2009 and 26 August 2009 respectively. An aggregate of 222,000,000 existing shares were placed and an aggregate of 222,000,000 new shares were allotted and issued with a net proceed of approximately HK\$453,000,000.
- (ii) On 4 September 2009, the Group completed the acquisition of Luck Achieve Limited, details of the transaction were set out in the circular of the Company dated 12 August 2009.

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of directors of the Company
“Bye-laws”	the Bye-laws of the Company
“CG Code”	the Code on Corporate Governance Practices
“China Minmetals”	China Minmetals Corporation
“Company” or “Minmetals Land”	Minmetals Land Limited
“Condo HK”	Condo (Hong Kong) Decoration Engineering Company Limited
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“June Glory”	June Glory International Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Luck Achieve”	Luck Achieve Limited
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“Mountain Trend”	Mountain Trend Global Limited
“OFL”	ONFEM Finance Limited

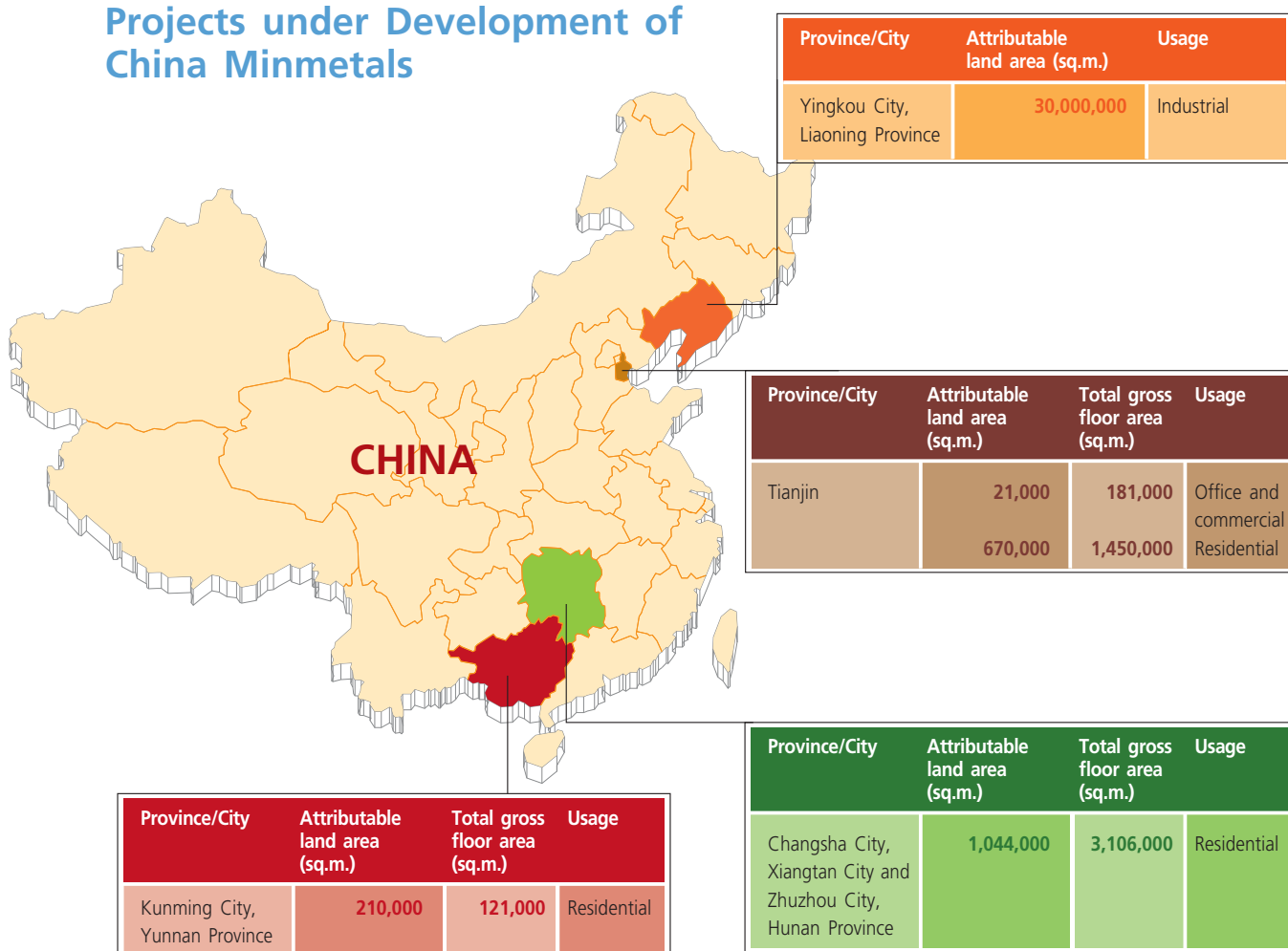
“PRC”	the People’s Republic of China
“Rights Issue”	the issue by way of rights of one rights Share for every two existing Shares in June 2009
“RMB”	Renminbi
“SFO”	Securities and Futures Ordinance of Hong Kong
“Shareholder(s)”	the shareholder(s) of the Company
“Share(s)”	the ordinary share(s) of par value HK\$0.1 each of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 29 May 2003
“SJQ”	Shanghai Jin Qiao Condo Decoration Engineering Co., Ltd.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-up Placement”	the placing of 222,000,000 existing Shares and the subscription of 222,000,000 new Shares of the Company in August 2009
“US\$”	United States dollars
“Virtyre”	Virtyre Limited
“%”	per cent

China Minmetals Corporation ("China Minmetals"), founded in 1950, is a large sized State-owned corporation dealing worldwide in ferrous metals, non-ferrous metals, real estate, finance and logistics. China Minmetals' total revenue for 2008 reached approximately US\$27.7 billion and was selected by the US Fortune Magazine in 2009 as one of the world top 500 enterprises, ranking 331.

In recent years, with the development of residential and industrial estate as principal, China Minmetals has diverted actively into commercial estate development, and building and installation business and thus has accumulated intense development resources for its real estate arm. It has residential and industrial estates in Pan Bohai Rim and the eastern and central part of China, with a total gross floor area of over 4.9 million square metres (over 4.2 million square metres is attributable to China Minmetals). Furthermore, China Minmetals has an industrial site in Yingkou City, Liaoning Province of over 30 square kilometers.

China Minmetals through China Minmetals H.K. (Holdings) Limited, its Hong Kong subsidiary, holds approximately 64.24% interest in Minmetals Land. Following the approval from the State-owned Assets Supervision and Administration Commission of the State Council for China Minmetals to include property development and operation as one of its core businesses, it has announced its intention to transform Minmetals Land into its sole listed real estate flagship. Through gradual asset injection and consolidation of its real estate resources, China Minmetals will achieve listing of its overall real estate business and eventually turn Minmetals Land into a leading and competitive real estate development corporation and bring the best return to its employees, Shareholders and the society as a whole.

Projects under Development of China Minmetals





五礦建設有限公司*

MINMETALS LAND LIMITED

香港九龍尖沙咀漆咸道南七十九號中國五礦大廈十八樓

18th Floor, China Minmetals Tower, 79 Chatham Road South,
Tsimshatsui, Kowloon, Hong Kong

電話 Tel : 2613 6363

傳真 Fax : 2581 9823

網址 Website : www.minmetalsland.com

*For identification purpose only 僅供識別