



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



2011 Interim Report

中期報告

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 Pan Bohai Rim regions while the specialised construction business that based in Shanghai and Hong Kong has coverage in fifteen provinces and cities in the country.



Contents

2	Corporate Information
3	Financial Highlights
4	Group Properties
7	Management Discussion and Analysis
16	Other Information
20	Report on Review of Condensed Consolidated Interim Financial Information Unaudited Interim Financial Information
21	Condensed Consolidated Income Statement
22	Condensed Consolidated Statement of Comprehensive Income
23	Condensed Consolidated Balance Sheet
25	Condensed Consolidated Statement of Changes in Equity
26	Condensed Consolidated Cash Flow Statement
27	Notes to the Condensed Consolidated Financial Information
39	Glossary of Terms
40	About China Minmetals Corporation

Corporate Information

NON-EXECUTIVE DIRECTORS

Mr. Sun Xiaomin — Chairman
Mr. Pan Zhongyi
Mr. Tian Jingqi
Mr. Liu Zeping

EXECUTIVE DIRECTORS

Mr. Qian Wenchao — Deputy Chairman
Mr. He Jianbo — Managing Director
Mr. Yin Liang — Senior Deputy Managing Director
Ms. He Xiaoli — Deputy Managing Director
Mr. Yang Lu — Deputy Managing Director

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

FINANCIAL CONTROLLER

Mr. Leung Kin Hong

COMPANY SECRETARY

Ms. Chung Wing Yee

AUDITOR

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

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China
(Asia) Limited
China Merchants Bank Co., Ltd.
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

BRANCH SHARE REGISTRAR

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

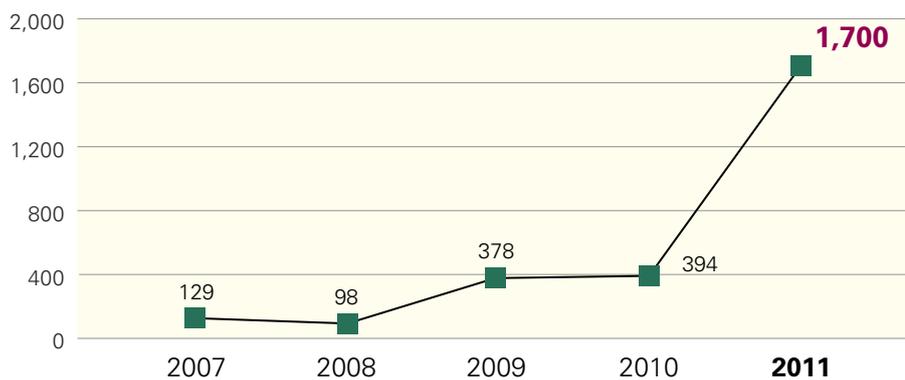
WEBSITE

www.minmetalsland.com

Financial Highlights

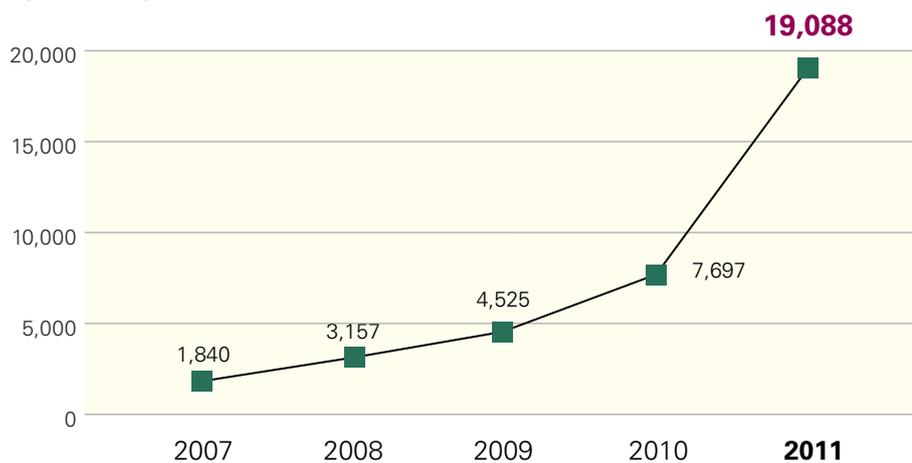
Revenue (HK\$ Million)

(For the six months ended 30 June)



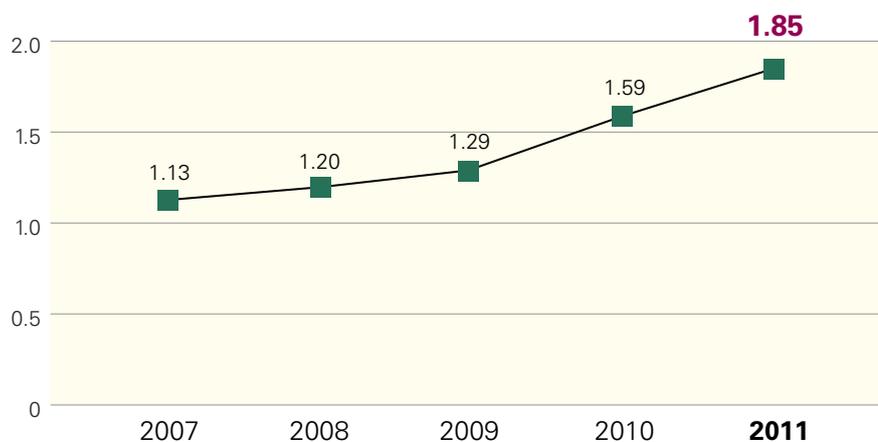
Total Assets (HK\$ Million)

(As at 30 June)



Net Asset Value Per Share (HK\$)

(As at 30 June)



Group Properties

REAL ESTATE DEVELOPMENT PROJECTS

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	:	Approximately 310,000 square metres
Gross floor area	:	Approximately 316,000 square metres
Group's interest	:	71%
Expected construction completion date	:	4Q 2011
Project	:	Riveria Royale
Location	:	No. 188 Mengdu Avenue, Jianye District, Nanjing, Jiangsu Province, the PRC
Usage	:	Residential
Site area	:	Approximately 73,000 square metres
Gross floor area	:	Approximately 219,000 square metres
Group's interest	:	50.89%
Expected construction completion date	:	2Q 2012
Project	:	Fongshan Project
Location	:	At south of Hongjing Road, Science Park, Jiangning District, Nanjing, Jiangsu Province, the PRC
Usage	:	Residential
Site area	:	Approximately 179,000 square metres
Gross floor area	:	Approximately 182,000 square metres
Group's interest	:	100%
Expected construction completion date	:	2014

Changsha

Project	:	LOHAS International Community
Location	:	At Gaoyun Road, Muyun Town, Changsha County, Hunan Province, the PRC
Usage	:	Residential
Site area	:	Approximately 633,000 square metres
Gross floor area	:	Approximately 1,049,000 square metres
Group's interest	:	100%
Expected construction completion date	:	4Q 2013
Project	:	Scotland Town
Location	:	At Yuntang Village and Yuetang Village, Muyun Town, Changsha County, Hunan Province, the PRC
Usage	:	Residential
Site area	:	Approximately 311,000 square metres
Gross floor area	:	Approximately 450,000 square metres
Group's interest	:	100%
Expected construction completion date	:	4Q 2014

Tianjin

Project	:	Minmetals International
Location	:	At east of Yingbin Main Road and south of Tuochang Road, Tanggu District, Tianjin, the PRC
Usage	:	Commercial and residential
Site area	:	Approximately 21,000 square metres
Gross floor area	:	Approximately 184,000 square metres
Group's interest	:	100%
Expected construction completion date	:	3Q 2011

Hebei

Project	:	Beijing Celebration City
Location	:	Jingxintun Town, Xianghe County, Langfang City, Hebei Province, the PRC
Usage	:	Residential
Site area	:	Approximately 265,000 square metres
Gross floor area	:	Under planning
Group's interest	:	50%
Expected construction completion date	:	Under planning

Yingkou

Project	:	Platinum Bay
Location	:	Liaoning (Yingkou) Coastal Industrial Base, Yingkou City, Liaoning Province, the PRC
Usage	:	Residential
Site area	:	Approximately 396,000 square metres
Gross floor area	:	Approximately 592,000 square metres
Group's interest	:	100%
Expected construction completion date	:	2015

Huizhou

Project	:	Hallstatt See
Location	:	Mai Tian Ling, Boluo County, Huizhou City, Guangdong Province, the PRC
Usage	:	Residential
Site area	:	Approximately 578,000 square metres
Gross floor area	:	Approximately 578,000 square metres
Group's interest	:	65%
Expected construction completion date	:	2016

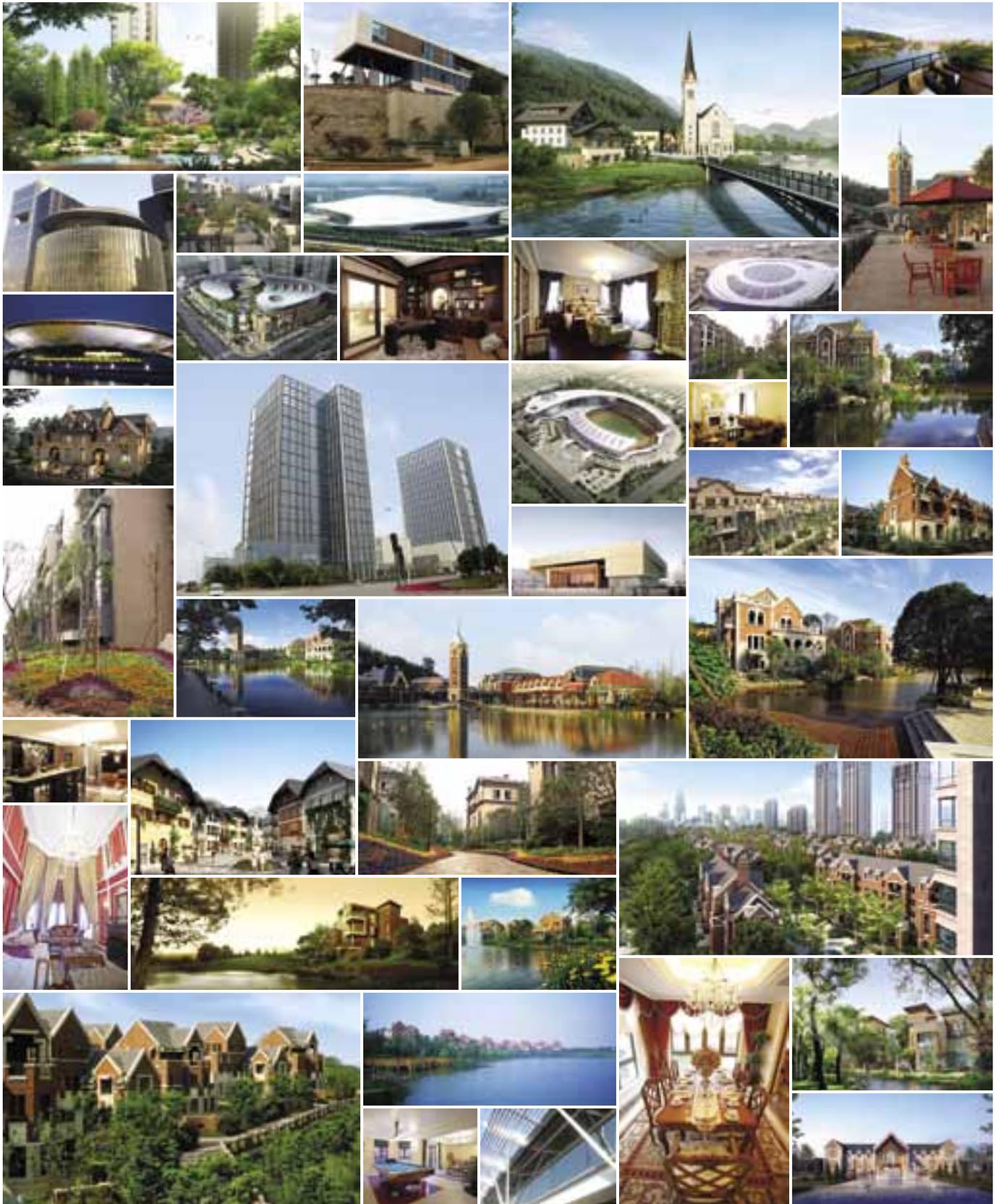
Beijing

Project	:	Xibeiwang Project
Location	:	Xibeiwang Town, Haidian District, Beijing, the PRC
Usage	:	Residential
Site area	:	Approximately 139,000 square metres
Gross floor area	:	Approximately 355,000 square metres
Group's interest	:	51%
Expected construction completion date	:	2013

MAJOR INVESTMENT PROPERTIES

Hong Kong

Building	:	China Minmetals Tower
Location	:	No. 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong
Usage	:	Commercial
Lease term	:	Long term
Building	:	ONFEM Tower
Location	:	No. 29 Wyndham Street, Central, Hong Kong
Usage	:	Commercial
Lease term	:	Long term



Management Discussion and Analysis

During the six months ended 30 June 2011, the Group's consolidated revenue had risen substantially by 331.5% to HK\$1,700.2 million. Profit attributable to equity holders of the Company was substantially higher, at HK\$276.5 million for the period and basic earnings per Share rose by 320.8% year-on-year to HK8.29 cents.

In tandem with its expansion strategy both geographically and in terms of scalability, the Group's real estate development portfolio had reached higher scale, covering the northern, eastern and southern China. During the first half of 2011, a series of marketing and promotional activities on these projects had been promulgated as part of the ongoing corporate identity programme. As a result, the "Minmetals Land" brand has gained better and wider recognition in the market, further strengthening the Group's role as the sole listed real estate flagship of China Minmetals.

The six months ended 30 June 2011 was a period when significant challenges were presented to the entire real estate industry in China, with the confluence of factors including slowdown in the pace of overall economic growth, continuing rise in inflation and appreciation in Renminbi leading to a period of stern policy controls, tightening in funding source, slowing sales momentum, reduction in realised prices and rampant rise in costs pressuring margin. There are now over 40 major cities in China having housing price restriction programme implemented or having plans to restrict purchase of second premises. Since the beginning of the year, home prices had shown signs of softening in major cities under the strong policy measures and the anticipation of further price correction is likely to put the majority of potential purchasers on the sideline for some time.

More significantly, rounds of hikes in base interest rates and reserve requirements also had their impacts felt by real estate development companies and home buyers alike, transpiring into lower selling prices realised, reduced sales volume in most major cities and more cautious consumer sentiment.

It is therefore gratifying to report that, amidst the testing time, the Group's consolidated revenue for the six months ended 30 June 2011 had risen substantially by 331.5% to HK\$1,700.2 million, compared with HK\$394.0 million for the corresponding period last year. This was mainly attributable to record revenue registered by the operating segment of real estate development, especially the first time contribution from the Tianjin project — Minmetals International. The revenue contribution of the other two operating segments, specialised construction and property investment, remained steady during the period under review.

Concurrently, profit attributable to equity holders of the Company was substantially higher, at HK\$276.5 million for the six months ended 30 June 2011 (30 June 2010: HK\$53.9 million), a 413.0% increase from corresponding period last year. Excluding revaluation gain on investment properties of HK\$50.2 million (30 June 2010: HK\$20.0 million), profit attributable to equity holders of the Company during the period under review was HK\$226.3 million as compared to HK\$33.9 million for the same period last year, reflecting a record profit from the operating segment of real estate development. Basic earnings per Share for the period rose by 320.8% year-on-year to HK8.29 cents (30 June 2010: HK1.97 cents).

Management Discussion and Analysis

As a result of the robust profitability and the addition of new real estate development projects, the asset base of the Group as at 30 June 2011 had expanded sharply as compared with the position as of 31 December 2010. As at 30 June 2011, total assets of the Group amounted to HK\$19.1 billion, a 23.2% increase from HK\$15.5 billion as of 31 December 2010. Deferred revenue, which is a reflection of the Group's contracted sales activity during the period, increased by HK\$949.7 million from 31 December 2010 to HK\$3.5 billion as of 30 June 2011. Such deferred revenue will eventually be recognised as the Group's income when presold properties are completed and delivered to buyers.

The Board has taken full consideration of the Group's profitability during the period under review, and evaluate the funding situation for the projects currently contemplated, as well as the overall macro and operating environment in which the Group is operating, and consider to be in the interest of the Group and of our shareholders as a whole, not to declare an interim dividend for the six months ended 30 June 2011 (30 June 2010: Nil).

The tables below set out the total revenue and the total results of the Group by operating segments for the six months ended 30 June 2011, together with the comparative figures for the corresponding period last year.

TOTAL REVENUE BY OPERATING SEGMENTS

	Six months ended 30 June				Year-on-year Change
	2011 HK\$ million	%	2010 HK\$ million	%	%
Real estate development (Note)	1,469.1	86.4	158.2	40.1	+828.6
Specialised construction	205.7	12.1	211.8	53.8	-2.9
Property investment	25.4	1.5	24.0	6.1	+5.8
Total revenue	1,700.2	100.0	394.0	100.0	+331.5

Note: The substantial increase in revenue is attributed to the property sold in earlier period being delivered to buyers in the current period.

TOTAL RESULTS BY OPERATING SEGMENTS

	Six months ended 30 June				Year-on-year Change
	2011 HK\$ million	%	2010 HK\$ million	%	%
Real estate development (Note 1)	385.8	82.4	36.3	37.2	+962.8
Specialised construction	4.9	1.1	16.4	16.8	-70.1
Property investment (Note 2)	71.6	15.3	39.3	40.2	+82.2
Securities investment	5.8	1.2	5.7	5.8	+1.8
Total segment profit	468.1	100.0	97.7	100.0	+379.1

Notes:

1. attributed to the increase in number of properties delivered to buyers
2. including revaluation gain on investment properties of HK\$50.2 million for the six months ended 30 June 2011 (30 June 2010: HK\$20.0 million)

REAL ESTATE DEVELOPMENT

As of 30 June 2011, the Group's real estate development portfolio comprises 10 projects in 7 cities in the PRC. The position of the Group in these real estate development projects as at the date of this report is summarised in the table below.

Location/Project	Site area (square metres)	Approximate gross floor area (square metres)	Attributable interest to the Group
Nanjing, Jiangsu Province			
Laguna Bay	310,000	316,000	71.00%
Riveria Royale	73,000	219,000	50.89%
Fongshan Project	179,000	182,000	100.00%
Changsha, Hunan Province			
LOHAS International Community	633,000	1,049,000	100.00%
Scotland Town	311,000	450,000	100.00%
Tianjin			
Minmetals International	21,000	184,000	100.00%
Langfang, Hebei Province			
Beijing Celebration City	265,000	under planning	50.00%
Yingkou, Liaoning Province			
Platinum Bay	396,000	592,000	100.00%
Huizhou, Guangdong Province			
Hallstatt See	578,000	578,000	65.00%
Haidian District, Beijing			
Xibeiwang Project	139,000	355,000	51.00%

Revenue from this operating segment for the six months ended 30 June 2011 registered a significant increase of 828.6% to HK\$1,469.1 million (30 June 2010: HK\$158.2 million). The record revenue was a direct result of amount of deliveries made by various real estate development projects, notably from the Laguna Bay, LOHAS International Community, Riveria Royale, Scotland Town and Minmetals International. Certain of these projects made their maiden contribution to the Group's revenue during the period, leading to correspondingly higher profit generated by this operating segment during the period under review.

The introduction of further control measures and tightening in funding sources in the first half of the year had the expected cooling effects on value and volume of property transactions in the PRC. The building up of housing stocks and price corrections were apparent virtually in all major cities where purchase restrictions of varying extent had been implemented. Sales and marketing activities of the Group had also been affected to the extent that pace of sale had slowed and trend of rising prices had come to a halt, or in certain cases, reversed. In absolute terms, the Group's contracted sales value had risen to HK\$2,958.2 million in the first half of the year, resulting from the enlarged real estate development portfolio and the satisfactory pre-sale results. On the cost side, the challenge was equally severe during the period as high level of inflation and cost hikes putting immense pressure on margin. The Group had responded to the market conditions, with satisfactory

Management Discussion and Analysis

results, by exerting more prudent and conservative management controls on costs and being more reactive to market demand in order to attain sales targets. Although the operating environment is unlikely to be reversed in the short term, the Group is confident that it is suitably positioned to weather these difficulties with ample financial resources at its disposal, solid support and recognition by customers, joint venture partners and the controlling shareholder.

Laguna Bay

The Group has 71% interest in this residential project which is located in Nanjing, Jiangsu Province with planned gross floor area of approximately 316,000 square metres. This project is developed in three phases comprising villas, high-rise and low-rise units. During the six months ended 30 June 2011, total contracted sales reached HK\$332.4 million for gross saleable floor area of 24,034 square metres. Since the first pre-sale in 2007, this project has gained wide recognition within the Nanjing City.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2011	Contracted sales up to 2010	Delivered in the first half of 2011
Phase I	68,000	110	57,578	110
Phase II	44,000	2,712	32,678	379
Phase III	159,000	21,212	71,136	2,208
Total	271,000	24,034	161,392	2,697

Riveria Royale

The Group has 50.89% interest in this residential project which is also located in Nanjing with planned gross floor area of approximately 219,000 square metres for development of condominium units, villas and a portion of commercial space. Purchase restriction policy is applied in Nanjing. Nevertheless, during the period ended 30 June 2011, total contracted sales achieved HK\$631.9 million.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2011	Contracted sales up to 2010	Delivered in the first half of 2011
Total	211,000	25,183	69,245	8,566

Fongshan Project

The Group has 100% interest in this residential project which is the third project of the Group in Nanjing. The site measuring approximately 179,000 square metres was acquired by the Group at the reserve price of RMB1 billion (approximately HK\$1.2 billion) at an auction held in January 2011. It is planned for development into a low-density and high-end residential community which is expected to provide total gross floor area of approximately 182,000 square metres. Preliminary design and strategic site planning had been completed in the first half of the year.

LOHAS International Community

The Group has 100% interest in this residential project which is located in Changsha, Hunan Province with a site area of approximately 633,000 square metres. It is a large scale residential development spreading in five phases with ancillary facilities of clubhouse, shops, car parking spaces, schools, kindergarten and landscaped garden which is expected to provide total gross floor area of approximately 1,049,000 square metres.

The policy restriction is relatively more lenient in Changsha, where the restriction for home purchase by non-residents is limited to apartments sized below 90 square metres. In addition, the restrictions do not apply to the secondary market and those developments outside of the central Changsha area. As a result, the pre-sale programme of this project was less affected by the policy measures and on the other hand also helped by the project's wide reception for its standards and qualities. This is one of the vivid illustrations where the Group's brand name effect had successfully made the distinction in pricing and sales results. Total contracted sales of this project reached approximately HK\$606.1 million for the six months ended 30 June 2011.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2011	Contracted sales up to 2010	Delivered in the first half of 2011
Phase I (part I)	65,000	916	60,418	1,340
Phase I (part II)	58,000	6,260	44,347	6,107
Phase II	186,000	82,180	—	—
Phase III to Phase V	585,000	—	—	—
Total	894,000	89,356	104,765	7,447

Scotland Town

The Group has 100% interest in this residential project which is also located in Changsha, with a site area of approximately 311,000 square metres with the first phase development for villas. Pre-sale results were better than budgeted in the first half of 2011, with total contracted sales of approximately HK\$413.9 million.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2011	Contracted sales up to 2010	Delivered in the first half of 2011
Phase I	145,000	20,765	89,903	23,648
Phase II	296,000	36,765	—	—
Total	441,000	57,530	89,903	23,648

Minmetals International

The Group has 100% interest in this commercial cum residential project which is located in the Tianjin City with total gross floor area of approximately 184,000 square metres. It is a mixed development with a twin-tower of commercial, office and residential buildings and a basement for carparks. Office developments are currently not subject to purchase restriction in the PRC and part of this project had been completed and delivered during the period.

Management Discussion and Analysis

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2011	Contracted sales up to 2010	Delivered in the first half of 2011
Total	142,000	13,245	48,483	51,208

Beijing Celebration City

The Group has 50% interest in this residential project which is located in Xianghe County, Hebei Province. Subsequent to the period end, the project companies of this project entered into agreements with the People's Government of Xianghe County, Langfang City of Hebei Province for the surrender of this 281,000 square metre site together with the superstructure construction works made thereon. Details of the site surrender are disclosed in the announcement dated 24 July 2011 made by the Company.

Platinum Bay

The Group owns 100% interest in this residential project which is located in the Yingkou City, Liaoning Province with a site area of approximately 396,000 square metres. This project is planned for development of villas and condominium units which is expected to provide total gross floor area of approximately 592,000 square metres. Construction works of this project had commenced and pre-sale is expected to be launched in the third quarter of 2011.

Hallstatt See

Currently, the Group has 65% interest in this residential project which is located in Huizhou, Guangdong Province with a site area of approximately 578,000 square metres. This project is planned for development of villas and condominium units. Preliminary design and planning is underway and pre-sale for the first phase of this project is expected to be launched in the fourth quarter of 2011.

Xibeiwang Project

The Group has 51% interest in this residential project which is located in Haidian District, Beijing with a site area of approximately 139,000 square metres. It is the first real estate development project of the Group undertaken in the capital city of China and it is being planned for high end residential development providing total gross floor area of approximately 355,000 square metres. Preliminary design and planning is presently underway.

SPECIALISED CONSTRUCTION

This operating segment is engaged in the design and installation of curtain walls through two wholly-owned subsidiaries, namely SJQ for the PRC market and Condo HK for Hong Kong and Macau markets. Total revenue generated from external customers by this operating segment for the period under review fell by 2.9% to HK\$205.7 million (30 June 2010: HK\$211.8 million) due to decrease in total value of works completed and realised in the PRC market (excluding inter-company transactions). The challenges for this operating segment remain the maintenance of a healthy profit margin in the midst of rising inflation and costs, despite the fact that construction activities in both the PRC and Hong Kong are expected to be robust in the foreseeable future.

SJQ

For the six months ended 30 June 2011, SJQ's revenue grew by 15.5% to HK\$235.7 million (including HK\$46.5 million generated from inter-company transactions (30 June 2010: HK\$7.2 million)) as compared to HK\$204.0 million in the corresponding period last year. However, a combination of intensive competition and rising costs in the PRC had trimmed SJQ's profit margin substantially. The business outlook for SJQ remains generally

optimistic, and the management tasks will be placed on lifting profitability, the recruitment and retention of professional staff members and to further refine operational platform to cope with wider geographical project coverage.

Condo HK

For the six months ended 30 June 2011, Condo HK's revenue grew by 10% to HK\$16.5 million as compared to HK\$15.0 million in the corresponding period last year. Condo HK has obtained ISO9001 and ISO14001 accreditations signifying the attainment of the requisite international standards. Condo HK had expanded its professional team to meet the next phase of business expansion, aiming to participate in more major infrastructure and building projects.

PROPERTY INVESTMENT

In the first half of 2011, the Group's property investment business encompassed primarily the leasing of the office and commercial space of the ONFEM Tower and the China Minmetals Tower. ONFEM Tower is a 25-storey commercial building located in the Central District on the Hong Kong Island, whereas China Minmetals Tower is a 20-storey office and commercial building located in Tsimshatsui in Kowloon.

Total revenue recorded by this operating segment for the period under review rose by 5.8% year-on-year to HK\$25.4 million (30 June 2010: HK\$24.0 million) resulting from both a higher average rental level and a de-facto full occupancy achieved. As at 30 June 2011, both the ONFEM Tower and the China Minmetals Tower achieved a 100% occupancy rate (31 December 2010: 97.3% for ONFEM Tower and 87.0% for China Minmetals Tower).

The outlook for this operating segment remains cautiously optimistic. The commercial property market in Hong Kong has shown signs of continued strengths as a result of steady economic growth and the relatively limited new supply, pushing rental value upwards which was most noticeable in the prime office sector. Capital and rental values of commercial and retail properties in Hong Kong have also been boosted by investment demand. On the cost side, the implementation of minimum wages in Hong Kong in May 2011 and rampant inflation have added operation costs and put pressure on the margins. Favorable market conditions were evidenced by the fair value gain of HK\$50.2 million (30 June 2010: HK\$20.0 million) on investment properties recorded by the Group for the period under review.

OUTLOOK

In the first half of 2011, various cooling measures, including limiting the number of purchases and raising interest rates, had been implemented in the PRC to rein out of control real estate prices. The moves had also been extended to more second and third-tier cities whose markets have shown signs of heating up. As these austerity initiatives had begun to bring out the desirable impacts on the property market, the macro operating environment for real estate development is expected to enter a phase of stability into the second half of the year. Competition amongst real estate developers, however, will remain intense as liquidity issues encountered by the weaker operators will continue to create fierce price competition in certain localities. The trend towards further consolidation and more mergers and acquisitions amongst real estate operators is also expected to endure in the foreseeable future.

The Group will continue to monitor all policy developments within the real estate market closely, both for the purpose of adjusting the Group's development schedule, if appropriate, to ensure full compliance to prevailing rules and regulatory requirements and of taking advantage of any market prospect arising. With the support of the controlling shareholder, China Minmetals, there may be a window of opportunity for the Group to expand its land bank in suitable locations at reasonable price levels. In our view, the current adjustment phase in the real estate market should bring benefits to the sustainable progress in the industry in the medium to long term.

Management Discussion and Analysis

Besides, there are a number of factors supporting the Group's cautious optimism for its outlook. In contrast with certain developers in the PRC whose liquidity and credit facilities may have been adversely affected by the tightening of bank financing towards real estate developers, the Group is bestowed with sufficient financial means which can be applied in the acquisition of sites, projects or even for other property companies should such opportunities arise.

The Group's land bank was approximately 4.0 million square metres as at the date of this report. Currently, the Group has real estate developments spreading in the three economically active areas in China, namely the Pearl River delta, the Yangtze River delta and Pan Bohai Rim region in northern China. The Group's non-residential developments have also grown in significance over the year, notably with the office building project in Tianjin, making it more resilient to any probable corrections or inactivity within the residential sector. With higher economies of scale and growing diversity in geographical and property type exposures, the Group is better positioned to withstand the challenges posed by the policy measures for the real estate industry in China.

Looking forward, the business growth of the Group will continue to be driven by a sustainable and prudent development strategy to further expand our real estate development business. For individual projects, the focus will be on better risk assessment for capital deployment, enhanced design and planning to suit customers' needs in the specific location. Through vigorous cost control, quality assurance, more flexible marketing programme, the aim is to attain higher profitability and brand premium. For the real estate business segment, it is aimed to continue its expansion on a financially responsible manner and continue to play an active role in the consolidation of the controlling shareholder's real estate interests, while the efforts to seek other expansion opportunities will be ongoing. For the Group, it will strive to improve upon its overall management qualities, and create better brand value and shareholders' return in the future.

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group's operations were financed by funds mainly from cash flows generated from business operations and borrowings from banks.

As at 30 June 2011, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted to HK\$3,560.1 million (31 December 2010: HK\$3,249.9 million), of which 74.8%, 25.2% and 0% (31 December 2010: 43.7%, 52.9% and 3.4%) 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\$4,441.7 million as at 30 June 2011 (31 December 2010: HK\$4,064.7 million). The total borrowings included borrowings from banks, non-controlling shareholders of subsidiaries of the Company and a fellow subsidiary of the Company. The gearing ratio of net debt to total equity of the Group as at 30 June 2011 was 11.3% (31 December 2010: 11.2%).

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

	30 June 2011 HK\$ million	31 December 2010 HK\$ million
Within one year	2,855.0	3,493.0
In the second to fifth years	1,586.7	571.7
	4,441.7	4,064.7

As at 30 June 2011, borrowings denominated in Renminbi amounted to RMB2,735.8 million (approximately HK\$3,293.4 million) (31 December 2010: RMB2,658.1 million (approximately HK\$3,123.8 million)), while the remaining balance of HK\$1,148.3 million (31 December 2010: HK\$940.9 million) was borrowings denominated in Hong Kong dollars. Borrowings of HK\$4,378.1 million (31 December 2010: HK\$3,656.3 million) are on a floating interest rate basis. Finance costs charged to the consolidated income statement for the six months ended 30 June 2011 amounted to HK\$10.2 million (30 June 2010: HK\$0.025 million) after capitalisation of HK\$88.8 million (30 June 2010: HK\$21.5 million) into the cost of properties under development. The unutilised banking facilities of the Group amounted to HK\$4,325.9 million as at 30 June 2011 (31 December 2010: HK\$595.5 million).

Capital contribution commitments in a real estate development company as at 30 June 2011 amounted to HK\$84.3 million (31 December 2010: HK\$291.0 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 reporting and 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. In spite of the fact 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 2011 but is closely monitoring the aforesaid exchange rate risks. As at 30 June 2011, the Group did not have any exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

CHARGES ON GROUP ASSETS

As at 30 June 2011, 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\$997.2 million (31 December 2010: HK\$970.8 million), (ii) properties under development of HK\$752.2 million (31 December 2010: HK\$943.8 million) and (iii) leasehold land and buildings of HK\$59.0 million (31 December 2010: HK\$62.6 million).

CONTINGENT LIABILITIES

As at 30 June 2011, 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\$1,984.6 million (31 December 2010: HK\$1,305.5 million).

EMPLOYEES

Total number of staff of the Group, including the Directors, was 724 as at 30 June 2011 (30 June 2010: 413), and the expansion was in line with the business development of the Group. Total remuneration and benefits of the Directors and staff of the Group during the six months ended 30 June 2011 were approximately HK\$42.7 million (30 June 2010: HK\$27.3 million). The Group considers the remuneration policy it has adopted is in line with market practice and standards.

Other Information

SHARE OPTION

On 29 May 2003, the Company adopted the Share Option Scheme to recognise and acknowledge the contributions that eligible persons had made or may from time to time make to the Group whether in the past or in the future. A summary of the principal terms of the Share Option Scheme is set out in the 2010 annual report of the Company.

Details of the movements of share options during the six months ended 30 June 2011 are as follows:

Category of participant	Date of grant	Exercisable period	Exercise price HK\$	Number of share options			As at 30 June 2011	
				As at 1 January 2011	Granted during the period	Exercised during the period		Lapsed during the period
(i) Directors								
Mr. Qian Wenchao	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,473,333	—	442,000	—	1,031,333
Mr. He Jianbo	1 December 2008	1 December 2010 to 30 November 2018	0.45	2,040,000	—	612,000	—	1,428,000
Mr. Yin Liang	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,360,000	—	408,000	—	952,000
Ms. He Xiaoli	1 December 2008	1 December 2010 to 30 November 2018	0.45	1,133,333	—	340,000	—	793,333
Mr. Yang Lu	1 December 2008	1 December 2010 to 30 November 2018	0.45	680,000	—	204,000	—	476,000
(ii) Employees and others								
	1 December 2008	1 December 2010 to 30 November 2018	0.45	7,277,701	—	292,000	81,033	6,904,668
				13,964,367	—	2,298,000	81,033	11,585,334

Note: These share options are exercisable in three tranches: the maximum percentage of share options of each tranche 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 2011.

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

As at 30 June 2011, the interests and short positions of the Directors and the chief executive of the Company in the Shares and underlying Shares of the Company or any of its associated corporations (within the meaning of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are 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	Approximate percentage of total issued Shares
Mr. Qian Wenchao	Personal	442,000	0.013%
Mr. He Jianbo	Personal	612,000	0.018%
Mr. Yin Liang	Personal	408,000	0.012%
Ms. He Xiaoli	Personal	370,000	0.011%
Mr. Yang Lu	Personal	204,000	0.006%

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

Save as disclosed above, as at 30 June 2011, none of the Directors or the chief executive of the Company or any of their associates (as defined in the Listing Rules) 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 or 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 2011.

Other Information

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2011, 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

Name of Shareholder	Interest in Shares	Approximate percentage of total issued Shares
China Minmetals	2,066,211,506 (Note 1)	61.91%
Minmetals HK	2,066,211,506 (Note 1)	61.91%
June Glory	2,066,211,506 (Note 1)	61.91%
Mr. Osbert Lyman	170,139,862 (Note 2)	5.10%
Strategic Power International Limited	170,139,862 (Note 2)	5.10%

Notes:

- The interests disclosed herein are held by June Glory, a wholly-owned subsidiary of Minmetals HK, and Minmetals HK is wholly owned by China Minmetals.
- Strategic Power International Limited is owned as to 70% by Mr. Osbert Lyman. In view that Strategic Power International Limited had direct and indirect interests in 19,290,000 Shares and 150,849,862 Shares respectively, each of Strategic Power International Limited and Mr. Osbert Lyman was interested in an aggregate of 170,139,862 Shares.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

In the opinion of the Directors, throughout the six months ended 30 June 2011, the Company had complied with the code provisions of the CG Code as set out in Appendix 14 to the Listing Rules, except for the following deviations:

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

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

- 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. Sun Xiaomin, the Chairman of the Board and of the remuneration committee, was not available for the Company's annual general meeting for 2011 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 of the Company” (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.

Having made specific enquiry of all Directors, they have confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2011.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2011, 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 had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2011.

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

OFL (a wholly-owned subsidiary of the Company) as borrower, the Company and MLI (a wholly-owned subsidiary of the Company) as guarantors and certain banks as lenders (the “Lenders”) have on 24 May 2011 entered into a term loan facility agreement (the “Facility Agreement”) for a 4-year term loan facility (the “Loan Facility”) in the principal amount of HK\$5,000,000,000.

Pursuant to the Facility Agreement, China Minmetals, the controlling shareholder of the Company, shall be the legal and beneficial owner of not less than 31% of the issued share capital of the Company as well as the single largest shareholder of the Company and has control over the management of the Company. A breach of any of the aforesaid conditions would constitute an event of default and the Lenders may (i) cancel all commitments under the Facility Agreement; or (ii) demand that all or part of the loans together with accrued interest under the Loan Facility be immediately due and payable; or (iii) demand that all or part of the loans be payable on demand.

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

By order of the Board

He Jianbo

Managing Director

Hong Kong, 22 August 2011

Report on Review of Condensed Consolidated Interim Financial Information



羅兵咸永道

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 21 to 38, which comprises the condensed consolidated balance sheet of Minmetals Land Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2011 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, 22 August 2011

*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Condensed Consolidated Income Statement

For the six months ended 30 June 2011

		Unaudited	
		Six months ended 30 June	
	Note	2011	2010
		HK\$'000	HK\$'000
Revenue	3	1,700,221	393,976
Cost of sales	4	(1,182,148)	(287,007)
Gross profit		518,073	106,969
Other gains	5	38,520	10,219
Fair value gain on investment properties	9(a)	50,200	20,000
Selling and distribution costs	4	(56,218)	(14,343)
Administrative expenses	4	(115,830)	(51,535)
Operating profit		434,745	71,310
Finance income		20,169	6,783
Finance costs		(10,220)	(25)
Share of results of associated companies		(2,378)	(523)
Profit before tax		442,316	77,545
Tax charge	6	(154,818)	(18,965)
Profit for the period		287,498	58,580
Attributable to:			
Equity holders of the Company		276,525	53,891
Non-controlling interests		10,973	4,689
		287,498	58,580
Earnings per share for profit attributable to equity holders of the Company during the period (expressed in HK cents per share)			
Basic	7	8.29	1.97
Diluted	7	8.27	1.96
Dividends	8	—	—

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Unaudited	
	Six months ended 30 June	
	2011	2010
	HK\$'000	HK\$'000
Profit for the period	287,498	58,580
Other comprehensive (expense)/income		
Fair value losses of available-for-sale financial assets	(82,970)	(133,673)
Currency translation differences	97,665	17,518
	14,695	(116,155)
Total comprehensive income/(expense) for the period	302,193	(57,575)
Attributable to:		
Equity holders of the Company	271,145	(70,321)
Non-controlling interests	31,048	12,746
	302,193	(57,575)

Condensed Consolidated Balance Sheet

As at 30 June 2011

	Note	Unaudited 30 June 2011 HK\$'000	Audited 31 December 2010 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	91,735	86,459
Investment properties	9	1,021,029	970,829
Goodwill	9	12,459	11,712
Interest in associated companies	10	1,186,864	200,490
Available-for-sale financial assets	11	456,330	539,300
Deferred tax assets		94,833	102,175
		2,863,250	1,910,965
Current assets			
Inventories	12	6,458,531	5,845,239
Trade receivables	13	319,676	371,965
Prepayments and other receivables		5,575,565	4,037,503
Loan to a non-controlling shareholder of a subsidiary		186,589	—
Gross amounts due from customers for contract work		5,570	1,251
Cash and bank deposits, restricted		118,930	113,075
Cash and bank deposits, unrestricted		3,560,117	3,249,850
		16,224,978	13,618,883
Total assets		19,088,228	15,529,848
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	14	333,763	333,534
Reserves	15	5,828,349	5,589,336
		6,162,112	5,922,870
Non-controlling interests		568,267	356,476
Total equity		6,730,379	6,279,346

Condensed Consolidated Balance Sheet

As at 30 June 2011

	Note	Unaudited 30 June 2011 HK\$'000	Audited 31 December 2010 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	16	1,586,738	571,704
Deferred tax liabilities		157,722	219,286
Other liabilities		7,921	10,248
		1,752,381	801,238
Current liabilities			
Trade payables	17	398,800	434,402
Accrued liabilities and other payables		3,706,568	1,719,067
Deferred revenue		3,548,397	2,598,742
Current tax payable		96,777	204,027
Borrowings	16	2,854,926	3,493,026
		10,605,468	8,449,264
Total liabilities		12,357,849	9,250,502
Total equity and liabilities		19,088,228	15,529,848
Net current assets		5,619,510	5,169,619
Total assets less current liabilities		8,482,760	7,080,584

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Unaudited				
	Attributable to equity holders of the Company			Non- controlling interests	Total
	Share capital	Reserves	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance as at 1 January 2010	273,279	4,146,379	4,419,658	314,673	4,734,331
Total comprehensive (expense)/income for the period	—	(70,321)	(70,321)	12,746	(57,575)
Transactions with owners					
Contributions from non-controlling shareholders	—	—	—	76,143	76,143
Employee share option benefits	—	772	772	—	772
	—	772	772	76,143	76,915
Balance as at 30 June 2010	273,279	4,076,830	4,350,109	403,562	4,753,671
Balance as at 1 January 2011	333,534	5,589,336	5,922,870	356,476	6,279,346
Total comprehensive income for the period	—	271,145	271,145	31,048	302,193
Transactions with owners					
Issue of shares	229	805	1,034	—	1,034
Contributions from non-controlling shareholders	—	—	—	180,743	180,743
Employee share option benefits	—	441	441	—	441
Final dividend	—	(33,378)	(33,378)	—	(33,378)
	229	(32,132)	(31,903)	180,743	148,840
Balance as at 30 June 2011	333,763	5,828,349	6,162,112	568,267	6,730,379

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2011

	Unaudited Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Net cash generated from/(used in) operating activities	935,920	(190,578)
Net cash (used in)/generated from investing activities	(795,889)	3,652
Net cash generated from financing activities	170,236	391,236
Net increase in cash and cash equivalents	310,267	204,310
Cash and cash equivalents at beginning of the period	3,249,850	2,394,350
Cash and cash equivalents at end of the period	3,560,117	2,598,660
Analysis of balances of cash and cash equivalents		
Cash and bank deposits, unrestricted	3,560,117	2,598,660

Notes to the Condensed Consolidated Financial Information

1 ORGANISATION AND OPERATIONS

Minmetals Land Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is principally engaged in real estate development, specialised construction, property investment and securities investment. Hong Kong and Macau, and The People’s Republic of China (other than Hong Kong and Macau) (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.

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 22 August 2011.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated financial information for the six months ended 30 June 2011 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 (“HKICPA”). It should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2010, except that the Group has adopted the following revised standard and amendment to standards issued by the HKICPA as set out below which are relevant to its operations and mandatory for the financial year ending 31 December 2011.

Revised standard and amendment effective in 2011

HKAS 24 (Revised)	Related Party Transactions
HKAS 34 (Amendment)	Interim Financial Reporting

The adoption of the above revised standard and amendment did not have material effect on the condensed consolidated interim financial information or result in any changes in the Group’s significant accounting policies.

Notes to the Condensed Consolidated Financial Information

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 of residential and commercial properties
Specialised construction:	Design, installation and selling of curtain walls and aluminium windows, doors and fire-proof and other materials
Property investment:	Holding of properties to generate rental income and to gain from the appreciation in the properties' values in the long term
Securities investment:	Investment of securities

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the condensed consolidated income statement.

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	2011 HK\$'000	2010 HK\$'000								
For the six months ended 30 June (unaudited)										
REVENUE										
Total segment revenue	1,469,149	158,208	252,202	218,973	25,380	23,957	—	—	1,746,731	401,138
Inter-segment revenue	—	—	(46,510)	(7,162)	—	—	—	—	(46,510)	(7,162)
Sales to external customers	1,469,149	158,208	205,692	211,811	25,380	23,957	—	—	1,700,221	393,976
RESULTS										
Segment results	385,748	36,283	4,945	16,389	71,605	39,273	5,756	5,755	468,054	97,700
Unallocated corporate expenses, net									(33,309)	(26,390)
Operating profit									434,745	71,310
Finance income									20,169	6,783
Finance costs									(10,220)	(25)
Share of results of associated companies	(2,378)	(523)	—	—	—	—	—	—	(2,378)	(523)
Tax charge									(154,818)	(18,965)
Profit for the period									287,498	58,580
	30 June 2011 HK\$'000	31 December 2010 HK\$'000								
Segment assets	15,774,660	9,623,169	519,137	390,950	1,229,066	1,041,832	469,092	539,300	17,991,955	11,595,251
Unallocated corporate assets									1,096,273	3,934,597
Total assets									19,088,228	15,529,848

4 EXPENSES BY NATURE

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Advertising and other promotional costs	56,218	14,343
Cost of specialised construction (Note)	184,509	186,375
Cost of properties sold (Note)	994,078	96,993
Depreciation, net of capitalisation	3,077	2,363
Direct out-goings arising from investment properties that generated rental income	3,561	3,639
Employee benefit expense (including directors' emoluments)	42,658	27,334
Legal and professional fees	5,653	3,978
Operating lease charges — minimum lease payment in respect of land and buildings	3,991	2,464
Net foreign exchange loss	20,129	—
Others	40,322	15,396
Total of cost of sales, selling and distribution costs and administrative expenses	1,354,196	352,885

Note: Included in cost of specialised construction and cost of properties sold are staff cost of HK\$4,109,000 and HK\$4,811,000 respectively (30 June 2010: HK\$5,279,000 and HK\$410,000 respectively).

5 OTHER GAINS

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Refund of land cost	31,311	—
Dividend income	5,762	5,762
Net foreign exchange gain	—	4,028
Others	1,447	429
Total	38,520	10,219

Notes to the Condensed Consolidated Financial Information

6 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 2010: Nil). PRC enterprise income tax has been calculated on the estimated assessable profit for the period derived in the PRC at the rates ranging from 24% to 25% (30 June 2010: 22% to 25%).

PRC 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	
	2011	2010
	HK\$'000	HK\$'000
Current tax — PRC		
Enterprise income tax	137,119	13,355
Land appreciation tax	114,822	5,610
Deferred tax	(97,123)	—
Tax charge	154,818	18,965

7 EARNINGS PER SHARE

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

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares granted under the Company's share option scheme.

	Six months ended 30 June	
	2011	2010
Weighted average number of ordinary shares in issue (thousands)	3,337,283	2,732,787
Adjustment for share options (thousands)	8,182	10,715
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,345,465	2,743,502
Profit attributable to equity holders (HK\$'000)	276,525	53,891
Basic earnings per share (HK cents)	8.29	1.97
Diluted earnings per share (HK cents)	8.27	1.96

8 DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2011 (30 June 2010: Nil).

9 CAPITAL EXPENDITURE

	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Goodwill HK\$'000
Six months ended 30 June 2011			
Opening net book amount as at 1 January 2011	86,459	970,829	11,712
Additions	8,048	—	—
Fair value gain (a)	—	50,200	—
Disposals	(55)	—	—
Depreciation	(3,077)	—	—
Exchange differences	360	—	747
Closing net book amount as at 30 June 2011	91,735	1,021,029	12,459
Six months ended 30 June 2010			
Opening net book amount as at 1 January 2010	78,134	936,739	11,365
Additions	3,099	—	—
Fair value gain (a)	—	20,000	—
Disposals	(24)	—	—
Depreciation	(2,363)	—	—
Exchange differences	57	—	97
Closing net book amount as at 30 June 2010	78,903	956,739	11,462

- (a) The Group has estimated the fair values of investment properties as at 30 June 2011 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 fair value gain of HK\$50,200,000 (30 June 2010: HK\$20,000,000) was recognised during the period.

Notes to the Condensed Consolidated Financial Information

10 INTEREST IN ASSOCIATED COMPANIES

	30 June 2011 HK\$'000	30 June 2010 HK\$'000
At beginning of the period	200,490	—
Investment in associated companies	988,752	76,438
Share of losses	(2,378)	(523)
At end of the period	1,186,864	75,915

Interests in associated companies represent the Group's 50% investment in 廊坊萬恒盛業房地產開發有限公司 and 51% investment in 北京五礦萬科置業有限公司.

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2011 HK\$'000	30 June 2010 HK\$'000
Listed equity securities, Hong Kong		
At beginning of the period	539,300	631,488
Fair value loss	(82,970)	(133,673)
At end of the period	456,330	497,815

12 INVENTORIES

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Properties held for sale — located in the PRC	540,391	463,042
Properties under development — located in the PRC	5,918,140	5,382,197
	6,458,531	5,845,239

13 TRADE RECEIVABLES

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

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
0 to 90 days	103,661	209,375
91 to 180 days	34,240	17,220
181 days to 1 year	55,732	52,517
1 year to 2 years	85,864	48,230
Over 2 years	41,455	45,868
	320,952	373,210
Less: provision for impairment of receivables	(1,276)	(1,245)
	319,676	371,965

For the period ended 30 June 2011, no credit period is granted by the Group to the customers for trade and contract receivables.

14 SHARE CAPITAL

	Six months ended 30 June			
	2011		2010	
	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 the period	10,000,000	1,000,000	10,000,000	1,000,000
Issued and fully paid (ordinary shares of HK\$0.1 each)				
Balance at beginning of the period	3,335,337	333,534	2,732,787	273,279
Exercise of share options	2,298	229	—	—
Balance at end of the period	3,337,635	333,763	2,732,787	273,279

Notes to the Condensed Consolidated Financial Information

14 SHARE CAPITAL (CONTINUED)

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

	Number of share options Six months ended 30 June	
	2011 ('000)	2010 ('000)
Balance at beginning of the period	13,964	15,334
Lapsed	(81)	(113)
Exercised	(2,298)	—
Balance at end of the period	11,585	15,221

15 RESERVES

	Share premium	Contributed surplus	Capital redemption reserve	Employee share-based compensation reserve	Available-for-sale financial assets revaluation reserve	Exchange reserve	Revaluation reserve	Other reserves	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 January 2010	3,382,478	600,412	769	1,729	73,751	51,264	1,314	—	34,662	4,146,379
Employee share option benefits	—	—	—	772	—	—	—	—	—	772
Fair value losses of available-for-sale financial assets	—	—	—	—	(133,673)	—	—	—	—	(133,673)
Currency translation adjustments	—	—	—	—	—	9,461	—	—	—	9,461
Profit for the period	—	—	—	—	—	—	—	—	53,891	53,891
Balance as at 30 June 2010	3,382,478	600,412	769	2,501	(59,922)	60,725	1,314	—	88,553	4,076,830
Balance as at 1 January 2011	4,266,818	600,412	769	3,273	(18,437)	108,264	1,314	65,348	561,575	5,589,336
Issue of shares	805	—	—	—	—	—	—	—	—	805
Employee share option benefits	—	—	—	441	—	—	—	—	—	441
Fair value losses of available-for-sale financial assets	—	—	—	—	(82,970)	—	—	—	—	(82,970)
Currency translation adjustments	—	—	—	—	—	77,590	—	—	—	77,590
Final dividend	—	—	—	—	—	—	—	—	(33,378)	(33,378)
Profit for the period	—	—	—	—	—	—	—	—	276,525	276,525
Balance as at 30 June 2011	4,267,623	600,412	769	3,714	(101,407)	185,854	1,314	65,348	804,722	5,828,349

16 BORROWINGS

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Non-current		
Bank borrowings, secured	1,586,738	571,704
Current		
Bank borrowings, secured	19,000	425,000
Loans from non-controlling shareholders of subsidiaries, unsecured (Note 20)	63,575	417,786
Loans from a fellow subsidiary, unsecured (Note 20)	2,772,351	2,650,240
	2,854,926	3,493,026
Total borrowings	4,441,664	4,064,730

Interest expense on borrowings for the six months ended 30 June 2011 is HK\$10,220,000 (30 June 2010: HK\$25,000) after capitalisation of HK\$88,800,000 (30 June 2010: HK\$21,500,000).

17 TRADE PAYABLES

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

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
0 to 90 days	126,243	110,182
91 to 180 days	24,080	8,732
181 days to 1 year	27,476	30,189
1 year to 2 years	76,707	224,953
Over 2 years	144,294	60,346
	398,800	434,402

Notes to the Condensed Consolidated Financial Information

18 CAPITAL COMMITMENTS

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Contracted but not provided for		
Capital contribution into a property development company	84,266	291,048

19 FINANCIAL GUARANTEES

As at 30 June 2011, guarantees given to banks for mortgage facilities granted to certain buyers of the Group's properties amounted to HK\$1,984,570,000 (2010: HK\$1,305,544,000). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate; or (ii) satisfaction of mortgaged loan by the buyers. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest owed by the defaulted buyers to the banks and the Group is entitled to take the possession of the related properties. Under such circumstances, the Group is able to retain the property sales proceeds received from the customers and sell the property to recover any amounts paid by the Group to the banks.

20 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 state-owned enterprise established in the PRC and is controlled by the PRC Government.

In accordance with HKAS 24 (Revised), "Related Party Disclosures", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include China Minmetals and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and China Minmetals as well as their close family members.

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.

20 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Specialised construction costs to a fellow subsidiary (i)	8,149	28,589
Construction costs to a fellow subsidiary for real estate development projects (ii)	205,992	49,139
Rental income from fellow subsidiaries (iii)	3,100	3,451
Loan interest expenses to a non-controlling shareholder of a subsidiary (iv)	—	5,783
Loan interest expenses to a fellow subsidiary (v)	83,067	—

(b) Balances with related parties

	30 June	31 December
	2011 HK\$'000	2010 HK\$'000
Contract (prepayment)/payable to a fellow subsidiary for real estate development projects (ii)	(86,971)	80,504
Loans from non-controlling shareholders of subsidiaries (iv)	63,575	417,786
Loans from a fellow subsidiary (v)	2,772,351	2,650,240
Amounts due to non-controlling shareholders of subsidiaries (vi)	2,318,728	482,907
Loan to a non-controlling shareholder of a subsidiary (vii)	186,589	—

(c) Key management compensation

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Salaries and short-term employee benefits	5,739	3,864
Pension costs — defined contribution plans	144	142
Share option benefits	2,267	400
	8,150	4,406

Notes to the Condensed Consolidated Financial Information

20 RELATED PARTY TRANSACTIONS (CONTINUED)

Notes:

- (i) Specialised construction costs to a fellow subsidiary of the Company were based on terms mutually agreed by both parties.
- (ii) Construction costs to a fellow subsidiary of the Company for real estate development projects were based on terms mutually agreed by both parties.
- (iii) Rental income and rental deposits received from fellow subsidiaries of the Company were based on the agreements entered into between the parties involved with reference to market rates.
- (iv) The balance of HK\$63,575,000 (2010: HK\$408,384,000) was unsecured, non-interest bearing and with no fixed repayment terms. The remaining balance of 9,402,000 as at 31 December 2010 was unsecured, with no fixed repayment terms and bearing interest at the benchmark interest rate for a 1 year short term loan quoted by the People's Bank of China per annum.
- (v) The short-term loans from a fellow subsidiary are unsecured, interest bearing at 6.44% per annum and repayable in six months.
- (vi) The amounts due to non-controlling shareholder of subsidiaries of the Company are unsecured, interest free and repayable on demand.
- (vii) The loan to a non-controlling shareholder of a subsidiary is unsecured, interest bearing at 6.94% per annum and repayable in 1 year.

21 EVENT AFTER BALANCE SHEET DATE

On 24 July 2011, 廊坊曠世基業房地產開發有限公司 (Langfang Kuangshi Jiye Property Development Co., Ltd.) ("Kuangshi Jiye", a non-wholly owned subsidiary of the Company) and 廊坊萬恒盛業房地產開發有限公司 (Langfang Wanheng Shengye Property Development Co., Ltd.) ("Wanheng Shengye", an associated company of the Company) entered into certain agreements with 河北省廊坊市香河縣人民政府 (The People's Government of Xianghe County, Langfang City of Hebei Province) ("Xianghe Government"), 香河縣公有資產經營公司 (Xianghe County State-owned Assets Operation Company) ("Xianghe Assets Operation Company") and 河北省廊坊市香河縣國土資源局 (Land Resources Bureau of Xianghe County, Langfang City of Hebei Province) ("Xianghe Land Bureau"). Pursuant to the agreements, Kuangshi Jiye and Wanheng Shengye will surrender the piece of land situated in Xianghe County, Langfang City of Hebei Province, the PRC with a total site area of approximately 280,616 square meters (the "Land") at cost to Xianghe Land Bureau, and dispose of the superstructure construction works erected on the Land to Xianghe Assets Operation Company at a consideration, details of which are set out in the announcement of the Company dated 24 July 2011.

Glossary of Terms

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

“Board”	board of directors of Minmetals Land Limited
“CG Code”	Code on Corporate Governance Practices
“China Minmetals”	China Minmetals Corporation
“Company” or “Minmetals Land”	Minmetals Land Limited
“Condo HK”	Minmetals Condo (Hong Kong) Engineering Company Limited
“Director(s)”	director(s) of Minmetals Land Limited
“Group”	Minmetals Land Limited 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”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	The Macau Special Administrative Region of the PRC
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited
“MLI”	Minmetals Land Investments Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“OFL”	ONFEM Finance Limited
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi
“SFO”	Securities and Futures Ordinance
“Shareholder(s)”	shareholder(s) of Minmetals Land Limited
“Share(s)”	ordinary share(s) of par value HK\$0.1 each of Minmetals Land Limited
“Share Option Scheme”	share option scheme of Minmetals Land Limited adopted on 29 May 2003
“SJQ”	Shanghai Jin Qiao Condo Decoration Engineering Co., Ltd.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars
“%”	per cent

About China Minmetals Corporation

Founded in 1950, China Minmetals is one of the largest State-owned conglomerates that operates globally with core businesses in ferrous metals, non-ferrous metals, real estate, finance and logistics. The annual revenue of China Minmetals for 2010 is approximately RMB255 billion and was selected by the US Fortune Magazine in 2011 as one of the world top 500 enterprises, ranking 228.

China Minmetals has also actively participated in commercial estate development, construction and installation business in recent years since it established the residential development and industrial estates. Thus it has accumulated considerable resources for its real estate division. Excluding real estate development projects of Minmetals Land, China Minmetals has a total gross floor area of over 4.21 million square metres of residential and industrial estates in the Pan Bohai Rim region and the eastern part and central part of China. Furthermore, it has an industrial site of 30 square kilometres in Yingkou City, Liaoning Province.

China Minmetals through its Hong Kong subsidiary, Minmetals HK, holds approximately 61.91% interest in Minmetals Land. Having approved by the State-owned Assets Supervision and Administration Commission of the State Council to include property development and operation as one of its core businesses in 2008, China Minmetals 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 aims at achieving the listing of all of its real estate businesses and turning Minmetals Land eventually into a leading and influential real estate development corporation, which creates better returns to its Shareholders, employees and the society.

Projects under Development of China Minmetals

Province/City	Attributable land area (sq.m.)	Total gross floor area (sq.m.)	Usage
Beijing	230,000	219,200	Residential
Yingkou City, Liaoning Province	30,000,000	N/A	Industrial and commercial
	216,200	347,600	Residential
Shenyang City, Liaoning Province	8,100	47,000	Residential
Tianjin	1,628,700	2,136,300	Residential
Changsha City, Xiangtan City and Zhuzhou City, Hunan Province	412,700	1,309,000	Residential
Kunming City, Yunnan Province	210,000	154,800	Residential





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