



五礦建設有限公司*

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

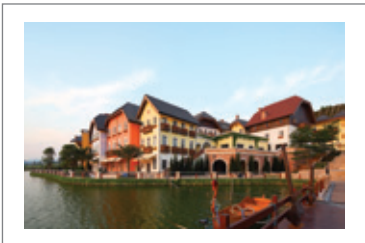
(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 230



2013 Interim Report

中期報告



Cover photo:

Hallstatt See

Hallstatt See is located in Huizhou, Guangdong Province.

封面圖片:

五礦·哈施塔特

五礦·哈施塔特位於廣東省惠州市。

About Us

Minmetals Land Limited is a subsidiary and the Hong Kong-listed real estate flagship of China Minmetals Corporation. It principally engages in real estate development and specialised construction businesses. Currently, its real estate development business covers the Pearl River Delta, Yangtze River Delta and the Pan Bohai Rim and the central regions; while the specialised construction business that based in Shanghai and Hong Kong has coverage over fifty cities in the country.



Contents

2	Corporate Information
3	Financial Highlights
4	Group Properties
7	Management Discussion and Analysis
29	Report on Review of Condensed Consolidated Financial Statements Condensed Consolidated Financial Statements for the six months ended 30 June 2013
30	Condensed Consolidated Statement of Profit or Loss
31	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
32	Condensed Consolidated Statement of Financial Position
34	Condensed Consolidated Statement of Changes in Equity
35	Condensed Consolidated Statement of Cash Flows
36	Notes to the Condensed Consolidated Financial Statements
55	Glossary of Terms
56	About China Minmetals Corporation

Corporate Information

02

NON-EXECUTIVE DIRECTORS

Mr. Sun Xiaomin, Chairman
Mr. Tian Jingqi
Mr. Liu Zeping

EXECUTIVE DIRECTORS

Mr. He Jianbo, Deputy Chairman & Managing Director
Mr. Yin Liang, Senior Deputy Managing Director
Ms. He Xiaoli, Deputy Managing Director

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

Ms. Chung Wing Yee

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
35th Floor, One Pacific Place,
88 Queensway, Hong Kong

PRINCIPAL BANKERS

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

BRANCH SHARE REGISTRAR

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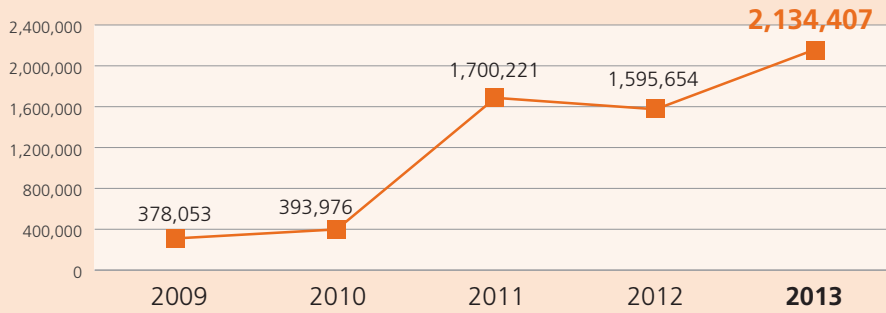
WEBSITE

<http://www.minmetalsland.com>

Financial Highlights

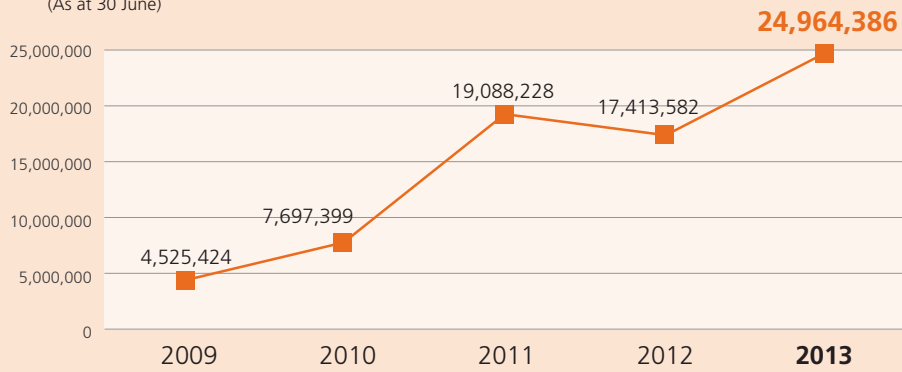
Revenue (HK\$'000)

(For the six months ended 30 June)



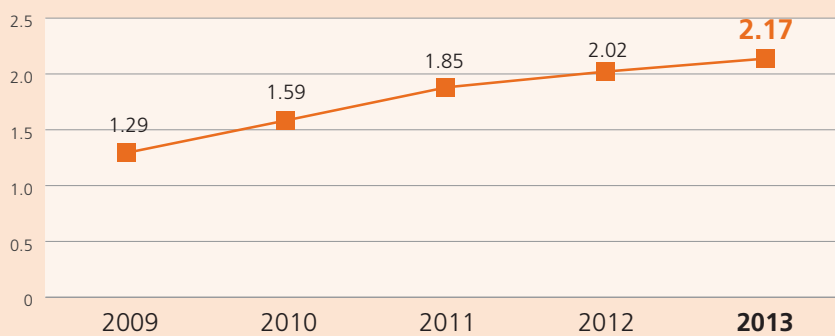
Total Assets (HK\$'000)

(As at 30 June)



Net Asset Value Per Share (HK\$)

(As at 30 June)



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 319,000 square metres
Group's interest	: 71%
Construction completion date	: 4Q 2012



Project	: Riviera Royale
Location	: No. 188 Mengdu Avenue, Jianye District, Nanjing, Jiangsu Province, the PRC
Usage	: Residential
Site area	: Approximately 71,000 square metres
Gross floor area	: Approximately 222,000 square metres
Group's interest	: 98.88%
Construction completion date	: 2Q 2012



Project	: Sello Royale
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 268,000 square metres
Group's interest	: 100%
Expected construction completion date	: 2014



Project	: Hexi Project
Location	: At Tian He Road, southern part of Hexi, Jianye District, Nanjing, Jiangsu Province, the PRC
Usage	: Residential
Site area	: Approximately 130,928 square metres
Gross floor area	: Under planning
Group's interest	: 100%
Expected construction completion date	: 2017

Huizhou



Project	: Hallstatt See
Location	: Mai Tian Ling, Boluo County, Huizhou City, Guangdong Province, the PRC
Usage	: Residential
Site area	: Approximately 984,000 square metres
Gross floor area	: Approximately 1,154,000 square metres
Group's interest	: 80%
Expected construction completion date	: 2016

Changsha



Project	: LOHAS International Community
Location	: At Gaoyun Road, Muyun Town, Changsha County, Hunan Province, the PRC
Usage	: Residential
Site area	: Approximately 643,000 square metres
Gross floor area	: Approximately 1,060,000 square metres
Group's interest	: 100%
Expected construction completion date	: 4Q 2014



Project	: Scotland Town
Location	: At Yuntang Village and Yuetang Village, Muyun Town, Changsha County, Hunan Province, the PRC
Usage	: Residential
Site area	: Approximately 333,000 square metres
Gross floor area	: Approximately 442,000 square metres
Group's interest	: 100%
Expected construction completion date	: 4Q 2013

Beijing



Project	: Fortune Garden
Location	: Xibeiwang Town, Haidian District, Beijing, the PRC
Usage	: Residential
Site area	: Approximately 139,000 square metres
Gross floor area	: Approximately 416,000 square metres
Group's interest	: 51%
Expected construction completion date	: 2015

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 504,000 square metres
Group's interest	: 100%
Expected construction completion date	: 2015

Hebei



Project	: Beijing Celebration City
Location	: Jingxintun Town, Xianghe County, Langfang City, Hebei Province, the PRC
Usage	: Residential
Site area	: Approximately 395,000 square metres
Gross floor area	: Under planning
Group's interest	: 50%
Expected construction completion date	: 2016

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 183,000 square metres
Group's interest	: 100%
Construction completion date	: 2011

MAJOR INVESTMENT PROPERTIES

Hong Kong



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



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



Management Discussion and Analysis

Management Discussion and Analysis

08



The Group's consolidated revenue for the first half of 2013 was recorded at HK\$2,134.4 million, an increase of 33.8%, compared with HK\$1,595.7 million in the corresponding period last year. Overall gross margin had noted a decline from 36.3% to 30.9% partly because of a change in product mix of property sold and delivered. The gross margin of real estate development business without taking into account of the fair value amount recognised in the real estate development projects of Scotland Town and Minmetals International acquired in 2010 reached 39.5%. Overall, satisfactory earnings performance was registered during the period with unaudited profit attributable to equity holders of the Company increased to HK\$138.3 million from HK\$137.9 million for the corresponding period last year. Basic earnings per share was HK4.14 cents (30 June 2012: HK4.13 cents) for the period.

The financial position of the Group remained healthy with satisfactory cash flow from property sales and adequate banking facilities. In addition, the Group has successfully completed a US\$350 million bond issuance in April and arranged for a HK\$3.8 billion term loan facility in July this year. As at 30 June 2013, total assets of the Group amounted to HK\$24,964.4 million, representing a 42.5% increase from HK\$17,515.8 million as of 31 December 2012. Deferred revenue increased sharply from HK\$1,393.3 million as of 31 December 2012 to HK\$2,160.5 million as of 30 June 2013. Such deferred revenue will be recognised as the Group's revenue when presold properties are completed and delivered to buyers.

The Board has made thorough evaluation of the Group's financial position and the funding requirements for the projects currently undertaken and contemplated, as well as the overall macro and operating environment in which the Group is operating, and consider to be in the long term interest of the Group and of the Shareholders as a whole, not to declare an interim dividend for the six months ended 30 June 2013 (30 June 2012: 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 2013, 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 %
	2013		2012		
	HK\$ million	%	HK\$ million	%	
Real estate development	1,710.8	80.2	1,192.0	74.7	+43.5
Specialised construction	393.6	18.4	376.5	23.6	+4.5
Property investment	30.0	1.4	27.2	1.7	+10.3
Total revenue	2,134.4	100.0	1,595.7	100.0	+33.8

TOTAL RESULTS BY OPERATING SEGMENTS

	Six months ended 30 June				Year-on-year change %
	2013		2012		
	HK\$ million	%	HK\$ million	%	
Real estate development	496.8	89.1	424.9	90.6	+16.9
Specialised construction	(5.7)	(1.0)	(5.4)	(1.2)	+5.6
Property investment	50.1	9.0	40.2	8.6	+24.6
Securities investment	16.1	2.9	9.2	2.0	+75.0
Total segment profit	557.3	100.0	468.9	100.0	+18.9



REAL ESTATE DEVELOPMENT

There was a major reshuffle of administration in the PRC government at the highest level during the first half of 2013. However, it had not led to any alteration in the fundamental policies of the tight governing of the real estate sector. The effect of the new “National Five” regulations announced early this year, primarily reiterating the enforcement of real estate tax and further control measures on the purchase of investment properties, was short-lived. After a period of relative inactivity in the first quarter of 2013, the real estate market recovered in the second quarter with improvements across the board. Increases in sales prices and volume as well as land transactions were recorded. With no tighter curbs being introduced, pent-up demand from end users was gradually released into the market and a generally buoyant phase followed.

The mild recovery is more noticeable in the first to second-tier cities around the economically active regions of China, where most of the Group’s real estate development projects are located. The Group has timely responded to the favourable market demand and launched sales programmes accordingly. In addition to the geographical factor, the Group’s real estate development projects are primarily focused on medium sized apartments under the brand name of “Minmetals Land”. This market positioning has shown more resilience during market downturn while able to capture a better premium during market upturn. Suitable and timely adjustments in marketing and construction plans amongst the real estate development projects had also been undertaken in response to changing market conditions in the localities concerned.

To increase the land bank, the Group acquired a parcel of land in Nanjing Hexi New City Zone in March 2013 for RMB3.86 billion. The acquisition will fuel the rapid growth of the Group and further strengthen the Group’s leading position in the real estate market in Nanjing.



The Group's real estate development portfolio as at 30 June 2013 is summarised below.

Location/Project	Site area (square metres)	Estimated gross floor area (square metres)	Attributable interest to the Group
Nanjing, Jiangsu Province			
Laguna Bay	310,000	319,000	71%
Riveria Royale	71,000	222,000	50.89% ^(Note)
Sello Royale	179,000	268,000	100%
Hexi Project	130,928	Under planning	100%
Changsha, Hunan Province			
LOHAS International Community	643,000	1,060,000	100%
Scotland Town	333,000	442,000	100%
Huizhou, Guangdong Province			
Hallstatt See	984,000	1,154,000	80%
Haidian District, Beijing			
Fortune Garden	139,000	416,000	51%
Yingkou, Liaoning Province			
Platinum Bay	396,000	504,000	100%
Langfang, Hebei Province			
Beijing Celebration City	395,000	Under planning	50%
Tianjin			
Minmetals International	21,000	183,000	100%

Note: The Group's stake in this project was raised from 50.89% to 98.88% subsequent to the exit of the joint venture partner on 8 August 2013 (details of which are contained in the Company's announcement dated 8 August 2013).

Management Discussion and Analysis



Revenue from this operating segment for the six months ended 30 June 2013 was HK\$1,710.8 million, compared with HK\$1,192.0 million in the corresponding period last year. The increased revenue was a direct result of more properties delivered and recognised for sale during the period. Amongst the various real estate development projects, the contribution was mainly attributable to projects in Nanjing, Changsha and Tianjin.

Laguna Bay

This is the Group's first project in Nanjing, Jiangsu Province, and the success of which has provided a solid foundation and substantial market recognition of the "Minmetals Land" brand name. The Group has 71% interest in this project with total gross floor area of approximately 319,000 square metres. The three-phased development comprises villas, high-rise and low-rise units. Lately, more commercial space has been planned and approved for development. During the six months ended 30 June 2013, total contracted sales amounted to approximately RMB27.7 million. In terms of price movements, a general 10% price hike had been noted in the area, the relatively high price levels are likely to keep potential buyers on the sideline for the time being given the sustained stringent administrative measures on home purchase.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Phase I	59,000	—	58,767	—
Phase II	44,000	1,216	40,796	2,695
Phase III	136,000	1,050	124,934	2,911
Total	239,000	2,266	224,497	5,606



Riveria Royale

The Group's stake in this project was raised from 50.89% to 98.88% subsequent to the exit of the joint venture partner on 8 August 2013 (details of which are contained in the Company's announcement dated 8 August 2013). This project is also located in Nanjing, Jiangsu Province, with total gross floor area of approximately 222,000 square metres for development of apartments, villas and commercial space. During the six months ended 30 June 2013, total contracted sales amounted to approximately RMB196.2 million. This project has reached its final stage of development. Sales programme for the second half of the year would focus on the remaining units which are of relatively larger size and hence are more susceptible to weaker demand amidst the current market conditions.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Total	176,000	8,176	156,513	35,209

Management Discussion and Analysis



Sello Royale

This is the Group’s third project in Nanjing, Jiangsu Province. This project is wholly owned by the Group with total gross floor area of approximately 268,000 square metres for development of low-density and high-end residential community. The third tranche of sales programme on this project was launched during the first half of 2013 and total contracted sales amounted to approximately RMB626.7 million. Average sales price realised during the period had exceeded the original budget.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Total	178,000	45,012	29,809	—

Hexi Project

This is the Group’s latest project in Nanjing, Jiangsu Province, and the consideration for the land is approximately RMB3.86 billion. This project is situated in Hexi New City Zone with site area of approximately 130,928 square metres. It is strategically located approximately five kilometres from the Nanjing Olympic Sports Centre, the main stadium for the Nanjing 2014 Summer Youth Olympic Games. Development plan of this wholly-owned project is presently under consideration.



LOHAS International Community

The Group has 100% interest in this sizable project in Changsha, Hunan Province, with site area of approximately 643,000 square metres. This project comprises five phases with ancillary facilities of clubhouse, shops, car parking spaces, schools, kindergarten and landscaped garden which are planned to provide total gross floor area of approximately 1,060,000 square metres.

During the six months ended 30 June 2013, total contracted sales amounted to approximately RMB330.5 million. This project has achieved a double digit growth in sales prices and volume as a result of significant demand from end users.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Phase I	123,000	842	116,288	747
Phase II	131,000	4,464	115,299	5,918
Phase III	200,000	39,131	71,491	29,695
Phase IV	191,000	4,402	2,777	—
Phase V	248,000	—	—	—
Total	893,000	48,839	305,855	36,360

Management Discussion and Analysis



Scotland Town

The Group has 100% interest in this project which is also located in Changsha, Hunan Province with site area of approximately 333,000 square metres. During the six months ended 30 June 2013, total contracted sales amounted to approximately RMB338.1 million. The development of this project will soon complete and the final sales programme will commence in the second half of the year. The Group is confident of the sales results for the remaining units given its highly regarded market position in the area.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Phase I	138,000	3,347	122,516	1,052
Phase II	241,000	58,427	149,099	24,560
Total	379,000	61,774	271,615	25,612

Hallstatt See

The Group has 80% interest in this project which is located in Huizhou, Guangdong Province with site area of approximately 984,000 square metres. This project is planned for development of villas and apartments. Approvals for development had been granted for site area of 203,706 square metres in the first half of 2013. The commercial village of this project has become a tourist attraction in the vicinity and helped boost the sales activities. During



the six months ended 30 June 2013, total contracted sales amounted to approximately RMB351.1 million. The market conditions in the Huizhou area are described as stable, in terms of price movements, general inventory and demand.

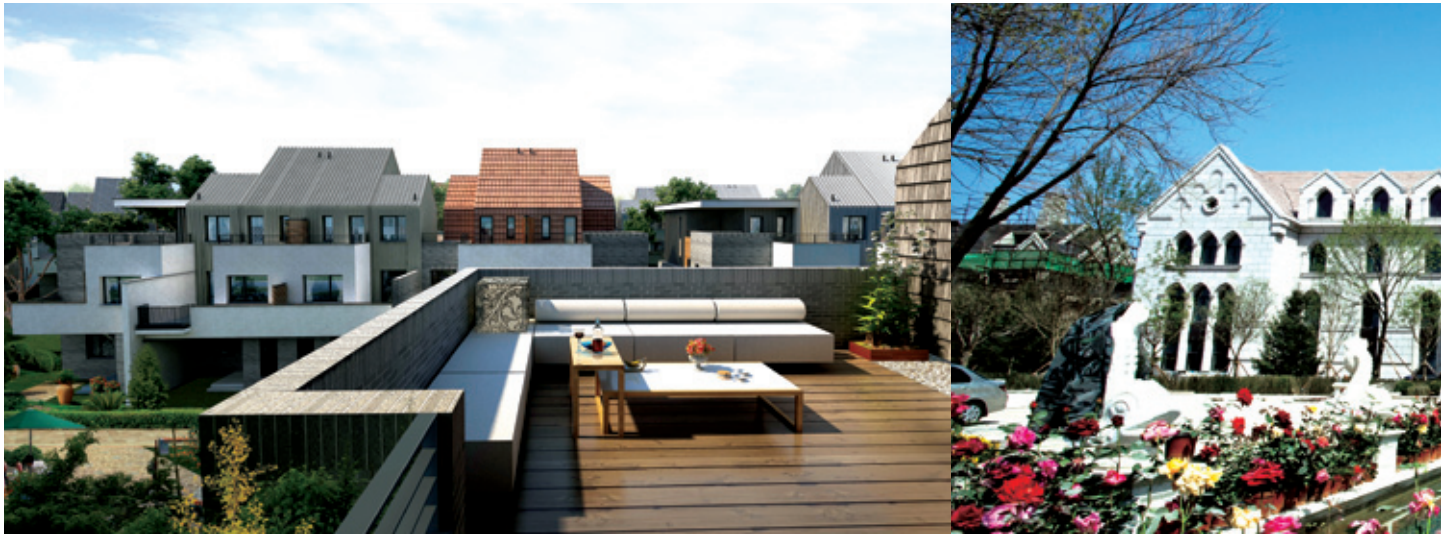
	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Total	1,020,200	34,291	41,547	—

Fortune Garden

The Group has 51% interest in this project which is located in the Haidian District of Beijing with site area of approximately 139,000 square metres. It is planned for high-end residential development providing total gross floor area of approximately 416,000 square metres and more than 100,000 square meters of which were under development in the first half of 2013. During the six months ended 30 June 2013, total contracted sales amounted to approximately RMB1.0 billion. The Beijing area had recorded moderate improvement in the real estate market with mild increases both in prices and sales volume during the period. The Beijing land sales price for the first half of 2013 exceeded the whole year figure for 2012 that reflects the confidence in the immediate outlook for the capital city.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Total	259,000	20,968	40,095	—

Management Discussion and Analysis



Platinum Bay

The Group has 100% interest in this project which is located in the Yingkou City, Liaoning Province with site area of approximately 396,000 square metres. The real estate market in the Yingkou area is characterised by a combination of large impending supply, high levels of land sales and fierce competition. This project is planned for development of villas and apartments for total gross floor area of approximately 504,000 square metres. During the period, modifications in the development plan had been made in response to the changes in market demand. Delivery of properties had commenced for the first phase of developments in the first half of 2013. During the six months ended 30 June 2013, total contracted sales amounted to approximately RMB84.8 million.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Phase I	57,000	4,149	23,152	2,475
Phase II	38,000	6,835	8,243	3,871
Phase III	103,000	—	—	—
Phase IV to VI	271,000	—	—	—
Total	469,000	10,984	31,395	6,346



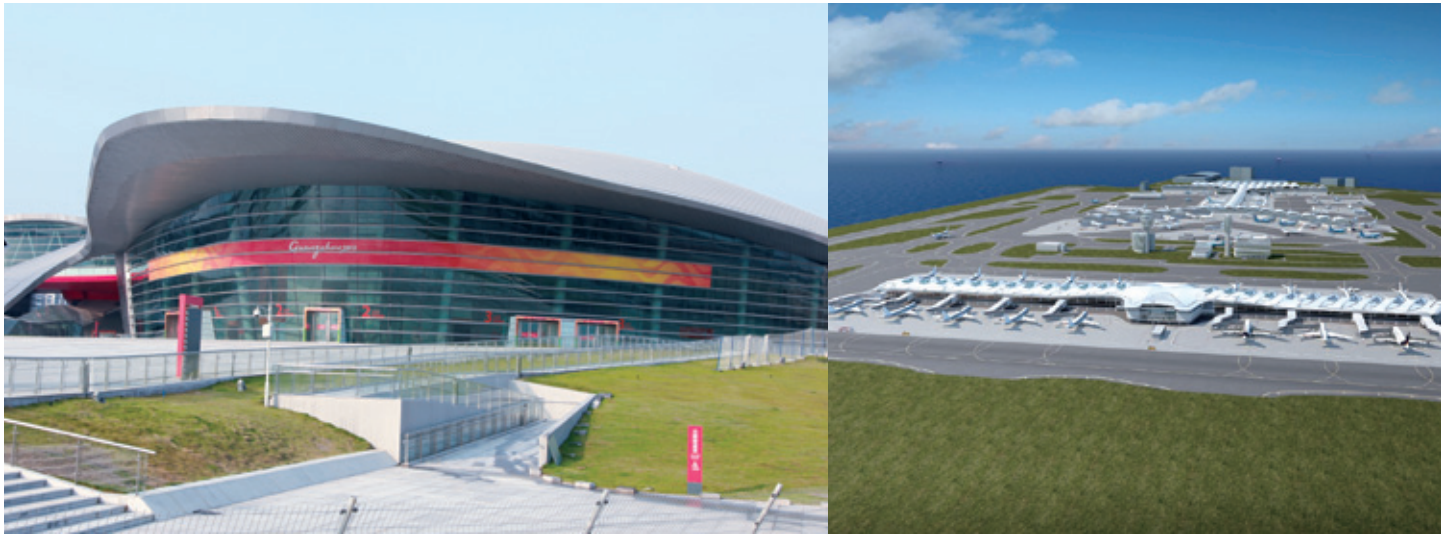
Beijing Celebration City

The Group has 50% interest in this project which is located in Xianghe County, Hebei Province. Substantial planning works which include land clearance, acquisition of and consolidation with the surrounding sites are being carried out. The Group is confident with the long term prospects of this project given its close proximity to the capital city and the relatively low cost of development as compared to potential sales price.

Minmetals International

The Group has 100% interest in this commercial cum residential project located in the Tianjin City with total gross floor area of approximately 183,000 square metres. It provides a twin-tower of commercial, office and residential buildings and a basement for car parks. Given the types of property which are not subject to purchase restriction, the serviced apartments and office units have become popular amongst investors. However, the general slowdown in economic growth and the overbuilt situation in the Tianjin new development zone have created significant challenges for real estate developers. On the whole, the sales results of this project remained satisfactory in the first half of 2013. During the six months ended 30 June 2013, total contracted sales amounted to approximately RMB157.1 million.

	Total gross saleable floor area (square metres)			
	Total	Contracted sales in the first half of 2013	Contracted sales up to 2012	Delivered in the first half of 2013
Total	142,000	14,353	110,594	14,580



SPECIALISED CONSTRUCTION

This operating segment is engaged in the design and installation of curtain walls through two wholly-owned subsidiaries, namely Condo Shanghai for the PRC market and Condo HK for Hong Kong market. Total revenue generated from external customers by this operating segment for the six months ended 30 June 2013 grew by 4.5% from HK\$376.5 million to HK\$393.6 million. This is attributable to an increase in total value of works completed and recognised in both the PRC and Hong Kong markets. However, the operating results of this operating segment, net of intra-group transactions, showed an operating loss of HK\$5.7 million in the first half of 2013 as compared to an operating loss of HK\$5.4 million in the corresponding period in 2012.

During the period, Condo Shanghai has completed its expansion of processing facilities in Tianjin, and its work force had also been augmented. Condo Shanghai will undertake a review on its future corporate development. The key focus will be on cost controls, further strengthening upon internal controls, selection of more sizable developments and partnership with more reputable counterparties. Condo HK had maintained and raised its overall professionalism in the first half of 2013. Further strengthening of professional team and steady expansion of business scope shall be the main tasks of Condo HK in the immediate future.

PROPERTY INVESTMENT

The Group's investment property portfolio comprises two office and commercial buildings as well as a handful of residential units for leasing in Hong Kong. ONFEM Tower is a 25-storey office and 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 six months ended 30 June 2013 rose by 10.3% to HK\$30.0 million (30 June 2012: HK\$27.2 million) resulting from a higher average rental level achieved, offsetting a slightly lower occupancy rate at the ONFEM Tower. As at 30 June 2013, the occupancy rates of ONFEM Tower and China Minmetals Tower were 91.5% and 92.3% respectively (31 December 2012: 100.0% for ONFEM Tower and 92.7% for China Minmetals Tower).

Demand for quality office premises remains relatively stable in both Central and Tsimshatsui areas. Favourable rental revision within the portfolio is expected and contribution from this operating segment is relatively steady despite the increase in staff and utility costs. A fair value gain of HK\$22.0 million (30 June 2012: HK\$18.8 million) on investment properties was recorded for the period. The Group will continue to improve upon the investment property portfolio with a view to achieving higher rental yields and occupancy rate.

OUTLOOK

Going forward, the policy direction of the central government will continue to play a determining role for the outlook of China's real estate sector, and regulators will keep a close watch on the industry due to its public welfare nature. However, the introduction of the cooling measures such as the "National Five" regulations in February 2013 has by far, only caused a temporary halt in land and property price appreciation. Although the stringent administrative measures on the real estate sector are unlikely to be reversed in the foreseeable future, it is anticipated that its effect is likely to wane.

Looking ahead to the short to medium term, the overall property market is likely to be more active, but the rebound in property transaction volumes and prices would tend to be more moderate and rational, as the regulators continue to closely monitor the sector and make it more controllable. On the other hand, in addition to the cut in sales price during the difficult time in 2012, further squeezing in sector profitability may be expected as the high land

Management Discussion and Analysis

premiums paid by developers for land acquired in the past six months, particularly in tier one and tier two cities which will start to affect financial performance from second quarter of 2013 onwards. The sector is likely to undergo further product refinement and diversification, both geographically and in terms of product type. In this regard, the Group is cautiously optimistic about the outlook for the real estate market, as end-user demand stemming from rising disposable income and ongoing urbanisation stays robust.

The Group will continue to closely monitor the real estate market developments in China from different perspectives. Being the listed real estate flagship of China Minmetals and with the Group's track record and professional team, we are confident in handling these market adjustments and in meeting the various targets set out for 2013.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2013, the Group's operations were financed mainly by cash flows generated internally from business operations as well as borrowings.

As at 30 June 2013, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted to HK\$6,577.0 million (31 December 2012: HK\$2,419.3 million), of which 63.9%, 0.5% and 35.6% (31 December 2012: which 81.6%, 14.8% and 3.6%) were denominated in Renminbi, Hong Kong dollars and United States dollars respectively.

The Group had utilised financing to supplement internal resources to finance for the acquisition of new projects and the development of existing projects. Total borrowings of the Group stood at HK\$8,472.5 million as at 30 June 2013 (31 December 2012: HK\$4,981.3 million). Total borrowings mainly included bank borrowings and guaranteed bond. The gearing ratio of net debt to total equity of the Group as at 30 June 2013 was 19.4% (31 December 2012: 31.0%).

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

	30 June 2013 HK\$ million	31 December 2012 HK\$ million
Within one year	1,277.5	1,901.3
In the second to tenth years	7,195.0	3,080.0
	8,472.5	4,981.3

As at 30 June 2013, borrowings of HK\$1,277.5 million, HK\$4,524.7 million and HK\$2,670.3 million were denominated in Renminbi, Hong Kong dollars and United States dollars respectively (31 December 2012: approximately HK\$1,683.8 million, HK\$3,297.5 million and Nil respectively). Barring the guaranteed bond, borrowings of the Group are mainly on a floating interest rate basis. Finance costs charged to the condensed consolidated statement of profit or loss for the six months ended 30 June 2013 amounted to HK\$86.5 million (30 June 2012: HK\$11.3 million) after the capitalisation of HK\$81.6 million (30 June 2012: HK\$149.9 million) into the cost of properties under development. The unutilised banking facilities of the Group as at 30 June 2013 amounted to HK\$307.9 million (31 December 2012: HK\$1,951.8 million).

As at 30 June 2013, the Group has commitments authorised but not contracted for of HK\$4,876.7 million (31 December 2012: Nil) and commitments contracted but not provided for of HK\$1,369.5 million (31 December 2012: HK\$1,160.1 million). These commitments are to be financed by internal funds and borrowings.

Subsequent to the period end, the Company announced on 5 July 2013 the entering into of a HK\$3.8 billion term loan facility agreement between OFL (a wholly-owned subsidiary of the Company) as borrower, the Company and MLI (a wholly-owned subsidiary of the Company) as guarantors, and a syndicate of lenders led by Wing Lung Bank, Limited. The proceeds of the term loan will be used as the Group's general working capital.

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 presentation currency of the Group and functional currency of the Company. During the six months ended 30 June 2013, most of the transactions of the Group were denominated in Hong Kong dollars, Renminbi and United States dollars. As such, the Group has exposure to exchange rate movements among Hong Kong dollars, Renminbi and United States dollars. Given the fact that the expected continuing appreciation of Renminbi against Hong Kong dollar would have a positive impact upon the Group's assets in and income generated from the PRC and the exchange rate between Hong Kong dollars and United States dollars is relatively stable, the Group had not implemented any hedging or other alternative measures during the six months ended 30 June 2013 but is closely monitoring the aforesaid exchange rate risks. As at 30 June 2013, 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 2013, certain assets of the Group were pledged as securities for the Group's banking and other facilities and mortgage loans granted to buyers of sold properties and these pledged assets of the Group included (i) investment properties with carrying amounts of HK\$1,064.7 million (31 December 2012: HK\$1,042.7 million), (ii) properties under development of HK\$2,028.1 million (31 December 2012: HK\$1,124.6 million), (iii) leasehold land and buildings of HK\$78.6 million (31 December 2012: HK\$78.9 million) and (iv) bank deposits of HK\$118.8 million (31 December 2012: HK\$93.7 million).

CONTINGENT LIABILITIES

As at 30 June 2013, the Group has provided guarantees to certain banks relating to mortgage facilities arranged for certain buyers of properties developed by the Group and the outstanding mortgage loans under these guarantees amounted to HK\$2,451.9 million (31 December 2012: HK\$1,788.5 million).

EMPLOYEES

Total number of staff of the Group, including the Directors, was 994 as at 30 June 2013 (30 June 2012: 989). Our culture and staff force will make us a stronger organisation and therefore the Group continues to adopt a remuneration policy in line with the best market practice and standards. Total remuneration and benefits of the Directors and staff of the Group during the six months ended 30 June 2013 were approximately HK\$92.4 million (30 June 2012: HK\$76.5 million).

SHARE OPTION

The 2003 Share Option Scheme, which was adopted by the Company on 29 May 2003, expired on 28 May 2013. Share options granted under the 2003 Share Option Scheme prior to its expiration shall continue to be valid and exercisable in accordance with their terms of issue.

At the annual general meeting of the Company held on 7 June 2013, the Company adopted the 2013 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 2013 Share Option Scheme is set out in the circular of the Company dated 7 May 2013. No share options have yet been granted by the Company pursuant to the 2013 Share Option Scheme.

Details of the movements of share options granted under the 2003 Share Option Scheme during the six months ended 30 June 2013 are as follows:

Category of participant	Date of grant	Exercisable period	Exercise price HK\$	Number of share options				As at 30 June 2013
				As at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	
(i) Directors								
Mr. Sun Xiaomin	30.11.2012	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	1,970,000	—	—	—	1,970,000
Mr. He Jianbo	1.12.2008	1.12.2010 to 30.11.2018 ^(Note 1)	0.45	1,428,000	—	—	—	1,428,000
	30.11.2012	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	2,900,000	—	—	—	2,900,000
Mr. Yin Liang	1.12.2008	1.12.2010 to 30.11.2018 ^(Note 1)	0.45	952,000	—	—	—	952,000
	30.11.2012	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	2,200,000	—	—	—	2,200,000
Ms. He Xiaoli	1.12.2008	1.12.2010 to 30.11.2018 ^(Note 1)	0.45	793,333	—	—	—	793,333
	30.11.2012	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	2,100,000	—	—	—	2,100,000
Mr. Tian Jingqi	30.11.2012	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	1,700,000	—	—	—	1,700,000
Mr. Liu Zeping	30.11.2012	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	1,470,000	—	—	—	1,470,000
(ii) Employees and others								
	1.12.2008	1.12.2010 to 30.11.2018 ^(Note 1)	0.45	8,194,001	—	—	238,000	7,956,001
	30.11.2012	30.11.2014 to 29.11.2022 ^(Note 2)	1.20	45,600,000	—	—	2,650,000	42,950,000
				69,307,334	—	—	2,888,000	66,419,334

Notes:

1. These share options are exercisable in three tranches: the maximum percentage of share options of each tranche exercisable within the periods 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.
2. These share options are exercisable in three tranches: the maximum percentage of share options of each tranche exercisable within the periods from 30 November 2014 to 29 November 2022, from 30 November 2015 to 29 November 2022 and from 30 November 2016 to 29 November 2022 are 30%, 30% and 40% respectively.

Save as disclosed above, no share options in respect of the 2003 Share Option Scheme were granted, lapsed or cancelled during the six months ended 30 June 2013.

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

As at 30 June 2013, 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. He Jianbo	Personal	612,000	0.018%
Mr. Yin Liang	Personal	408,000	0.012%
Ms. He Xiaoli	Personal	370,000	0.011%

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 2013, 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 2013.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, 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	2,071,095,506 ^(Note 1)	62.05%
CMCL	2,071,095,506 ^(Note 1)	62.05%
Minmetals HK	2,071,095,506 ^(Note 1)	62.05%
June Glory	2,071,095,506 ^(Note 1)	62.05%
Mr. Osbert Lyman	170,139,862 ^(Note 2)	5.10%
Strategic Power International Limited	170,139,862 ^(Note 2)	5.10%

Notes:

1. June Glory is a wholly-owned subsidiary of Minmetals HK, which in turn is wholly owned by CMCL. CMCL is owned as to approximately 88.5% by China Minmetals. Accordingly, each of China Minmetals, CMCL and Minmetals HK was deemed as interested in the 2,071,095,506 Shares held by June Glory.
2. Strategic Power International Limited ("SPI") is owned as to 70% by Mr. Osbert Lyman. In view that SPI had direct and indirect interests in 19,290,000 Shares and 150,849,862 Shares respectively, each of SPI and Mr. Osbert Lyman was deemed as interested in an aggregate of 170,139,862 Shares.

CORPORATE GOVERNANCE

Corporate Governance Code

In the opinion of the Directors, throughout the six months ended 30 June 2013, 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 deviation:

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

Instead of having elected at the first general meeting, 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 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 enquiries of all Directors, they had confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2013.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2013, which have also been reviewed by the Company’s independent auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2013.

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

1. 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”) entered into a term loan facility agreement (the “Facility Agreement I”) for a 4-year term loan facility (the “Loan Facility I”) in the principal amount of HK\$5,000,000,000 on 24 May 2011.

Pursuant to Facility Agreement I, 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 Facility Agreement I; and/or (ii) demand that all or part of the loans together with accrued interest and all other amounts accrued under Loan Facility I be immediately due and payable; and/or (iii) demand that all or part of the loans be payable on demand.

Management Discussion and Analysis

2. OFL as borrower, the Company and MLI as guarantors and certain banks as lenders (the “Lenders”) entered into a term loan facility agreement (the “Facility Agreement II”) for a 3-year term loan facility (the “Loan Facility II”) in the principal amount of HK\$3,800,000,000 on 5 July 2013.

Pursuant to Facility Agreement II, China Minmetals, the controlling Shareholder of the Company, shall own beneficially (directly or indirectly) at least 31% of the entire issued share capital in the Company as well as remain the single largest Shareholder (directly or indirectly) of the Company and has management control over the Company. A breach of any of the aforesaid conditions would constitute an event of default and the Lenders may (i) cancel all or any part of the commitments under Facility Agreement II; and/or (ii) declare that all or part of the loans together with accrued interest and all other amounts accrued under Loan Facility II be immediately due and payable; and/or (iii) declare 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

Deputy Chairman and Managing Director

Hong Kong, 28 August 2013

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Minmetals Land Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 30 to 54, which comprise of the condensed consolidated statement of financial position as at 30 June 2013 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 these condensed consolidated financial statements 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 financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
28 August 2013

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Profit for the period	236,026	234,849
Other comprehensive income, net of income tax:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	222,645	(75,122)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
(Loss)/gain arising on revaluation of financial assets at fair value through other comprehensive income	(46,094)	191,289
Other comprehensive income for the period	176,551	116,167
Total comprehensive income for the period, net of income tax	412,577	351,016
Total comprehensive income for the period attributable to:		
Equity holders of the Company	280,904	267,015
Non-controlling interests	131,673	84,001
	412,577	351,016

Condensed Consolidated Statement of Financial Position

As at 30 June 2013

32

	Note	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	137,573	139,526
Investment properties	11	1,092,239	1,070,239
Goodwill	11	10,039	9,800
Interests in associated companies	12	786,384	772,732
Financial assets at fair value through other comprehensive income	13	596,917	643,011
Deferred tax assets		205,942	269,669
		2,829,094	2,904,977
Current assets			
Inventories	14	13,016,177	7,382,852
Amounts due from customers for contract work		224,124	51,212
Prepayments, trade and other receivables	15	2,170,339	4,411,632
Loan to an associated company		—	234,706
Cash and bank deposits, restricted		147,697	111,179
Cash and bank deposits, unrestricted		6,576,955	2,419,256
		22,135,292	14,610,837
Total assets		24,964,386	17,515,814
EQUITY			
Share capital	16	333,785	333,785
Reserves	17	6,924,467	6,671,326
Equity attributable to equity holders of the Company		7,258,252	7,005,111
Non-controlling interests		1,766,907	896,143
Total equity		9,025,159	7,901,254

	Note	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	18	7,195,034	3,080,023
Deferred tax liabilities		124,155	131,337
Other liabilities		735	735
		7,319,924	3,212,095
Current liabilities			
Borrowings	18	1,277,492	1,901,227
Trade and other payables	19	5,028,159	2,853,231
Deferred revenue		2,160,504	1,393,349
Taxation payable		153,148	254,658
		8,619,303	6,402,465
Total liabilities		15,939,227	9,614,560
Total equity and liabilities		24,964,386	17,515,814
Net current assets		13,515,989	8,208,372
Total assets less current liabilities		16,345,083	11,113,349

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

34

Mimmetals Land Limited • Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company			Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Reserves HK\$'000 (Note 17)	Total HK\$'000		
At 1 January 2012 (Audited)	333,782	6,171,869	6,505,651	746,400	7,252,051
Profit for the period	—	137,936	137,936	96,913	234,849
Other comprehensive income for the period	—	129,079	129,079	(12,912)	116,167
Total comprehensive income for the period	—	267,015	267,015	84,001	351,016
Issue of shares	3	12	15	—	15
Employee share option benefits	—	210	210	—	210
Dividends paid to shareholders of the Company	—	(33,379)	(33,379)	—	(33,379)
	3	(33,157)	(33,154)	—	(33,154)
At 30 June 2012 (Unaudited)	333,785	6,405,727	6,739,512	830,401	7,569,913
At 1 January 2013 (Audited)	333,785	6,671,326	7,005,111	896,143	7,901,254
Profit for the period	—	138,304	138,304	97,722	236,026
Other comprehensive income for the period	—	142,600	142,600	33,951	176,551
Total comprehensive income for the period	—	280,904	280,904	131,673	412,577
Contributions from non-controlling shareholders	—	—	—	739,091	739,091
Employee share option benefits	—	5,616	5,616	—	5,616
Dividends paid to shareholders of the Company	—	(33,379)	(33,379)	—	(33,379)
	—	(27,763)	(27,763)	739,091	711,328
At 30 June 2013 (Unaudited)	333,785	6,924,467	7,258,252	1,766,907	9,025,159

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Net cash used in operating activities	(2,819,153)	(502,391)
Net cash generated from investing activities		
Addition of investment properties	—	(37)
Purchase of property, plant and equipment	(2,644)	(3,587)
Repayment of loan to an associated company	234,706	—
Interest received	28,301	55,938
Repayment from an associated company	128,761	—
	389,124	52,314
Net cash generated from financing activities		
Net proceeds from issue of shares	—	15
Contributions from non-controlling shareholders	739,091	—
Advance from a non-controlling shareholder of a subsidiary	1,847,357	—
Advances from associated companies	579,901	—
New borrowings	5,150,625	609,276
Repayment of borrowings	(1,659,349)	(295,423)
(Increase)/decrease in cash and bank deposits, restricted	(36,518)	56,495
Dividends paid to the Company's shareholders	(33,379)	(33,379)
	6,587,728	336,984
Net increase/(decrease) in cash and cash equivalents	4,157,699	(113,093)
Cash and cash equivalents at beginning of the period	2,419,256	2,858,547
Cash and cash equivalents at end of the period	6,576,955	2,745,454
Analysis of balances of cash and cash equivalents		
Cash and bank deposits, unrestricted	6,576,955	2,745,454

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

36

1. ORGANISATION AND OPERATIONS

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

These condensed consolidated financial statements are presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated. These condensed consolidated financial statements have been approved for issue by the Board of Directors of the Company on 28 August 2013.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, certain new or revised Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HK (IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Except as described below, the application of the above new or revised HKFRSs in the current interim period has no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The amendments to HKAS 1 “Presentation of Items of Other Comprehensive Income” introduce new terminology for the statement of comprehensive income. Under the amendments to HKAS 1, a “statement of comprehensive income” is renamed as a “statement of profit or loss and other comprehensive income” and an “income statement” is renamed as a “statement of profit or loss”. The amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The Group’s “condensed consolidated statement of comprehensive income” is renamed as “condensed consolidated statement of profit or loss and other comprehensive income”, “condensed consolidated income statement” is renamed as “condensed consolidated statement of profit or loss”, and presentation of items of other comprehensive income has been modified accordingly.

HKFRS 10 *Consolidated Financial Statements*

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC)-Int 12 Consolidation — Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. The adoption of HKFRS 10 does not have any material impact on the Group’s financial statements.

HKFRS 13 *Fair Value Measurement*

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the condensed consolidated financial statements. In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement requirements prospectively. Disclosures of fair value information are set out in Note 24. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group’s assets and liabilities.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

38

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

Segment revenue and results

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	30 June		30 June		30 June		30 June		30 June	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE										
Total segment revenue	1,710,772	1,191,951	400,163	388,258	30,972	28,063	—	—	2,141,907	1,608,272
Inter-segment revenue	—	—	(6,544)	(11,801)	(956)	(817)	—	—	(7,500)	(12,618)
Sales to external customers	1,710,772	1,191,951	393,619	376,457	30,016	27,246	—	—	2,134,407	1,595,654
RESULTS										
Segment results	496,764	424,856	(5,701)	(5,398)	50,080	40,207	16,127	9,213	557,270	468,878
Unallocated corporate expenses, net									(50,465)	(60,280)
Finance income									506,805	408,598
Finance costs									28,301	55,938
Share of results of associated companies									(86,534)	(11,315)
									(5,149)	(10,291)
Profit before tax									443,423	442,930

4. SEGMENT INFORMATION (CONTINUED)

Segment assets

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Segment assets	20,650,952	12,032,328	920,733	813,630	1,099,161	1,099,505	596,917	643,011	23,267,763	14,588,474
Unallocated corporate assets									1,696,623	2,927,340
Total assets									24,964,386	17,515,814

5. OTHER GAINS, NET

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Government subsidies	9,515	584
Dividend income	16,133	9,219
Exchange gain, net	17,729	—
Others	2,336	508
	45,713	10,311

6. FINANCE COSTS

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Interest on bank and other borrowings	168,135	161,231
Less: Amount capitalised to properties under development	(81,601)	(149,916)
	86,534	11,315

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

40

Mimmetals Land Limited • Notes to the Condensed Consolidated Financial Statements

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2012: Nil).

PRC enterprise income tax has been calculated on the estimated assessable profit for the period derived in the PRC at the rate of 25% (30 June 2012: 25%).

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

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Current tax — PRC		
Enterprise income tax	45,245	96,920
Land appreciation tax	105,269	118,647
Deferred tax	56,883	(7,486)
	207,397	208,081

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Depreciation	5,954	5,130
Cost of properties sold	1,097,517	651,480
Cost of specialised construction	373,756	358,540
Direct out-goings arising from investment properties that generated rental income	4,419	5,775
Operating lease charges — minimum lease payment in respect of land and buildings	8,971	5,465
Net foreign exchange loss	—	5,376
Legal and professional fees	5,377	4,509
Employee benefit expense (including directors' emoluments) (note)	92,430	76,533

Note: Included in cost of sales and capitalised amount as properties under development are staff cost of HK\$18,196,000 (30 June 2012: HK\$11,503,000) and HK\$10,862,000 (30 June 2012: HK\$10,536,000) respectively.

9. DIVIDENDS

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (30 June 2012: Nil).

During the current interim period, a final dividend of HK1 cent per ordinary share totalling HK\$33,379,000 in respect of the year ended 31 December 2012 (30 June 2012: HK1 cent per ordinary share totalling HK\$33,379,000 in respect of the year ended 31 December 2011) was paid to the shareholders of the Company.

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company 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 the conversion of all dilutive potential ordinary shares granted under the Company's share option scheme.

	Six months ended 30 June	
	2013 (Thousand)	2012 (Thousand)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,337,853	3,337,840
Effect of dilutive potential ordinary shares issued under the Company's share options scheme	7,277	5,963
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,345,130	3,343,803

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

42

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND GOODWILL

	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Goodwill HK\$'000
At 1 January 2013 (Audited)	139,526	1,070,239	9,800
Additions	2,644	—	—
Unrealised fair value changes recognised in the condensed consolidated statement of profit or loss (note)	—	22,000	—
Disposals	(34)	—	—
Depreciation	(5,954)	—	—
Exchange differences	1,391	—	239
At 30 June 2013 (Unaudited)	137,573	1,092,239	10,039
At 1 January 2012 (Audited)	139,949	1,007,189	9,801
Additions	3,587	37	—
Unrealised fair value changes recognised in the condensed consolidated statement of profit or loss (note)	—	18,763	—
Disposals	(24)	—	—
Depreciation	(5,130)	—	—
Exchange differences	(477)	—	(100)
At 30 June 2012 (Unaudited)	137,905	1,025,989	9,701

Note:

The investment properties were revalued at 30 June 2013 by Vigers Appraisal & Consulting Limited, independent valuers. Valuations were arrived at on the basis of capitalisation of the rental income derived from the existing tenancies with due consideration onto reversionary interests of the properties or, where the properties are vacant, by reference to transactions on actual sales of comparable properties with similar character, location and sizes. A fair value gain of HK\$22,000,000 (30 June 2012: HK\$18,763,000) was recognised directly in profit or loss during the current interim period.

12. INTERESTS IN ASSOCIATED COMPANIES

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Unlisted, at cost	808,288	808,288
Share of post-acquisition losses	(56,519)	(51,370)
Exchange differences	34,615	15,814
	786,384	772,732

Note:

Interests in associated companies represent the Group's 50% equity interest in 廊坊萬恒盛業房地產開發有限公司 (Langfang Wanheng Shengye Property Development Co., Ltd) and 51% equity interest in 北京五礦萬科置業有限公司 (Beijing Minmetals Vanke Real Estate Co., Ltd). The Group accounts for its investments in these two companies as associated companies as it only exercise significant influence over them by minority representation in the board of directors, which is the governing body of these companies.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Listed investments:		
Equity securities listed in Hong Kong	596,917	643,011
Unlisted investments:		
Equity securities (note)	—	—
	596,917	643,011

Note:

As at 30 June 2013, the Group held unlisted equity securities in the PRC with an original cost of HK\$243,600,000 (31 December 2012: HK\$243,600,000) which was fully impaired in prior years as the principal subsidiary of the company concerned is in liquidation. The Group considers that the fair value of the investment was nil as at 30 June 2013 (31 December 2012: Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

14. INVENTORIES

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Properties held for sale — located in the PRC	2,307,597	3,316,446
Properties under development — located in the PRC	10,708,580	4,066,406
	13,016,177	7,382,852

As at 30 June 2013, land use rights amounted to HK\$8,419,306,000 (31 December 2012: HK\$2,809,931,000) were included in the properties under development.

15. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

The following is an aging analysis of trade receivables (net of provision for impairment) at the end of the reporting period based on due date for rental receivables, date of properties delivered to buyers and billing date of construction services certified:

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
0 to 90 days	312,431	473,421
91 to 180 days	109,006	60,319
181 days to 1 year	111,781	68,316
1 year to 2 years	41,003	68,831
Over 2 years	96,031	84,861
	670,252	755,748

16. SHARE CAPITAL

	Six months ended 30 June			
	2013		2012	
	Number of shares (Thousand)	Amount HK\$'000 (Unaudited)	Number of shares (Thousand)	Amount HK\$'000 (Unaudited)
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	3,337,853	333,785	3,337,819	333,782
Exercise of share options	—	—	34	3
Balance at end of the period	3,337,853	333,785	3,337,853	333,785

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

46

17. RESERVES

	Share premium HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Investments revaluation reserve HK\$'000	Revaluation reserve HK\$'000	Other reserves HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 January 2012 (Audited)	4,267,687	598,783	769	4,149	(212,032)	1,314	65,348	305,661	1,140,190	6,171,869
Profit for the period	—	—	—	—	—	—	—	—	137,936	137,936
Other comprehensive income (expense) for the period	—	—	—	—	191,289	—	—	(62,210)	—	129,079
Total comprehensive income for the period	—	—	—	—	191,289	—	—	(62,210)	137,936	267,015
Issue of shares	12	—	—	—	—	—	—	—	—	12
Employee share option benefits	—	—	—	210	—	—	—	—	—	210
2011 final dividend paid	—	—	—	—	—	—	—	—	(33,379)	(33,379)
	12	—	—	210	—	—	—	—	(33,379)	(33,157)
At 30 June 2012 (Unaudited)	4,267,699	598,783	769	4,359	(20,743)	1,314	65,348	243,451	1,244,747	6,405,727
At 1 January 2013 (Audited)	4,267,699	598,783	769	5,505	85,274	1,314	21,967	309,400	1,380,615	6,671,326
Profit for the period	—	—	—	—	—	—	—	—	138,304	138,304
Other comprehensive income (expense) for the period	—	—	—	—	(46,094)	—	—	188,694	—	142,600
Total comprehensive income for the period	—	—	—	—	(46,094)	—	—	188,694	138,304	280,904
Employee share option benefits	—	—	—	5,616	—	—	—	—	—	5,616
2012 final dividend paid	—	(33,379)	—	—	—	—	—	—	—	(33,379)
	—	(33,379)	—	5,616	—	—	—	—	—	(27,763)
At 30 June 2013 (Unaudited)	4,267,699	565,404	769	11,121	39,180	1,314	21,967	498,094	1,518,919	6,924,467

18. BORROWINGS

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Non-current		
Bank borrowings, secured	4,524,696	3,080,023
Guaranteed Bonds	2,670,338	—
	7,195,034	3,080,023
Current		
Bank borrowings, secured	620,106	38,422
Loan from a non-controlling shareholder of subsidiary, unsecured (Note 25)	8,591	8,387
Loan from a fellow subsidiary, unsecured (Note 25)	—	1,159,349
	628,697	1,206,158
Current portion of long-term bank borrowings	648,795	695,069
	1,277,492	1,901,227
	8,472,526	4,981,250

On 26 April 2013, the Group issued the Guaranteed Bonds (“Guaranteed Bonds”) with a principal amount of US\$225,000,000 and US\$125,000,000 bearing interest at the coupon rate of 5.50% and 6.50%, per annum respectively, which will be matured on 26 April 2018 and 26 April 2023 respectively. The Guaranteed Bonds were guaranteed by the Company and have the benefit of a keepwell deed from China Minmetals Corporation, the ultimate controlling shareholder of the Company. Upon the occurrence of a change of control and taxation triggering event, all outstanding Guaranteed Bonds may be redeemed and repurchased.

The Group may at its option redeem the Guaranteed Bonds at any time, in whole but not in part, at a Make Whole Price as of, and accrued and unpaid interest, if any, to (but excluding), the redemption date.

“Make Whole Price” means with respect to the Guaranteed Bonds at any redemption date, the greater of (1) the present value of the principal amount of the Guaranteed Bond, plus all required remaining scheduled interest payments due on such Guaranteed Bond from the optional redemption date to the maturity date (but excluding accrued and unpaid interest to the option redemption date), computed using a discount rate, which the rate per annum equal to the semi-annual equivalent yield in maturity of the comparable treasury issue, plus 0.50 per cent., and (2) the principal amount of such Guaranteed Bonds.

Early redemption options are regarded as embedded derivatives not closely related to the host debt instrument. The Directors consider that the fair value of the above early redemption options is insignificant on initial recognition and as at 30 June 2013.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

18. BORROWINGS (CONTINUED)

The remaining borrowings with a carrying amount of HK\$5,802,188,000 (31 December 2012: HK\$4,981,250,000) carry interest at variable rates based on the interest rates quoted by the People's Bank of China or Hong Kong Interbank Offered Rate, with the interest rate ranging from 2.49% to 7.20% per annum at 30 June 2013 (31 December 2012: 2.63% to 7.36%).

19. TRADE AND OTHER PAYABLES

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

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
0 to 90 days	234,687	250,031
91 to 180 days	248,674	61,921
181 days to 1 year	127,432	58,526
1 year to 2 years	44,670	115,646
Over 2 years	230,145	141,729
	885,608	627,853

20. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking and other facilities granted to the Group and mortgage loans granted to buyers of sold properties at the end of the reporting period:

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Investment properties	1,064,700	1,042,700
Property, plant and equipment	78,582	78,912
Properties under development	2,028,123	1,124,619
Bank deposits	118,787	93,715
	3,290,192	2,339,946

21. SHARE-BASED PAYMENTS

The Company's share option scheme (the "Scheme") was adopted pursuant to resolutions passed on 29 May 2003. The primary purpose of the Scheme is to provide incentives to directors and eligible persons. The Scheme will expire in 10 years from the date of adoption. The existing share options were granted on 1 December 2008 and 30 November 2012 respectively. The share-based payment expense charged to profit or loss in current period amounted to HK\$5,616,000 (six months ended 30 June 2012: HK\$210,000).

The table below discloses movement of the Company's share options held by the Group's directors and employees:

	Number of share options Six months ended 30 June	
	2013 (Thousand)	2012 (Thousand)
Balance at beginning of the period	69,307	11,401
Lapsed	(2,888)	—
Exercised	—	(34)
Balance at end of the period	66,419	11,367

22. COMMITMENTS

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Authorised but not contracted for		
— Expenditure in respect of acquisition of land use rights	4,876,724	—
Contracted but not provided for		
— Capital contribution into a real estate development company	383,214	374,100
— Expenditure in respect of properties under development	986,263	786,001
	1,369,477	1,160,101

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

50

Minmetals Land Limited • Notes to the Condensed Consolidated Financial Statements

23. CONTINGENT GUARANTEES

As at 30 June 2013, guarantees given to banks for mortgage facilities granted to certain buyers of the Group's properties amounted to HK\$2,451,861,000 (31 December 2012: HK\$1,788,473,000). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate; or (ii) satisfaction of mortgaged loans 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 previously received from the customers and sell the property to recover any amounts paid by the Group to the banks, therefore, the Directors consider that no provision is required for the guarantees.

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's financial assets that are measured at fair value on a recurring basis are set out below:

The Group's equity securities investment is measured at fair value at the end of each reporting period.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2013 HK\$'000	31 December 2012 HK\$'000		
Financial asset at fair value through other comprehensive income — Listed equity securities	596,917	643,011	Level 1	Quoted bid prices securities in an active market

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

25. RELATED PARTY TRANSACTIONS

The Directors consider the Company's immediate holding company to be June Glory International Limited, a company incorporated in the British Virgin Islands; its intermediate holding companies to be China Minmetals H.K. (Holdings) Limited ("Minmetals HK"), a company incorporated in Hong Kong, and China Minmetals Corporation Limited, a joint stock company with limited liability incorporated in the PRC; and its ultimate holding company to be China Minmetals Corporation ("China Minmetals"), a state-owned enterprise established in the PRC and 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, joint control or exercise significant influence and key management personnel of the Company and China Minmetals as well as their close family members.

During the period, except for the land premium paid to the PRC Bureau of Land and Resources, the Group's transactions with government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government, mainly include its construction contracts, bank deposits and borrowings and the corresponding interests. The price and other terms of such transactions are set out in the agreements governing these transactions or as mutually agreed, as appropriate.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

52

25. RELATED PARTY TRANSACTIONS (CONTINUED)

Other than disclosed elsewhere in the condensed consolidated financial statements, 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	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Specialised construction costs to a fellow subsidiary (note i)	105,629	117,131
Construction costs to fellow subsidiaries for real estate development projects (note ii)	225,865	330,907
Construction cost to a non-controlling shareholder of a subsidiary for real estate development projects (note ii)	148,116	—
Rental income from fellow subsidiaries (note iii)	2,665	1,577
Rental expense to a fellow subsidiary (note iii)	4,596	—
Management fee income from a fellow subsidiary (note iii)	778	—
Loan interest expense to a fellow subsidiary (note v)	46,957	90,265
Loan interest expense to a non-controlling shareholder of a subsidiary (note iv)	289	—
Loan interest income from an associated company (note vii)	1,549	36,434
Loan interest income from a non-controlling shareholder of a subsidiary (note viii)	—	5,497

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

	30 June 2013 HK\$'000 (Unaudited)	31 December 2012 HK\$'000 (Audited)
Specialised construction costs payable to a fellow subsidiary (note i)	150,902	99,151
Construction and contract payable to fellow subsidiaries for real estate development projects (note ii)	30,252	77,970
Construction payable to a non-controlling shareholder of a subsidiary (note ii)	52,207	50,953
Rental payable to a fellow subsidiary (note iii)	1,551	—
Management fee receivable from a fellow subsidiary (note iii)	1,202	1,817
Loan from a non-controlling shareholder of a subsidiary (note iv)	8,591	8,387
Loan from a fellow subsidiary (note v)	—	1,159,349
Amount due from an associated company (note vi)	—	128,761
Amounts due to associated companies (note vi)	651,330	69,668
Amounts due to non-controlling shareholders of subsidiaries (note vi)	1,899,836	16,687
Loan to an associated company (note vii)	—	234,706

(c) Key management compensation

	Six months ended 30 June	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Salaries and short-term employee benefits	4,668	4,841
Pension costs — defined contribution plans	140	151
Share option benefits	1,727	101
	6,535	5,093

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2013

54

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) The Guaranteed Bonds were guaranteed by the Company and have the benefit of a keepwell deed from China Minmetals Corporation, the ultimate controlling shareholder of the Company.

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 fellow subsidiaries of the Company and a non-controlling shareholder of a subsidiary for real estate development projects were based on terms mutually agreed by both parties.
- (iii) Rental and management fee income/expense received or receivable from/paid or payable to fellow subsidiaries of the Company were based on the terms in the agreements entered into between the parties involved.
- (iv) The short-term loan from a non-controlling shareholder of a subsidiary is unsecured, bearing interest at 110% of the benchmark interest rate for a one to three year loan quoted by the People's Bank of China per annum and payable on demand.
- (v) The short-term loans from a fellow subsidiary are unsecured, bearing interest at 110% of the benchmark interest rate for a 1 year loan quoted by the People's Bank of China per annum and payable in 1 year. The loans were repaid in the current interim period.
- (vi) The amounts due to non-controlling shareholders of subsidiaries of the Company and amounts due from/to associated companies are unsecured, interest free and repayable on demand.
- (vii) The loan to an associated company is unsecured, bearing interest at the benchmark interest rate for a 1 year short-term loan quoted by the People's Bank of China per annum and repayable in 1 year. It has been fully settled in the current interim period.
- (viii) The loan to a non-controlling shareholder of a subsidiary was unsecured, bears interest at 110% of the benchmark interest rate for a 1 year short-term loan quoted by the People's Bank of China per annum and repayable in 1 year. The loan was fully settled in 2012.

26. EVENT AFTER THE END OF REPORTING PERIOD

On 8 August 2013, the Group acquired an additional 48.53% of the issued share capital of Ample Hope Investments Limited which is a non-wholly owned subsidiary of the Company, at a cash consideration of RMB405,000,000 (equivalent to approximately HK\$508,923,000) from the non-controlling shareholder of this subsidiary.







Glossary of Terms

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

"2003 Share Option Scheme"	the share option scheme of the Company adopted on 29 May 2003
"2013 Share Option Scheme"	the share option scheme of the Company adopted on 7 June 2013
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code
"China Minmetals"	China Minmetals Corporation
"CMCL"	China Minmetals Corporation Limited
"Company" or "Minmetals Land"	Minmetals Land Limited
"Condo HK"	Minmetals Condo (Hong Kong) Engineering Company Limited
"Condo Shanghai"	Minmetals Condo (Shanghai) Construction Co., Ltd.
"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
"Minmetals HK"	China Minmetals H.K. (Holdings) Limited
"MLI"	Minmetals Land Investments Limited
"Model Code"	the 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)"	the shareholder(s) of the Company
"Share(s)"	the ordinary share(s) of par value HK\$0.1 each of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US\$"	United States dollars
"%"	per cent

About China Minmetals Corporation

Projects under development of China Minmetals

	Province/City	Attributable land area (sq.m.)	Total gross floor area (sq.m.)	Usage
	Beijing	150,000	117,000	Residential
	Yingkou City, Liaoning Province	30,000,000	N/A	Industrial and commercial
	Shenyang City and Jinzhou City, Liaoning Province	101,800	126,000	Residential
	Shenyang City and Jinzhou City, Liaoning Province	452,000	1,209,000	Residential
	Tianjin	2,070,000	3,140,000	Residential
	Changsha City, Xiangtan City and Zhuzhou City, Hunan Province	775,700	2,658,000	Residential
	Jiangyang City, Jiangsu Province	49,000	87,000	Residential
	Shantou City, Guangdong Province	1,210,000	1,050,000	Complex

Founded in 1950, China Minmetals is one of the largest State-owned conglomerates that operates globally with core business in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology. China Minmetals achieved operating revenue of approximately RMB325.0 billion for 2012 and is ranked 192 among the US Fortune world top 500 enterprises in 2013.

China Minmetals has, in recent years, actively participated in commercial estate development, construction and installation business after it has a footing on the residential development and industrial estate business. Accordingly, it has equipped with considerable resources in this respect. Excluding real estate development projects of Minmetals Land, China Minmetals has a total gross floor area of approximately 8 million square metres for residential and industrial estate development in the Pan Bohai Rim region and the eastern and central part of China. Furthermore, it has an industrial site of 30 square kilometres in Yingkou City of Liaoning Province.

China Minmetals through its Hong Kong subsidiary, Minmetals HK, holds approximately 62.05% equity interest in Minmetals Land. Upon the approval of inclusion of property development and operation to the core business of China Minmetals by the State-owned Assets Supervision and Administration Commission of the State Council, China Minmetals announced its intention to transform Minmetals Land into its listed real estate flagship in Hong Kong. Through gradual asset injection and consolidation of its real estate resources, China Minmetals aims at the listing of all of its real estate business and turning Minmetals Land eventually into a leading real estate development corporation which creates better returns to its Shareholders, employees and the society.



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