五礦建設有限公司 *

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

UNAUDITED INTERIM RESULTS

The board of directors ("Directors") of Minmetals Land Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013 together with the comparative figures of the corresponding period in 2012.

Condensed Consolidated Statement of Profit or Loss
For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
	Note	**HK$'000**	HK$'000
		(Unaudited)	(Unaudited)
Revenue	*3*	**2,134,407**	1,595,654
Cost of sales		**(1,475,692)**	(1,015,795)
Gross profit		**658,715**	579,859
Other gains, net	*5*	**45,713**	10,311
Fair value changes on investment properties		**22,000**	18,763
Selling and distribution costs		**(69,904)**	(59,224)
Administrative expenses		**(149,719)**	(141,111)
Finance income		**28,301**	55,938
Finance costs		**(86,534)**	(11,315)
Share of results of associated companies		**(5,149)**	(10,291)
Profit before tax		**443,423**	442,930
Income tax expense	*6*	**(207,397)**	(208,081)
Profit for the period		**236,026**	234,849
Profit for the period attributable to:			
Equity holders of the Company		**138,304**	137,936
Non-controlling interests		**97,722**	96,913
		236,026	234,849
Earnings per share for profit attributable to equity holders of the Company, in HK cents			
Basic	*7*	**4.14**	4.13
Diluted	*7*	**4.13**	4.13

		Six months ended 30 June	
		2013	2012
	Note	**HK$'000**	HK$'000
		(Unaudited)	(Unaudited)
Dividends	*8*	**—**	—

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	2012
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Profit for the period	**236,026**	234,849
Other comprehensive income, net of income tax:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**222,645**	(75,122)
Items that will not be reclassified subsequently to profit or loss:		
(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

	Note	**30 June 2013 HK$'000 (Unaudited)**	31 December 2012 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**137,573**	139,526
Investment properties		**1,092,239**	1,070,239
Goodwill		**10,039**	9,800
Interests in associated companies		**786,384**	772,732
Financial assets at fair value through other comprehensive income		**596,917**	643,011
Deferred tax assets		**205,942**	269,669
		2,829,094	2,904,977
Current assets			
Inventories		**13,016,177**	7,382,852
Amounts due from customers for contract work		**224,124**	51,212
Prepayments, trade and other receivables	*9*	**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		**333,785**	333,785
Reserves		**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

Condensed Consolidated Statement of Financial Position (Continued)
As at 30 June 2013

	Note	**30 June 2013 HK$'000 (Unaudited)**	31 December 2012 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		**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		**1,277,492**	1,901,227
Trade and other payables	*10*	**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

Notes :

1. Organisation and operations

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. Hong Kong and The People's Republic of China (other than Hong Kong 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 and accounting policies

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

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, that are relevant for the preparation of the Group's condensed consolidated financial statements.

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

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 income statement" is renamed as "condensed consolidated statement of profit or loss" and presentation of items of other comprehensive income has been modified accordingly.

<u>HKFRS 10 *Consolidated Financial Statements*</u>

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.

<u>HKFRS 13 *Fair Value Measurement*</u>

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. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

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 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

	Real estate development Six months ended 30 June		Specialised construction Six months ended 30 June		Property investment Six months ended 30 June		Securities investment Six months ended 30 June		Total Six months ended 30 June	
	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)
									506,805	408,598
Finance income									**28,301**	55,938
Finance costs									**(86,534)**	(11,315)
Share of results of associated companies									**(5,149)**	(10,291)
Profit before tax									**443,423**	442,930

	30 June	31 December	**30 June**	31 December	**30 June**	31 December	**30 June**	31 December	**30 June**	31 December
	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)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(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

4. Profit for the period

	Six months ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(Unaudited)	(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.

5. Other gains, net

	Six months ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(Unaudited)	(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. 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	2012
	HK$'000	HK$'000
	(Unaudited)	(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

7. 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	2012
	(Thousand)	(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 option 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

8. Dividends

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 HK$33,379,000 in respect of the year ended 31 December 2012 (30 June 2012: HK$33,379,000 in respect of the year ended 31 December 2011) was paid to the shareholders of the Company.

9. **Prepayments, trade and other receivables**

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

	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

10. **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

11. **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

MANAGEMENT DISCUSSION AND ANALYSIS

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 without taking into account of the fair value amount recognised in the real estate projects of Scotland Town and Tianjin 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 of Directors 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 of the Company 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).

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

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

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	—

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 Minmetals Condo (Shanghai) Construction Co., Ltd. ("Condo Shanghai") for the PRC market and Minmetals Condo (Hong Kong) Engineering Company Limited ("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 rentals 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 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 urbanization 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 Corporation 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: HK2,419.3 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	31 December 2012
	HK$ million	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 ONFEM Finance Limited (a wholly-owned subsidiary of the Company) as borrower, the Company and Minmetals Land Investments Limited (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 is 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).

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 the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except for the following deviation:

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

Instead of having elected at the first general meeting, 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry of all Directors, they have confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2013.

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 2013, which has 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 has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

BOARD OF DIRECTORS

As at the date of this announcement, the board of Directors comprises nine Directors namely, Mr. Sun Xiaomin as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, the Managing Director and an executive Director, Mr. Yin Liang and Ms. He Xiaoli as executive Directors, Mr. Tian Jingqi and Mr. Liu Zeping as non-executive Directors, and Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as independent non-executive Directors.

By order of the board
He Jianbo
Deputy Chairman and Managing Director

Hong Kong, 28 August 2013

website: www.minmetalsland.com

* *For identification purpose only*