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 2011

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 2011 together with the comparative figures of the corresponding period in 2010.

Condensed Consolidated Income Statement
For the six months ended 30 June 2011

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

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2011

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

Condensed Consolidated Balance Sheet
As at 30 June 2011

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

Condensed Consolidated Balance Sheet (Con't)
As at 30 June 2011

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

Notes :

1. Organisation and operations

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment. Hong Kong and Macau, and The People's Republic of China (other than Hong Kong and Macau) (the "PRC") are the major markets for all the Group's businesses.

The Company is a limited liability company incorporated in Bermuda. The Company is listed on The Stock Exchange of Hong Kong Limited.

This condensed consolidated financial information is presented in thousands of units of Hong Kong dollars ("HK$'000"), unless otherwise stated. This condensed consolidated financial information has been approved for issue by the board of Directors of the Company on 22 August 2011.

2. Basis of preparation and accounting policies

This condensed consolidated financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

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

Revised standards and amendments effective in 2011

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

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

3. Segment information

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

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

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

For the six months ended 30 June (unaudited)	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue										
Total segment revenue	**1,469,149**	158,208	**252,202**	218,973	**25,380**	23,957	**–**	–	**1,746,731**	401,138
Inter-segment revenue	**–**	–	**(46,510)**	(7,162)	**–**	–	**–**	–	**(46,510)**	(7,162)
Sales to external customers	**1,469,149**	158,208	**205,692**	211,811	**25,380**	23,957	**–**	–	**1,700,221**	393,976
Results										
Segment results	**385,748**	36,283	**4,945**	16,389	**71,605**	39,273	**5,756**	5,755	**468,054**	97,700
Unallocated corporate expenses, net									**(33,309)**	(26,390)
Operating profit									**434,745**	71,310
Finance income									**20,169**	6,783
Finance costs									**(10,220)**	(25)
Share of results of associated companies	**(2,378)**	(523)	**–**	–	**–**	–	**–**	–	**(2,378)**	(523)
Tax charge									**(154,818)**	(18,965)
Profit for the period									**287,498**	58,580

	30 June 2011	31 December 2010	**30 June 2011**	31 December 2010	**30 June 2011**	31 December 2010	**30 June 2011**	31 December 2010	**30 June 2011**	31 December 2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets	**15,774,660**	9,623,169	**519,137**	390,950	**1,229,066**	1,041,832	**469,092**	539,300	**17,991,955**	11,595,251
Unallocated corporate assets									**1,096,273**	3,934,597
Total assets									**19,088,228**	15,529,848

4. Expenses by nature

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

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

5. Other gains

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

6. Tax charge

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2010: Nil). PRC enterprise income tax has been calculated on the estimated assessable profit for the period derived in the PRC at the rates ranging from 24% to 25% (30 June 2010: 22% to 25%).

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

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Current tax – PRC		
Enterprise income tax	**137,119**	13,355
Land appreciation tax	**114,822**	5,610
Deferred tax	**(97,123)**	–
Tax charge	**154,818**	18,965

7. Earnings per share

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

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

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

8. Dividends

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

9. Trade receivables

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

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

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

10. Trade payables

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

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

11. Capital commitments

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

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

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

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

TOTAL REVENUE BY OPERATING SEGMENTS

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

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

TOTAL RESULTS BY OPERATING SEGMENTS

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

Notes:

1. attributed to the increase in number of properties delivered to buyers

2. including revaluation gain on investment properties of HK$50.2 million for the six months ended 30 June 2011 (30 June 2010: HK$20.0 million)

REAL ESTATE DEVELOPMENT

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

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

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

The introduction of further control measures and tightening in funding sources in the first half of the year had the expected cooling effects on value and volume of property transactions in the PRC. The building up of housing stocks and price corrections were apparent virtually in all major cities where purchase restrictions of varying extent had been implemented. Sales and marketing activities of the Group had also been affected to the extent that pace of sale had slowed and trend of rising prices had come to a halt, or in certain cases, reversed. In absolute terms, the Group's contracted sales value had risen to HK$2,958.2 million in the first half of the year, resulting from the enlarged real estate development portfolio and the satisfactory pre-sale results. On the cost side, the challenge was equally severe during the period as high level of inflation and cost hikes putting immense pressure on margin. The Group had responded to the market conditions, with satisfactory results, by exerting more prudent and conservative management controls on costs and being more reactive to market demand in order to attain sales targets. Although the operating environment is unlikely to be reversed in the short term, the Group is confident that it is suitably positioned to weather these difficulties with ample financial resources at its disposal, solid support and recognition by customers, joint venture partners and the controlling shareholder.

Laguna Bay

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

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

Riveria Royale

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

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

Fongshan Project

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

LOHAS International Community

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

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

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

Scotland Town

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

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

Minmetals International

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

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

Beijing Celebration City

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

Platinva Bay

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

Hallstatt See

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

Xibeiwang Project

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

SPECIALISED CONSTRUCTION

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

SJQ

For the six months ended 30 June 2011, SJQ's revenue grew by 15.5% to HK$235.7 million (including HK$46.5 million generated from inter-company transactions (30 June 2010: HK$7.2 million)) as compared to HK$204.0 million in the corresponding period last year. However, a combination of intensive competition and rising costs in the PRC had trimmed SJQ's profit margin substantially. The business outlook for SJQ remains generally optimistic, and the management tasks will be placed on lifting profitability, the recruitment and retention of professional staff members and to further refine operational platform to cope with wider geographical project coverage.

Condo HK

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

PROPERTY INVESTMENT

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

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

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

OUTLOOK

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

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

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

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 June 2011, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted to HK$3,560.1 million (31 December 2010: HK$3,249.9 million), of which 74.8%, 25.2% and 0% (31 December 2010: 43.7%, 52.9% and 3.4%) were denominated in Renminbi, Hong Kong dollars and United States dollars respectively.

To supplement finance the acquisition of new real estate development projects and the development of existing projects, the Group had total borrowings of HK$4,441.7 million as at 30 June 2011 (31 December 2010: HK$4,064.7 million). The total borrowings included borrowings from banks, non-controlling shareholders of subsidiaries of the Company and a fellow subsidiary of the Company. The gearing ratio of net debt to total equity of the Group as at 30 June 2011 was 11.3% (31 December 2010: 11.2%).

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

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

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

Capital contribution commitments in a real estate development company as at 30 June 2011 amounted to HK$84.3 million (31 December 2010: HK$291.0 million). These commitments are to be financed by internal funds and borrowings.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group is exposed to exchange rate risk on transactions that are denominated in a currency other than Hong Kong dollars, the reporting and functional currency of the Group. During the period under review, most of the transactions of the Group were denominated in Hong Kong dollars and Renminbi. As such, the Group has exposure to exchange rate movements between Hong Kong dollars and Renminbi. In spite of the fact that the expected continuing strength of Renminbi would have a positive impact, in Hong Kong dollar terms, on the Group's assets in and income generated from the PRC, the Group had not implemented any hedging or other alternative measures during the six months ended 30 June 2011 but is closely monitoring the aforesaid exchange rate risks. As at 30 June 2011, the Group did not have any exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

CHARGES ON GROUP ASSETS

As at 30 June 2011, certain assets of the Group were pledged as securities for the Group's banking facilities and these pledged assets of the Group included (i) investment properties with carrying amounts of HK$997.2 million (31 December 2010: HK$970.8 million), (ii) properties under development of HK$752.2 million (31 December 2010: HK$943.8 million) and (iii) leasehold land and buildings of HK$59.0 million (31 December 2010: HK$62.6 million).

CONTINGENT LIABILITIES

As at 30 June 2011, the Group has provided guarantees to certain banks relating to mortgage facilities arranged for certain purchasers of properties developed by the Group and the outstanding mortgage loans under these guarantees amounted to HK$1,984.6 million (31 December 2010: HK$1,305.5 million).

EMPLOYEES

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

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

In the opinion of the Directors, throughout the six months ended 30 June 2011, the Company had complied with the code provisions of the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviations:

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

    Instead of having elected at the first general meeting, 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.

(ii) Code provision E.1.2 requires that the chairman of the board of directors and the chairman of all the board committees of listed companies to attend and answer questions at the annual general meeting.

Mr. Sun Xiaomin, the Chairman of the board and of the remuneration committee, was not available for the Company's annual general meeting for 2011 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the Managing Director and a member of the remuneration committee, took the chair of the said meeting.

Code for Securities Transactions by Directors

The Company has established a set of guidelines as its own "Rules and Procedures for Directors and Relevant Employees of the Company in respect of Dealings in Securities of the Company" (the "Rules for Securities Transactions") on terms no less exacting than those contained in the Model Code 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 2011.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2011, which has also been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

BOARD OF DIRECTORS

As at the date of this announcement, the board of Directors comprises twelve Directors namely, Mr. Sun Xiaomin as the Chairman and a Non-executive Director, Mr. Qian Wenchao, Mr. He Jianbo, Mr. Yin Liang, Ms. He Xiaoli and Mr. Yang Lu as Executive Directors, Mr. Pan Zhongyi, 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
Managing Director

Hong Kong, 22 August 2011

website: www.minmetalsland.com

* *For identification purpose only*