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五礦建設有限公司*

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL RESULTS

The board of directors (“Directors”) of Minmetals Land Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2009, together with the comparative figures in 2008, as follows:

Consolidated Income Statement

For the year ended 31 December 2009

| | Note | 2009 HK\$'000 | 2008 HK\$'000 |
|--|------|------------------|------------------|
| Continuing operations: | | | |
| Revenue | 3 | 1,244,156 | 1,166,307 |
| Cost of sales | 4 | (963,654) | (945,503) |
| Gross profit | | 280,502 | 220,804 |
| Other gains | | 2,513 | 2,766 |
| Selling and distribution costs | 4 | (22,875) | (40,462) |
| Administrative expenses | 4 | (84,946) | (73,091) |
| Fair value gain on investment properties | | 38,780 | 72,877 |
| Operating profit | | 213,974 | 182,894 |
| Finance income | | 13,316 | 17,238 |
| Finance costs | | (181) | (400) |
| Profit before tax | | 227,109 | 199,732 |
| Tax charge | 5 | (71,676) | (70,948) |
| Profit for the year from continuing operations | | 155,433 | 128,784 |
| Discontinued operations: | | | |
| Loss for the year from discontinued operations | | — | (475) |
| Profit for the year | | 155,433 | 128,309 |
| Attributable to: | | | |
| Equity holders of the Company | | 128,927 | 140,864 |
| Minority interests | | 26,506 | (12,555) |
| | | 155,433 | 128,309 |

Consolidated Income Statement (Cont'd)*For the year ended 31 December 2009*

| | | 2009 | 2008 |
|---|---|-------------|--------------|
| Earnings/(loss) per share for profit attributable to equity holders of the Company during the year | | | |
| <i>(expressed in HK cents per share) :</i> | | | |
| Basic | 6 | | |
| - from continuing operations | | 7.94 | 15.66 |
| - from discontinued operations | | — | (0.05) |
| | | <u>7.94</u> | <u>15.61</u> |
| Diluted | 6 | | |
| - from continuing operations | | 7.89 | 15.66 |
| - from discontinued operations | | — | (0.05) |
| | | <u>7.89</u> | <u>15.61</u> |
| Dividends | 7 | <u>—</u> | <u>—</u> |

Condensed Consolidated Statement of Comprehensive Income*For the year ended 31 December 2009*

| | 2009 <i>HK\$'000</i> | 2008 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Profit for the year |155,433..... |128,309..... |
| Other comprehensive income | | |
| Fair value gain of property, plant and equipment | — | 1,314 |
| Fair value gain of available-for-sale financial assets | 73,751 | — |
| Currency translation differences | <u>5,609</u> | <u>36,686</u> |
| |79,360..... |38,000..... |
| Total comprehensive income for the year | <u>234,793</u> | <u>166,309</u> |
| Attributable to: | | |
| Equity holders of the Company | 205,770 | 166,637 |
| Minority interests | <u>29,023</u> | <u>(328)</u> |
| | <u>234,793</u> | <u>166,309</u> |

Consolidated Balance Sheet*As at 31 December 2009*

| | <i>Note</i> | 2009 HK\$'000 | 2008 <i>HK\$'000</i> |
|---|-------------|--------------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 78,134 | 77,679 |
| Investment properties | | 936,739 | 897,959 |
| Goodwill | | 11,365 | 9,003 |
| Available-for-sale financial assets | | 631,488 | — |
| Deferred tax assets | | 7,132 | — |
| | | <u>1,664,858</u> | <u>984,641</u> |
| Current assets | | | |
| Inventories | | 2,393,361 | 1,234,937 |
| Trade and other receivables | 8 | 323,518 | 251,438 |
| Gross amounts due from customers for contract work | | 2,976 | 328 |
| Current tax recoverable | | 707 | 707 |
| Restricted cash and pledged deposits | | 84,217 | 14,288 |
| Cash and bank deposits | | 2,394,350 | 635,853 |
| | | <u>5,199,129</u> | <u>2,137,551</u> |
| Total assets | | <u>6,863,987</u> | <u>3,122,192</u> |
| EQUITY | | | |
| Capital and reserves attributable to equity holders of the Company | | | |
| Share capital | | 273,279 | 111,383 |
| Reserves | 9 | 4,146,379 | 1,470,677 |
| | | <u>4,419,658</u> | <u>1,582,060</u> |
| Minority interests | | <u>314,673</u> | <u>194,918</u> |
| Total equity | | <u>4,734,331</u> | <u>1,776,978</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | | 602,405 | — |
| Deferred tax liabilities | | 7,069 | 7,069 |
| Other liabilities | | 4,678 | 11,159 |
| | | <u>614,152</u> | <u>18,228</u> |
| Current liabilities | | | |
| Trade and other payables | 10 | 698,334 | 449,322 |
| Deferred revenue | | 41,197 | 194,995 |
| Current tax payable | | 57,089 | 43,535 |
| Borrowings | | 718,884 | 639,134 |
| | | <u>1,515,504</u> | <u>1,326,986</u> |
| Total liabilities | | <u>2,129,656</u> | <u>1,345,214</u> |
| Total equity and liabilities | | <u>6,863,987</u> | <u>3,122,192</u> |
| Net current assets | | <u>3,683,625</u> | <u>810,565</u> |
| Total assets less current liabilities | | <u>5,348,483</u> | <u>1,795,206</u> |

Notes to the Financial Information

1. Organisation and operations

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

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

2. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets.

In 2009, the Group adopted certain new or revised standards and amendments of HKFRS, which are effective for accounting periods beginning on or after 1 January 2009 and relevant to the Group's operations.

Certain comparative figures have been reclassified to conform with the current year's presentation of the consolidated financial statements.

3. Segment information

(a) Operating segments

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 and project management: | Development of residential and commercial properties, as well as provision of construction project management services |
| Specialised construction: | Design, installation and selling of curtain walls and aluminium windows, doors, fire-proof and other materials |
| Property investment: | Holding of properties to generate rental income and to gain from the appreciation in the properties' values in the long term |
| Securities investment: | Investment of securities |
| Manufacturing and trading*: | Manufacturing and trading of lubricant oil, industrial tools and chemical products |

* Discontinued during 2008

Revenue comprised the following:

| | 2009 | 2008 |
|--|------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| <i>Continuing operations:</i> | | |
| Revenue from real estate development and project management services | 728,393 | 887,476 |
| Revenue from specialised construction contracts | 469,193 | 250,426 |
| Gross rental and management fee income from investment properties | 46,570 | 28,405 |
| | <u>1,244,156</u> | <u>1,166,307</u> |
| <i>Discontinued operations:</i> | | |
| Sales of lubricant oil, industrial tools and chemical products | — | 71,289 |
| | <u>1,244,156</u> | <u>1,237,596</u> |

Segment revenue and results

| | Continuing operations | | | | | | | | | | Discontinued operations | |
|----------------------------------|--|----------|--------------------------|----------|---------------------|----------|-----------------------|----------|------------------|-----------|---------------------------|----------|
| | Real estate development and project management | | Specialised construction | | Property investment | | Securities investment | | Total | | Manufacturing and trading | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue | | | | | | | | | | | | |
| Sales to external customers | 728,393 | 887,476 | 469,193 | 250,426 | 46,570 | 28,405 | — | — | 1,244,156 | 1,166,307 | — | 71,289 |
| Results | | | | | | | | | | | | |
| Segment results | 163,100 | 119,197 | 13,089 | 3,737 | 74,670 | 98,861 | — | — | 250,859 | 221,795 | — | 3,330 |
| Unallocated corporate expenses | | | | | | | | | (36,885) | (38,901) | — | — |
| Operating profit | | | | | | | | | 213,974 | 182,894 | — | 3,330 |
| Finance income | | | | | | | | | 13,316 | 17,238 | — | — |
| Finance costs | | | | | | | | | (181) | (400) | — | (18) |
| Tax (charge)/credit | | | | | | | | | (71,676) | (70,948) | — | 700 |
| Profit after tax | | | | | | | | | 155,433 | 128,784 | — | 4,012 |
| Loss on disposal of subsidiaries | | | | | | | | | — | — | — | (4,487) |
| Profit/(loss) for the year | | | | | | | | | 155,433 | 128,784 | — | (475) |

Segment assets and liabilities

| | Real estate development and project management | | Specialised construction | | Property investment | | Securities investment | | Total | |
|-----------------------------------|--|-----------|--------------------------|----------|---------------------|----------|-----------------------|----------|------------------|-----------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Assets | | | | | | | | | | |
| Segment assets | 2,887,905 | 1,674,912 | 285,359 | 241,272 | 1,055,240 | 988,244 | 631,488 | — | 4,859,992 | 2,904,428 |
| Unallocated corporate assets | | | | | | | | | 2,003,995 | 217,764 |
| Total assets | | | | | | | | | 6,863,987 | 3,122,192 |
| Liabilities | | | | | | | | | | |
| Segment liabilities | 1,794,966 | 1,032,253 | 239,091 | 222,328 | 12,471 | 13,766 | — | — | 2,046,528 | 1,268,347 |
| Unallocated corporate liabilities | | | | | | | | | 83,128 | 76,867 |
| Total liabilities | | | | | | | | | 2,129,656 | 1,345,214 |

Segment assets consist primarily of property, plant and equipment, investment properties, goodwill, inventories, receivables and operating cash. Segment liabilities comprise all operating liabilities but exclude items such as taxation.

Other segment information

| | Continuing operations | | | | | | | | | | | | Discontinued operations | |
|--|--|----------|--------------------------|----------|---------------------|----------|-----------------------|----------|-----------|----------|----------|----------|---------------------------|----------|
| | Real estate development and project management | | Specialised construction | | Property investment | | Securities investment | | Corporate | | Total | | Manufacturing and trading | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Capital expenditure | 1,956 | 1,395 | 304 | 646 | 1,690 | 65,833 | — | — | 388 | 19 | 4,338 | 67,893 | — | 346 |
| Depreciation recognised in the consolidated income statement | 929 | 859 | 646 | 556 | 1,736 | 930 | — | — | 312 | 431 | 3,623 | 2,776 | — | 550 |
| Fair value gain on investment properties | — | — | — | — | 38,780 | 72,877 | — | — | — | — | 38,780 | 72,877 | — | — |
| (Reversal of impairment loss)/ impairment loss | — | — | (1,343) | (1,643) | — | 52 | — | — | — | — | (1,343) | (1,591) | — | — |

(b) Geographical information

The Group's businesses operate in two main geographical areas:

Hong Kong and Macau: Specialised construction, property investment, manufacturing and trading, and securities investment

The PRC: Real estate development and project management, specialised construction, and manufacturing and trading

In presenting geographical information, sales are presented based on the geographical locations of the customers. Total non-current assets are presented based on the geographical locations of the assets.

| | Hong Kong and Macau | | The PRC | | Other countries | | Total | |
|--------------------------|---------------------|----------|-----------|-----------|-----------------|----------|-----------|-----------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Continuing operations: | | | | | | | | |
| External sales | 68,319 | 60,812 | 1,175,837 | 1,105,495 | — | — | 1,244,156 | 1,166,307 |
| Total non-current assets | 1,634,436 | 965,640 | 30,422 | 19,001 | — | — | 1,664,858 | 984,641 |
| Discontinued operations: | | | | | | | | |
| External sales | — | 6,767 | — | 64,286 | — | 236 | — | 71,289 |
| Total non-current assets | — | — | — | — | — | — | — | — |

4. Expenses by nature

| | 2009 <i>HK\$'000</i> | 2008 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Amortisation of land lease premium | 411 | 154 |
| Depreciation | 3,623 | 2,622 |
| Operating lease charges – minimum lease payment in respect of land and buildings | 3,581 | 6,035 |
| Cost of properties sold | 517,783 | 705,704 |
| Auditor's remuneration | 2,350 | 1,749 |
| Net foreign exchange gain | (5,765) | (15,346) |
| Employee benefit expense (including directors' emoluments) | 54,896 | 39,995 |
| Provision for impairment of receivables | — | 52 |
| Recovery of receivables previously written-off | (1,343) | (1,643) |
| Direct out-goings arising from investment properties that generated rental income | 8,087 | 3,272 |
| Specialised construction costs | 437,784 | 236,207 |
| Selling and distribution costs | 22,875 | 40,462 |
| Legal and professional fees | (771) | 13,304 |
| Project management costs | — | 320 |
| Loss on disposal of property, plant and equipment | 67 | 99 |
| Others | 27,897 | 26,070 |
| Total of cost of sales, selling and distribution costs and administrative expenses | 1,071,475 | 1,059,056 |

5. Tax charge

Hong Kong profits tax has been provided at the rate of 16.5% (2008:16.5%) on the estimated assessable profit for the year. PRC enterprise income tax has been calculated on the estimated assessable profit for the year derived in the PRC at the rates of 20% to 25% (2008: 18% to 25%).

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

| | 2009 HK\$'000 | 2008 HK\$'000 |
|--------------------------------------|------------------|------------------|
| Current tax: Hong Kong | | |
| Profits tax | | |
| – current year | 213 | 111 |
| – prior years | (8,668) | — |
| | <u>(8,455)</u> | <u>111</u> |
| Current tax: PRC | | |
| Enterprise income tax | 33,041 | 23,971 |
| Land appreciation tax | 54,222 | 46,866 |
| | <u>87,263</u> | <u>70,837</u> |
| Deferred tax | | |
| Recognition of temporary differences | <u>(7,132)</u> | <u>—</u> |
| Tax charge | <u>71,676</u> | <u>70,948</u> |

6. Earnings/(loss) per share – basic and diluted

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

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

| | 2009 | 2008 |
|--|------------------|----------------|
| Weighted average number of ordinary shares in issue (thousands) | 1,623,887 | 902,380 |
| Adjustment for share options (thousands) | <u>10,150</u> | <u>—</u> |
| Weighted average number of ordinary shares for diluted earnings per share (thousands) | <u>1,634,037</u> | <u>902,380</u> |
| Profit from continuing operations attributable to equity holders (HK\$'000) | <u>128,927</u> | <u>141,339</u> |
| Basic earnings per share from continuing operations (HK cents) | 7.94 | 15.66 |
| Diluted earnings per share from continuing operations (HK cents) | <u>7.89</u> | <u>15.66</u> |
| Loss from discontinued operations attributable to equity holders (HK\$'000) | <u>N/A</u> | <u>(475)</u> |
| Loss per share from discontinued operations (HK cents) | | |
| – Basic and diluted | <u>N/A</u> | <u>(0.05)</u> |

7. Dividends

The Directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008: Nil).

8. Trade and other receivables

| | 2009 | 2008 |
|---|-----------------------|----------------|
| | HK\$'000 | HK\$'000 |
| Trade and contract receivables, net (a) | 231,783 | 169,812 |
| Retention receivables | 42,271 | 46,454 |
| Deposits | 6,932 | 7,479 |
| Prepayments (b) | 24,244 | 22,726 |
| Others | 18,288 | 4,967 |
| | <u>323,518</u> | <u>251,438</u> |

(a) The aging analysis of trade and contract receivables is as follows:

| | 2009 | 2008 |
|--------------------------------|-----------------------|----------------|
| | HK\$'000 | HK\$'000 |
| 0 to 90 days | 94,437 | 97,235 |
| 91 to 180 days | 62,658 | 21,665 |
| 181 days to 1 year | 11,852 | 32,618 |
| 1 year to 2 years | 55,178 | 13,371 |
| Over 2 years | 8,863 | 6,119 |
| | <u>232,988</u> | 171,008 |
| Less: provision for impairment | <u>(1,205)</u> | <u>(1,196)</u> |
| | <u>231,783</u> | <u>169,812</u> |

No credit period is granted by the Group to the customers for trade and contract receivables.

Majority of trade and contract receivables are with customers having good repayment history and no default in the past.

(b) As at 31 December 2009, prepayments include prepaid taxes and other charges of approximately HK\$3,620,000 (2008: HK\$16,265,000) in relation to the deferred revenue received.

The other items within trade and other receivables do not contain past due or impaired assets.

The maximum exposure to credit risk at the reporting dates is the carrying amount of each class of receivable mentioned above. The Group does not hold any collateral as security.

9. Reserves

| | Share premium | Contributed surplus | Capital redemption reserve | Employee share-based compensation reserve | Available-for- sale financial assets revaluation reserve | Exchange reserve | Revaluation reserve | (Accumulated losses)/ retained earnings | Total |
|--|------------------|------------------------|----------------------------------|--|--|---------------------|------------------------|--|------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Balance as at | | | | | | | | | |
| 1 January 2008 | 410,942 | 600,412 | 769 | - | - | 23,713 | - | (235,129) | 800,707 |
| Issue of new shares | 503,200 | - | - | - | - | - | - | - | 503,200 |
| Employee share option benefits | - | - | - | 133 | - | - | - | - | 133 |
| Fair value gain of property, plant and equipment | - | - | - | - | - | - | 1,314 | - | 1,314 |
| Currency translation adjustments | - | - | - | - | - | 24,459 | - | - | 24,459 |
| Profit for the year | - | - | - | - | - | - | - | 140,864 | 140,864 |
| Balance as at | | | | | | | | | |
| 31 December 2008 | 914,142 | 600,412 | 769 | 133 | - | 48,172 | 1,314 | (94,265) | 1,470,677 |
| Issue of new shares | 2,468,336 | - | - | - | - | - | - | - | 2,468,336 |
| Employee share option benefits | - | - | - | 1,596 | - | - | - | - | 1,596 |
| Fair value gain of available-for-sale financial assets | - | - | - | - | 73,751 | - | - | - | 73,751 |
| Currency translation adjustments | - | - | - | - | - | 3,092 | - | - | 3,092 |
| Profit for the year | - | - | - | - | - | - | - | 128,927 | 128,927 |
| Balance as at | | | | | | | | | |
| 31 December 2009 | 3,382,478 | 600,412 | 769 | 1,729 | 73,751 | 51,264 | 1,314 | 34,662 | 4,146,379 |

10. Trade and other payables

| | 2009 | 2008 |
|---|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Trade, bills and contract payables (a) | 306,576 | 134,333 |
| Retention payables | 41,956 | 39,810 |
| Accruals and other payables | 326,526 | 258,968 |
| Rental deposits received | 6,814 | 5,081 |
| Amounts due to minority investors of subsidiaries | 16,462 | 11,130 |
| | 698,334 | 449,322 |

(a) The aging analysis of trade, bills and contract payables of the Group is as follows:

| | 2009 | 2008 |
|--------------------|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0 to 90 days | 166,358 | 68,618 |
| 91 to 180 days | 44,069 | 19,659 |
| 181 days to 1 year | 11,730 | 19,763 |
| 1 year to 2 years | 64,566 | 18,879 |
| Over 2 years | 19,853 | 7,414 |
| | 306,576 | 134,333 |

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

As the sole listed real estate flagship of China Minmetals Corporation (“China Minmetals”), the Group has set its vision to become a leading real estate developer by constantly attending to clients’ requirements, market trends and policy adjustments. Geographically, the Group's real estate development projects are focused in the PRC where it seeks to foster long-term, sustainable growth through steady business development and by capitalizing upon the controlling shareholder’s strong presence and brand recognition in the PRC. In addition, the Group also operates two property-related core activities, namely specialised construction and property investment.

Against a backdrop of global economic crisis and the changes experienced in the operating environment in the PRC, the Group had dealt with the enduring challenges and made significant inroads and strategic achievements in 2009. The Group had launched sales programmes for its real estate development projects, and reaped the benefits of the strength of the PRC property market that prevailed during the year. The Group also successfully tapped the Hong Kong capital markets during the year raising net proceeds of HK\$1,905.9 million for future acquisitions of land bank and investments. The committed support of the controlling shareholder to the Group had also materialised through injection of real estate projects by China Minmetals into the Group, thereby enlarging the Group’s real estate development portfolio.

All these developments had combined to lay a solid foundation for the Group, on which further growth can be built in the future.

CONSOLIDATED RESULTS

For the financial year ended 31 December 2009, the Group recorded a revenue of HK\$1,244.2 million, a 6.7% increase compared with HK\$1,166.3 million in the preceding financial year. The results reflect strong contribution from the operating segments of specialised construction and property investment.

For the year under review, profit for the year before minority interests increased by HK\$27.1 million, from HK\$128.3 million in 2008 to HK\$155.4 million of 2009, representing a 21.1% increase. Basic earnings per share for profit attributable to equity holders of the Company decreased from HK15.61 cents in 2008 to HK7.94 cents in 2009 mainly due to an enlarged share capital base of the Company as a result of the rights issue and share placements during the year.

TOTAL REVENUE BY OPERATING SEGMENTS

| | Year ended 31 December | | | | Year-on-year change % |
|--|------------------------|-------|----------------------|-------|-----------------------------|
| | 2009 HK\$ million | % | 2008 HK\$ million | % | |
| Real estate development and project management | 728.4 | 58.5 | 887.5 | 76.1 | -17.9 |
| Specialised construction | 469.2 | 37.7 | 250.4 | 21.5 | +87.4 |
| Property investment | 46.6 | 3.8 | 28.4 | 2.4 | +64.1 |
| Total revenue | 1,244.2 | 100.0 | 1,166.3 | 100.0 | +6.7 |

TOTAL RESULTS BY OPERATING SEGMENTS

| | Year ended 31 December | | | | Year-on-year change % |
|--|------------------------|-------|----------------------|-------|-----------------------------|
| | 2009 HK\$ million | % | 2008 HK\$ million | % | |
| Real estate development and project management | 163.1 | 65.0 | 119.2 | 53.7 | +36.8 |
| Specialised construction | 13.1 | 5.2 | 3.7 | 1.7 | +254.1 |
| Property investment | 74.7 | 29.8 | 98.9 | 44.6 | -24.5 |
| Total segment profit | 250.9 | 100.0 | 221.8 | 100.0 | +13.1 |

REAL ESTATE DEVELOPMENT AND PROJECT MANAGEMENT

Currently, the Group's portfolio of real estate development comprises three projects in two cities in the PRC. The table below summarizes the position of the Group's real estate development projects as at 31 December 2009:

| Location / Project | Site area (square metres) | Approximate gross floor area (square metres) | Attributable interest to the Group |
|---------------------------------|------------------------------|--|--|
| Nanjing City, Jiangsu Province | | | |
| - Laguna Bay | 310,296 | 317,089 | 71.00% |
| - Riveria Royale | 73,334 | 225,449 | 50.89% |
| Changsha City, Hunan Province | | | |
| - LOHAS International Community | 632,837 | 1,064,579 | 51.00% |

Attributable profit from this operating segment for the year ended 31 December 2009 totaled HK\$163.1 million compared with HK\$119.2 million in 2008, principally attributable to the recognition of revenue from Phase I and Phase II of Laguna Bay and Part I of Phase I of LOHAS International Community.

The real estate market in the PRC experienced dramatic movements in 2009. Economic stimulus policies and various home purchase incentive schemes promulgated by the PRC regulatory authorities have shrugged off the negative impact of the global economic uncertainty and released significant consumer demand which led to a surge in the real estate market both in terms of transaction volume and price attained. It is, however, noteworthy that austerity measures had been announced towards the end of the year 2009 aiming to check credit expansion and excessive speculation in the real estate market, which may have an impact on the projects undertaken by the Group. The management will continue to monitor the market movements and adjust our strategies where and when necessary.

Pre-sale of property units in both Phase II of Laguna Bay and Part I of Phase I of LOHAS International Community in the second half of 2009 had yielded satisfactory results, buoyed by the strong buying interest and a direct result of the Group's active involvement in managing these projects, including on-going adjustments of project design and unit configuration to meet market trend and buyers' requirements.

Particulars of the Group's real estate development projects are set out below:

1. *Laguna Bay*

This residential project is located in Nanjing, Jiangsu Province measuring approximately 317,089 square metres gross floor area where the Group has a 71% interest. Laguna Bay is developed in three phases comprising villas, high-rise and low-rise units. Pre-sale of units first commenced in October 2007 and a total of 654 units comprising 73,668 square metres had been completed and delivered to purchasers in 2009, and accordingly, sales proceeds of approximately HK\$477.2 million arising from the pre-sale had been recognized in 2009 (2008: Nil).

The pre-sale and completion schedules of this project are currently revised as below:

| | Total gross floor area (square metres) | | | Delivered in 2009 |
|-----------|--|-------------------------------|-------------------------------|----------------------|
| | Total | Pre-sold up to end of 2009 | Pre-sold up to end of 2008 | |
| Phase I | 84,006 | 57,478 | 33,570 | 57,478 |
| Phase II | 50,899 | 18,122 | — | 16,190 |
| Phase III | 182,184 | — | — | — |
| Total | 317,089 | 75,600 | 33,570 | 73,668 |

The Group is cautiously optimistic about the outlook for real estate market in Nanjing, with the scheduled operation of the city's metro system in 2010, which will be linked to the project site; and the impending completion of Ninghang Expressway. The prevailing market conditions will be closely monitored by the Group for the next phase of the pre-sale program.

2. *Riveria Royale*

This residential project is located in Jianye District in Nanjing of the Jiangsu Province scheduled to be developed into approximately 225,449 square metres of gross floor area, in which the Group has a 50.89% interest. This project comprises condominium units and villas, as well as a portion of commercial space. The relevant permits for construction had been granted during 2009 and construction works have commenced with the first pre-sale scheduled in the second quarter of 2010.

3. *LOHAS International Community*

The Group has a 51% interest in this residential project which is located in Changsha City in Hunan Province with a site area of approximately 632,837 square metres. The project is a large-scale residential development of five phases with ancillary facilities such as clubhouse, shops, car parking spaces, schools, kindergarten and landscaped garden. The planned gross floor area is composed of approximately 1,064,579 square metres.

| | Total gross floor area (square metres) | | | Delivered in 2009 |
|---------------------|--|-------------------------------|-------------------------------|----------------------|
| | Total | Pre-sold up to end of 2009 | Pre-sold up to end of 2008 | |
| Phase I (Part I) | 74,708 | 54,952 | — | 40,903 |
| Phase I (Part II) | 66,778 | — | — | — |
| Phase II to Phase V | 923,093 | — | — | — |
| Total | 1,064,579 | 54,952 | — | 40,903 |

As scheduled, this project will be completed in 2013. Part of the project with gross floor area of approximately 79,617 square metres has been approved for pre-sale, and pre-sale of Part I of Phase I was launched in September 2009. As of the end of the year, a total of 254 units had been contracted for sale with total contract sum of RMB295.0 million (2008: Nil). Construction works of Part II of Phase I has commenced.

The Group has recognized revenue of HK\$235.6 million in 2009 from the LOHAS International Community.

FURTHER ACQUISITION OF PROJECTS

On 13 November 2009, the Group entered into an acquisition agreement with one of the subsidiary of China Minmetals for the acquisition of the remaining 49% interest in Minmetals Land (Hunan) Jiahe Risheng Real Estate Development Co., Ltd. (“Jiahe Risheng”) and the entire interest in Minmetals Real Estate (Tianjin) Binhaixinqu Co., Ltd. (“Tianjin Binhaixinqu”) and Hunan Zhongrun Chengzhen Real Estate Co., Ltd. (“Zhongrun Chengzhen”) (the “Acquisition”). The total consideration of HK\$1,419,051,619 will be satisfied in full by the allotment and issue of 601,293,059 new shares at HK\$2.36 per share. The Acquisition will enlarge the profile of the Group’s real estate development projects portfolio in attaining a wider geographical coverage in the PRC.

Jiahe Risheng

Jiahe Risheng is the project company which develops the LOHAS International Community project. It will become a wholly-owned subsidiary of the Company following the completion of the Acquisition.

Tianjin Binhaixinqu

Tianjin Binhaixinqu holds the land-use rights of a property located in Tanggu District of the Tianjin City with a site area of approximately 20,786 square metres for commercial service and public facility uses. Tianjin Binhaixinqu is in the progress of developing the property into a commercial complex named as “Minmetals International” which will comprise two blocks of commercial, office and residential buildings with basement carpark, with a planned gross floor area of approximately 181,157 square metres. This project is expected to be completed in December 2010.

Zhongrun Chengzhen

Zhongrun Chengzhen holds the land-use rights of a property located in Changsha City in Hunan Province with a site area of approximately 312,115 square metres. Zhongrun Chengzhen is in the progress of developing the property into a residential project named as “Scotland Town” with ancillary commercial and club house and basement carpark, having a total planned gross floor area of approximately 530,596 square metres. This project is expected to be completed in June 2011.

The Acquisition has been approved by shareholders at the Company’s special general meeting held on 16 December 2009. Completion of the Acquisition is pending, among other matters, the obtaining of approvals and permissions as required by the relevant government and regulatory authorities of the PRC. Details of the Acquisition are contained in the Company’s circular dated 30 November 2009.

SPECIALISED CONSTRUCTION

The Group is engaged in the business of specialised construction which is the design and installation of curtain walls through two wholly-owned subsidiary companies: Shanghai Jin Qiao Condo Decoration Engineering Co., Ltd. (“SJQ”) in the PRC and Condo (Hong Kong) Decoration Engineering Company Limited (“Condo HK”) in the Hong Kong and Macau markets. Revenue from this operating segment increased 87.4%, from HK\$250.4 million in 2008 to HK\$469.2 million in 2009.

SJQ

Performance of SJQ in 2009 was steady amidst intensified competitive environment. SJQ recorded a revenue of HK\$472.8 million (including HK\$25.3 million generated from inter-company transactions (2008: HK\$11.7 million)), which is 106% higher than the corresponding figure of HK\$229.7 million in 2008. Whilst the achievement in 2009 was encouraging, the market in the PRC is highly competitive and the focus ahead for SJQ is to win new contracts for major developments and control costs.

Condo HK

In 2009, Condo HK’s revenue was HK\$21.7 million (including HK\$0.2 million generated from inter-company transactions (2008: HK\$0.1 million)), a decline of 31% compared with 2008 while it was working on reinforcing working relationships with major construction firms. These efforts should enable it to be better positioned in the bidding of major projects in Hong Kong in the future.

PROPERTY INVESTMENT

The Group’s investment property portfolio comprises two office buildings, namely the China Minmetals Tower in Tsimshatsui and the ONFEM Tower in Central, together with five residential units, all of which are located in Hong Kong. In 2009, revenue from this operating segment showed a 64.1% increase from HK\$28.4 million in 2008 to HK\$46.6 million in 2009, reflecting mainly the full year contribution from the China Minmetals Tower which the Group acquired in August 2008 and to a lesser extent generally higher occupancy rates in both buildings. The drop in profit was, however, largely attributable to the decrease in fair value gain. Given the fact that the majority of the rental agreements of the Group’s portfolio were set at comparatively high historical levels, there will be pressure on rental reversions in 2010. In dealing with the challenges, the Group will continue to improve upon the quality and value of its portfolio by upgrades and refurbishment of the buildings and by raising occupancy together with cost control.

MAJOR DEVELOPMENTS SUBSEQUENT TO YEAR END

The Company announced on 8 January 2010 the joint arrangements under a Co-operation Agreement in relation to a potential real estate development project in Xianghe County in Hebei Province with a site area of up to approximately 534 hectares. Details of the transaction are contained in the Company’s circular dated 12 March 2010.

STRATEGIES AND PROSPECTS

Under the effect of the implementation of government stimulus policies, growth in overall economy and strong market liquidity, the real estate industry rapidly recovered in 2009 and became overheated. At the end of 2009, government policies reversed from “supportive” and “stimulus” to “suppressive”, aiming to suppress the rocketing housing prices and address the need to build more housing for lower income group. This move has had certain impact on the market sentiment; hence the market is expected to experience certain extent of fluctuations in the short-term, but it will promote the healthy development of the property industry in the long term. Given the above factors and the need for a self-correction of the sector, it is expected that the real estate market in 2010 would be on a more stable course of development. Leading real estate developers in the industry would enjoy greater advantages in obtaining land resources and funding, while market competition would focus on the front of professionalism and systems.

As such, the Group will continue to leverage on the strong financial base and globalized business connections of China Minmetals for the Group's business development. The Group aims to further enhance the efficiency of its projects operation and the brand recognition of "Minmetals Land" for its urban residential projects. In terms of project investments, the Group will continue to adopt prudent approach on land acquisition. We will also strengthen the collaboration with our controlling shareholder, make effective use of our financial resources, and obtain quality land resources at reasonable costs, thereby achieving a nationwide coverage of projects. The Group will continue to optimize its work-flow processes, raise operational efficiency and strengthen risk management.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group derived its funds from a combination of sources namely, cash generating from business operations, borrowings from banks, rights issue and two share placements.

For the purposes of strengthening the capital base and raising equity funds for future development of the Group's business including acquisitions of land and investments in new real estate development projects and for generating working capital, the Group had, during the year, conducted the following fund raising activities:

- (i) The Group allotted and issued 556,915,891 new shares on 30 June 2009 pursuant to the 2 for 1 rights issue, at a subscription price of HK\$0.94 per rights share. The net proceeds raised amounted to approximately HK\$522.1 million;
- (ii) An aggregate of 220,000,000 shares were placed at a price of HK\$2.10 per share on 18 August 2009. The net proceeds raised amounted to approximately HK\$453.5 million; and
- (iii) An aggregate of 430,000,000 shares were placed at a price of HK\$2.45 per share on 17 December 2009. The net proceeds raised amounted to approximately HK\$930.3 million.

The confluence of the cash flow generating from the Group's business operations, significant banking facilities and coupled with the rights issue and share placements conducted during the year, has significantly strengthened the Group's financial resources. As at the end of 2009, total cash and bank balances of the Group stood at HK\$2,394.4 million, 277% higher than the corresponding figure in 2008. The Group also enjoys cordial relationships with banks and as at the end of 2009, banking facilities available to the Group amounted to HK\$831.7 million, representing an increase of 130% over the corresponding figure in 2008.

As at 31 December 2009, cash and bank deposits of the Group excluding restricted cash and pledged deposits were HK\$2,394.4 million (2008: HK\$635.9 million), of which, 15.5%, 69.6%, and 14.9% were denominated in Renminbi, Hong Kong dollar and United States dollar respectively (2008: 90.6%, 8.8% and 0.6%). Unutilized banking facilities of the Group amounted to HK\$106.5 million as at 31 December 2009 (2008: HK\$81.4 million).

Borrowings have been raised as another source of funding to finance the Group's operations and real estate development projects. This comprises borrowings from banks and minority investors of subsidiaries of the Group amounting to HK\$1,321.3 million (2008: HK\$639.1 million). The ratio of total borrowings to total equity of the Group decreased from 36.0% in 2008 to 27.9% in 2009 as a result of the expansion in share capital base following the rights issue in June 2009 and the share placements in August 2009 and December 2009 respectively.

Maturity profile of the Group's borrowings is as follows:

| | 31 December 2009 | | 31 December 2008 | |
|-----------------------------|------------------|--------------|------------------|-------|
| | HK\$ million | % | HK\$ million | % |
| Within one year | 718.9 | 54.4 | 639.1 | 100.0 |
| In the second to fifth year | 602.4 | 45.6 | - | - |
| | 1,321.3 | 100.0 | 639.1 | 100.0 |

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

| | 31 December 2009 | | 31 December 2008 | |
|------------------|-------------------------|--------------|------------------|-------|
| | HK\$ million | % | HK\$ million | % |
| Renminbi | 279.9 | 21.2 | 438.3 | 68.6 |
| Hong Kong dollar | 1,041.4 | 78.8 | 200.8 | 31.4 |
| | 1,321.3 | 100.0 | 639.1 | 100.0 |

Borrowings of HK\$912,905,000 (2008: HK\$639,134,000) were on a floating interest rate basis. Finance costs charged to the consolidated income statement for the year ended 31 December 2009 amounted to HK\$0.2 million (2008: HK\$0.4 million) after capitalization of HK\$71.3 million (2008: HK\$33.6 million) into the cost of properties under development.

Property development commitments as at 31 December 2009 amounted to HK\$311.0 million (2008: HK\$289.8 million). These commitments are to be financed by internal funds and borrowings.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group is exposed to exchange rate risk on transactions that are denominated in a currency other than Hong Kong dollars, the reporting and functional currency of the Company. During the year under review, most of the transactions of the Group were denominated in Hong Kong dollars and Renminbi. As such, the Group has exposure to exchange rate movements between Hong Kong dollars and Renminbi. Given that the expected continuing strength of Renminbi would have a positive impact, in Hong Kong dollar terms, on the Group's assets in and income generated from the PRC, the Group had not implemented any hedging or other alternative measures during the year but is closely monitoring the aforesaid exchange rate risks. As at 31 December 2009, the Group did not have exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

CHARGES ON GROUP ASSETS

As at 31 December 2009, certain assets of the Group were pledged as securities for the Group's banking facilities and these pledged assets of the Group included:

- (i) investment properties with carrying amounts of HK\$936.7 million (2008: HK\$344.0 million);
- (ii) leasehold land and buildings of HK\$59.7 million (2008: Nil); and
- (iii) fixed bank deposits of HK\$73.3 million (2008: HK\$5.6 million).

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 31 December 2009, the Company had executed corporate guarantees amounting to approximately HK\$763.5 million (2008: HK\$310.3 million), to various banks in respect of banking facilities extended to subsidiaries. At 31 December 2009, the utilised facilities, under which corporate guarantees from the Company were given, amounted to approximately HK\$657.0 million (2008: HK\$228.9 million).

As at 31 December 2009, the Group has provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Company and the outstanding mortgage loans under these guarantees amounted to approximately HK\$410.3 million (2008: HK\$422.2 million).

EMPLOYEES

As at 31 December 2009, the Group employed 355 (2008: 300) staff, including the Directors. The Group adopts a remuneration policy in line with market practice and the total remuneration and benefits of the Directors and staff of the Group for the year ended 31 December 2009 were HK\$54.9 million (2008: HK\$40.0 million).

SHARE OPTION SCHEME

The share option scheme of the Company (the “Share Option Scheme”) was adopted on 29 May 2003 and shall remain in force for 10 years from that date. The purpose of adopting the Share Option Scheme is to recognise and acknowledge the contributions that the eligible person (as defined in the Share Option Scheme) had made or may from time to time make to the Group, whether in the past or in the future. Details of the Share Option Scheme will be set out in the 2009 annual report of the Company.

As at 31 December 2009, there were 15,334,000 (2008: 13,630,000) outstanding share options granted under the Share Option Scheme.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

An annual general meeting of the shareholders of the Company is convened to be held on Friday, 28 May 2010 (the “AGM”). Accordingly, the register of members of the Company will be closed from Wednesday, 26 May 2010 to Friday, 28 May 2010 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the AGM, all share certificates with completed transfer forms must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 25 May 2010.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

In the opinion of the Directors, throughout the year ended 31 December 2009, the Company has complied with the code provisions of the Code on Corporate Governance Practices 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 would be subject to election at the first annual general meeting after their appointment. Besides, all Directors are subject to retirement by rotation in the manner as set out in the said code provision save for the Chairman and the Managing Director where they are not required to do so pursuant to the private company act 1991 by which the Company was incorporated.

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

Mr. Zhou Zhongshu, the former Chairman of the Board and of the remuneration committee, was not available for the Company’s annual general meeting for 2009 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the Managing Director and a member of the remuneration committee, took the chair of the said meeting.

Code for Securities Transactions by Directors

The Company has established a set of guidelines as its own “Rules and Procedures for Directors and Relevant Employees of the Company in respect of Dealings in Securities 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.

Specific enquiry had been made with all Directors who had confirmed in writing that they had complied with the Rules for Securities Transactions throughout the year ended 31 December 2009.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company comprises three Independent Non-executive Directors namely, Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria. The audit committee has reviewed with the Group’s independent auditor, PricewaterhouseCoopers (“PwC”), the consolidated financial statements of the Group for the year ended 31 December 2009 and has also discussed auditing, internal control and financial reporting matters including the review of accounting practices and principles adopted by the Group.

The figures in respect of this announcement of the Group’s results for the year ended 31 December 2009 have been agreed by PwC to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this announcement.

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 year ended 31 December 2009.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises nine Directors, namely Mr. Sun Xiaomin as the Chairman and a Non-executive Director, Mr. Qian Wenchao, Mr. He Jianbo, Mr. Yin Liang, Mr. Yan Xichuan and Ms. He Xiaoli as 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, 30 March 2010

The Company’s 2009 annual report containing, inter alia, the corporate governance report, the report of the directors and the consolidated financial statements for the year ended 31 December 2009 will be published on the Company’s website at www.minmetalsland.com and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk in due course.

* *For identification purpose only*