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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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2009**

FINANCIAL HIGHLIGHTS

	30 June 2009	30 June 2008	Percentage change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	378,053	98,035	+285.6%
Profit attributable to equity holders	40,961	27,169	+50.8%
Earnings per share from continuing operations (<i>HK cents</i>)	3.67	3.16	+16.1%

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 2009 together with the comparative figures of the corresponding period in 2008.

Condensed Consolidated Income Statement

For the six months ended 30 June 2009

		Unaudited	
		Six months ended 30 June	
		2009	2008
	Note	HK\$'000	HK\$'000
Continuing operations			
Revenue	3	378,053	98,035
Cost of sales	4	(322,367)	(83,164)
Gross profit		55,686	14,871
Other gains		2,087	145
Selling and distribution costs	4	(5,179)	(8,569)
Administrative expenses	4	(31,055)	(12,739)
Revaluation gain on investment properties		20,000	15,000
Operating profit		41,539	8,708
Finance income		6,576	10,825
Finance costs		(156)	(310)
Profit before tax		47,959	19,223
Tax charge	5	(1,931)	(18)
Profit for the period from continuing operations		46,028	19,205
Profit for the period from discontinued operations		—	2,738
Profit for the period		46,028	21,943
Attributable to:			
Equity holders of the Company		40,961	27,169
Minority interests		5,067	(5,226)
		46,028	21,943
Earnings per share for profit attributable to equity holders of the Company during the period (expressed in HK cents per share)			
Basic and diluted			
- from continuing operations	6	3.67	3.16
- from discontinued operations	6	—	0.35
		3.67	3.51
Dividends	7	—	—

Condensed Consolidated Balance Sheet

As at 30 June 2009

		Unaudited 30 June 2009 HK\$'000	Audited 31 December 2008 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		77,549	77,679
Investment properties		917,959	897,959
Goodwill		11,391	9,003
		<u>1,006,899</u>	<u>984,641</u>
Current assets			
Inventories		2,156,552	1,234,937
Trade and other receivables	8	231,018	251,438
Gross amounts due from customers for contract work		741	328
Current tax recoverable		707	707
Restricted cash and pledged deposits		11,939	14,288
Cash and bank deposits		1,117,568	635,853
		<u>3,518,525</u>	<u>2,137,551</u>
Total assets		<u>4,525,424</u>	<u>3,122,192</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		167,075	111,383
Reserves		1,991,454	1,470,677
		2,158,529	1,582,060
Minority interests		214,253	194,918
Total equity		<u>2,372,782</u>	<u>1,776,978</u>
LIABILITIES			
Non-current liabilities			
Borrowings		540,220	—
Deferred tax liabilities		7,285	7,069
Other liabilities		6,543	11,159
		<u>554,048</u>	<u>18,228</u>
Current liabilities			
Trade and other payables	9	484,540	449,322
Deferred revenue		10,620	194,995
Current tax payable		43,882	43,535
Borrowings		1,059,552	639,134
		<u>1,598,594</u>	<u>1,326,986</u>
Total liabilities		<u>2,152,642</u>	<u>1,345,214</u>
Total equity and liabilities		<u>4,525,424</u>	<u>3,122,192</u>
Net current assets		<u>1,919,931</u>	<u>810,565</u>
Total assets less current liabilities		<u>2,926,830</u>	<u>1,795,206</u>

Notes :

1. Organisation and operations

The Group is principally engaged in real estate development and project management, specialised construction, and property 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.

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 24 September 2009.

2. Basis of preparation and accounting policies

This condensed consolidated financial information for the six months ended 30 June 2009 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. It should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those described in the annual financial statements for the year ended 31 December 2008, except for the adoption of the following new and revised standards which are mandatory for the first time for the financial year beginning 1 January 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments

3. Segment information

The chief operating decision maker has been identified as the board of Directors. The board of Directors reviews the Group's internal financial reports in order to assess performance and allocate resources. The board of Directors has 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 in the PRC
Specialised construction :	Design, installation and selling of curtain walls and aluminium windows, doors and fire-proof materials in Hong Kong and the PRC
Property investment :	Holding of properties to generate rental income and to gain from the appreciation in the properties' values in the long term in Hong Kong
Manufacturing and trading (Discontinued in 2008) :	Manufacturing and trading of lubricant oil, industrial tools and chemical products in Hong Kong and the PRC

	Continuing operations								Discontinued operations	
	Real estate development and project management		Specialised construction		Property investment		Total		Manufacturing and trading	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
For the six months ended 30 June (unaudited)	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue										
Sales to external customers	273,572	557	81,049	87,048	23,432	10,430	378,053	98,035	—	37,046
Results										
Segment results	13,753	(18,355)	4,636	1,354	41,158	24,069	59,547	7,068	—	2,049
Unallocated (costs)/profit, net							(18,008)	1,640	—	—
Operating profit							41,539	8,708	—	2,049
Finance income							6,576	10,825	—	—
Finance costs							(156)	(310)	—	(8)
Tax (charge)/credit							(1,931)	(18)	—	697
Profit for the period							46,028	19,205	—	2,738
Other segment information										
Depreciation	328	405	282	266	579	73	1,189	744	—	281

Unallocated (costs)/profit, net represent corporate expenses and losses net of corporate income and gains such as net foreign exchange gain of HK\$2.0 million (30 June 2008:HK\$18.5 million).

4. Expenses by nature

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Amortisation of land lease premium	13,419	7,132
Less: amount capitalised into properties under development	(13,213)	(7,132)
	<u>206</u>	<u>—</u>
Depreciation	1,921	1,160
Operating lease charges – minimum lease payment in respect of land and buildings	2,330	3,598
Cost of inventories sold	241,859	—
Net foreign exchange gain	(1,975)	(18,468)
Employee benefit expense, including Directors' emoluments	21,879	19,459
Reversal of provision for impairment of receivables	(6,335)	—
Direct outgoings arising from investment properties that generated rental income	3,801	1,244
Specialised construction costs	76,707	81,746
Selling and distribution costs	5,179	8,569
Legal and professional fees	2,319	2,474
Project management costs	—	174
Others	10,710	4,516
Total of cost of sales, selling and distribution costs and administrative expenses	<u>358,601</u>	<u>104,472</u>

5. 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 2008: Nil).

Corporate income tax has been calculated on the estimated assessable profit for the period derived in the PRC at the rate of 25% (30 June 2008: 15%).

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Current tax – PRC corporate income tax Provision for the period	1,715	18
Deferred tax Recognition of temporary differences	<u>216</u>	<u>—</u>
Tax charge	<u>1,931</u>	<u>18</u>

6. Earnings per share

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

The basic and diluted earnings per share are the same since there are no potential dilutive shares for the period (30 June 2008: Nil). The Company's outstanding share options did not have a dilutive effect on the earnings per share.

	Six months ended 30 June	
	2009	2008
Weighted average number of ordinary shares in issue (thousands)	<u>1,116,909</u>	<u>773,832</u>
Profit from continuing operations attributable to equity holders (HK\$'000)	40,961	24,431
Earnings per share from continuing operations (HK cents)	<u>3.67</u>	<u>3.16</u>
Profit from discontinued operations attributable to equity holders (HK\$'000)	—	2,738
Earnings per share from discontinued operations (HK cents)	<u>—</u>	<u>0.35</u>

7. Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2009 (30 June 2008: Nil).

8. Trade and other receivables

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

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
0 - 30 days	15,757	39,899
31 - 60 days	9,751	31,811
61 - 90 days	24,682	25,525
Over 90 days	<u>110,052</u>	<u>73,773</u>
	160,242	171,008
Less: provision for impairment of receivables	<u>(1,208)</u>	<u>(1,196)</u>
	<u>159,034</u>	<u>169,812</u>

For the period ended 30 June 2009, no credit period is granted by the Group to the customers for contract receivables. A credit period of 30 days to 60 days from the date of invoice was granted to customers for trade receivables.

9. Trade and other payables

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

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
0 - 30 days	4,999	29,222
31 - 60 days	5,627	18,116
61 - 90 days	9,738	21,280
Over 90 days	<u>84,594</u>	<u>65,715</u>
	<u>104,958</u>	<u>134,333</u>

10. Capital commitments

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Contracted but not provided for in relation to		
Property development	384,730	289,816
Capital commitment in a new property development company	—	514,101
Others	187	187
	<u>384,917</u>	<u>804,104</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Following the successful implementation of restructuring and development initiatives including the disposal of the manufacturing and trading business at the end of 2008, the Group is now focusing on three synergistic core businesses with quality assets and operations, namely real estate development and project management, specialised construction and property investment.

During the six months ended 30 June 2009, the Group recorded consolidated revenue of HK\$378.1 million, representing an increase of 285.6% over the comparative figure of HK\$98.0 million for the corresponding period last year. This significant increase was mainly attributable to the revenue recognised in the real estate development operations and the additional rental contribution from the China Minmetals Tower acquired in August 2008.

Profit attributable to equity holders of the Company increased by 50.8% to HK\$41.0 million for the six months ended 30 June 2009 (30 June 2008: HK\$27.2 million). Excluding revaluation gain on investment properties of HK\$20.0 million (30 June 2008: HK\$15.0 million), profit attributable to equity holders of the Company during the period under review was HK\$21.0 million as compared to HK\$12.2 million for the same period last year.

In August 2008, the Group acquired the China Minmetals Tower from its controlling shareholder and as consideration, issued 340,000,000 new shares. On 30 June 2009, the Company completed a rights issue on the basis of one rights share for every two shares (the "Rights Issue"). As a result of these two transactions, the shares in issue increased from 773,831,783 shares as at 30 June 2008 to 1,113,831,783 shares as at 31 December 2008, and to 1,670,747,674 shares as at 30 June 2009. Despite the substantial expansion of the share capital of the Company, basic earnings per share for the six months ended 30 June 2009 for the continuing operations increased by 16.1% year-on-year to HK3.67 cents (30 June 2008: HK3.16 cents).

Following the issue of new shares during the 12 months ended 30 June 2009, the financial position of the Group, particularly in terms of total assets and total equity, has been considerably enhanced. As at 30 June 2009, total assets and total equity of the Group amounted to HK\$4,525.4 million (30 June 2008: HK\$3,157.2 million) and HK\$2,372.8 million (30 June 2008: HK\$1,136.4 million), respectively. Furthermore, on 4 September 2009, the acquisition of the entire equity interest in Luck Achieve Limited by the Group was concluded and has resulted in the addition to the Group's assets of approximately 230 million ordinary shares in Hong Kong-listed Franshion Properties (China) Limited (stock code: 817.HK) as well as approximately HK\$172.0 million in cash.

The board of Directors has resolved not to declare an interim dividend for the six months ended 30 June 2009 (30 June 2008: Nil).

The table below sets out total revenue and segment results of the Group by business segment with respect to the continuing operations for the six months ended 30 June 2009, together with the comparative figures for the corresponding period last year:

TOTAL REVENUE AND SEGMENT RESULTS BY BUSINESS SEGMENT

	Six months ended 30 June			
	Revenue		Segment results	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Real estate development and property management	273,572	557	13,753	(18,355)
Specialised construction	81,049	87,048	4,636	1,354
Property investment	23,432	10,430	41,158 ^(Note)	24,069 ^(Note)
Total	378,053	98,035	59,547	7,068

Note: including revaluation gain on investment properties of HK\$20.0 million and HK\$15.0 million for the six months ended 30 June 2009 and 2008, respectively

REAL ESTATE DEVELOPMENT AND PROJECT MANAGEMENT

The Group completed the sale of residential and commercial units of The Grand Panorama Project in Zhuhai, Guangdong Province, the PRC, in 2008 with only several car parking spaces remaining available for sale as at 30 June 2009. For the six months ended 30 June 2009, the Group was undertaking three real estate development projects in two cities in the PRC.

Location	Project	Interest of the Group
Nanjing City, Jiangsu Province	Laguna Bay Project	71.00%
	Riveria Royale Project	50.89%
Changsha City, Hunan Province	LOHAS International Community Project	51.00%

During the six months ended 30 June 2009, segment revenue of HK\$273.6 million was generated from the sale of the Laguna Bay Project and the car parking spaces of The Grand Panorama Project, and no revenue was generated by the Group from project management activities. The revenue of HK\$0.6 million in the corresponding period last year was, however, generated entirely from the remaining balance of the service fees from a project management service contract. This business segment achieved a profit of HK\$13.8 million against a loss of HK\$18.4 million in the previous period last year.

Laguna Bay Project

This three-phased residential development project is located in Jiangning District in Nanjing City of Jiangsu Province of the PRC with a total gross saleable floor area of approximately 262,000 square metres. The Group has a 71% interest in the Laguna Bay project.

Construction of Phase I of this project was completed in the first half of the year with more than 98% of the units pre-sold up to mid-September 2009. Most of the units pre-sold before 30 June 2009 were handed over to buyers during the period under review and hence the corresponding sale proceeds were recognised as revenue of the Group. Based on the satisfactory pre-sale results subsequent to 30 June 2009, the Group expects to recognise substantially all the sale proceeds from Phase I within the year 2009.

The pre-sale of the Phase II low-rise residential units and villas will commence in the fourth quarter of this year, while handover of the property units is expected to take place from December 2009. The construction work and pre-sale of Phase III are scheduled to start before the end of 2009 and in 2010 respectively.

LOHAS International Community Project

This six-phased residential development project is located in Changsha City in Hunan Province of the PRC with a total gross saleable floor area of approximately 1.0 million square metres. The Group has a 51% interest in the LOHAS International Community project.

Following the completion of the central commercial complex comprising residents' clubhouse and shops, pre-sale of part I of Phase I was officially launched in early September this year. Thus far, pre-sale results have been encouraging. Up to mid-September 2009, more than 140 residential units out of the 296 units allocated for pre-sale were contracted for sale, and these pre-sold units are expected to be handed over to buyers in stages commencing December 2009.

The construction work of part II of Phase I is under way and pre-sale is expected to be launched before the end of 2009.

Riveria Royale Project

This residential development project is located in Jianye District in the Nanjing City of Jiangsu Province of the PRC with a total gross saleable floor area of approximately 173,000 square metres. The Group has a 50.89% interest in the Riviera Royale project.

The project comprises condominium units and villas with a complex of shops and restaurants. During the period under review, site formation work had been completed. It is expected that the relevant permit for construction will be obtained imminently from the government authorities in the PRC and the construction work will commence in the fourth quarter of 2009. Pre-sale of the project is scheduled to be launched in the first quarter of 2010.

SPECIALISED CONSTRUCTION

The Group has been carrying out the specialised construction business in the form of design and installation of curtain walls through SJQ in the PRC and through Condo HK in Hong Kong and Macau. Both SJQ and Condo HK are wholly-owned subsidiaries of the Group.

SJQ

SJQ recorded revenue of HK\$68.9 million from external sales for the period under review as compared to the comparative figure of HK\$68.6 million in the corresponding period last year. Segment profit was HK\$3.5 million, up from HK\$0.04 million for the six months ended 30 June 2008. SJQ secured new contracts of a total amount of HK\$136.8 million in the first half of 2009. As at 30 June 2009, outstanding contracts on hand amounted to HK\$159.6 million (30 June 2008: HK\$163.9 million).

Condo HK

During the period ended 30 June 2009, Condo HK's revenue from external sales amounted to HK\$12.0 million as compared to the comparative figure of HK\$18.5 million in the corresponding period last year. Segment profit was HK\$0.9 million as compared to HK\$1.2 million for the same period in the preceding year. As at 30 June 2009, Condo HK's outstanding contracts on hand, including the Tamar Development Project, amounted to HK\$24.2 million (30 June 2008: HK\$43.7 million).

PROPERTY INVESTMENT

During the period under review, the property investment business primarily encompassed the leasing of office and commercial space of the ONFEM Tower and the China Minmetals Tower.

Revenue from this business segment increased by 124.7% year-on-year to HK\$23.4 million for the period under review (30 June 2008: HK\$10.4 million), mainly due to the additional rental contribution from the China Minmetals Tower since the third quarter of 2008. In the first half of 2009, the office acquisition market in Hong Kong was active, fuelled by the low interest rate environment. Buoyant conditions were evidenced by the revaluation gain on investment properties recorded by the Group of HK\$20.0 million during the period under review (30 June 2008: HK\$15.0 million). On the other hand, office rent in core areas such as the Central District generally faced downward pressure, as office space surrendered by companies had yet to be fully taken up. As such, rental rates of renewed leases in both the ONFEM Tower and the China Minmetals Tower during the first half of 2009 were slightly lower as compared to the rates achieved at the end of 2008. Nevertheless, according to market reports published by leading property valuers in Hong Kong, the downward pressure on office rents in core areas in Hong Kong may ease in the short-term as many companies may have already completed their downsizing. Excluding revaluation gain, segment profit was HK\$21.2 million for the six months ended 30 June 2009, up 133.0% from HK\$9.1 million in the corresponding period last year.

ONFEM Tower is a 25-storey commercial building located in the Central District on the Hong Kong Island. Occupancy rate was 88% as at 30 June 2009 (31 December 2008: 86%). *China Minmetals Tower* is a 20-storey office and commercial building located in Tsimshatsui in Kowloon. As at 30 June 2009, the occupancy rate for office and commercial spaces were 90% and 59% respectively (31 December 2008: 92% and 59%).

OUTLOOK

In the first half of 2009, while the global economy was still being affected by the global financial crisis, improvement in the economic situation in the PRC became apparent after implementation of a series of economic stimulus policies. In the PRC and in particular since the second quarter of 2009, the government had introduced a RMB4 trillion stimulus plan by increasing credit and liquidity in the market primarily to boost domestic demand. At least partially driven by such stimulus policies, a substantial pick-up in latent demand was seen as evidenced by the rebound in the PRC real estate market in terms of transaction volumes and prices in recent months.

Facing the unexpected change in market fundamentals as described above, the Group promptly adapted to more positive market conditions. Capitalising on the experience of our dedicated management team and leveraging on the strong brand name of China Minmetals Corporation, our controlling shareholder, the Group continued to focus on using effective and pertinent marketing strategies for its real estate development business to achieve satisfactory results. Furthermore, with strong support from China Minmetals Corporation, the Group was able to complete a series of acquisitions and fund-raising activities, thereby enhancing our asset base and position the Group for future growth and expansion.

At present, whilst the economic situation in the PRC appears to be in the process of stabilising with some early signs of recovery, there is still uncertainty as to whether or not the recovery will be sustainable. The current rebound in the PRC real estate market is likely to have been induced by low interest rates, abundant liquidity and medium-term inflationary expectations all contributing to a one-time release of latent demand. Similarly, it is uncertain as to whether and how the PRC government's fine-tuning policies in the near future might impact on the real estate sector in light of the uncertain economic recovery. Nevertheless, given the PRC government's reiteration that the "appropriately relaxed" monetary policy will continue in the short-run, the Group is optimistic about the medium to long-term prospects of the property market in the PRC and will pay close attention to the potential influence of changes in macro economic policies.

In order to continue and sustain business growth, the Group will continue to adopt a "proactive, prudent and appropriately focused" principle of investment in its real estate development business. More specifically, the

Group will continue to identify and pursue quality real estate development projects in the PRC in first-tier cities (such as Beijing, Shanghai and Tianjin) and core second-tier cities (such as Changsha and Nanjing). Projects which are determined to be attractive after rigorous feasibility and risk assessment will be pursued through various means such as public auction and private acquisition so that the Group's real estate project portfolio will maintain its healthy growth.

Looking ahead, the Group considers that the prospects for the real estate market in the PRC to be favourable and believes that, with the support of our controlling shareholder and the efforts of our management to enhance our business management capabilities, product quality, brand value and ability to innovate, we will be able to achieve satisfactory results and continue to enhance shareholders value.

FUND RAISING ACTIVITIES, LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group's operations were financed by funds mainly from cash flows generated from business operations, the Rights Issue as well as borrowings from banks.

For the purpose of strengthening the capital base and raising long-term equity for future development of the Group's real estate development business (including acquisitions of land and investments in new real estate development projects) and for general working capital, the Company conducted the following activities:

- (i) The Company allotted and issued 556,915,891 new shares on 30 June 2009 pursuant to the Rights Issue at the subscription price of HK\$0.94 per share. The net proceeds of the Rights Issue amounted to approximately HK\$522.1 million; and
- (ii) Subsequent to the period ended 30 June 2009, the Company placed an aggregate of 222,000,000 shares at a price of HK\$2.10 per share to professional, institutional and individual investors on 18 August 2009 and allotted and issued on 26 August 2009 a total of 222,000,000 shares to June Glory, the immediate controlling shareholder of the Company under the top-up placement. The net proceeds of the top-up placement amounted to approximately HK\$453.5 million.

As at 30 June 2009, cash and bank deposits (excluding restricted cash and pledged deposits) of the Group amounted to HK\$1,117.6 million (31 December 2008: HK\$635.9 million), of which 49.9%, 49.5% and 0.6% (31 December 2008: 90.6%, 8.8% and 0.6%) 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\$1,599.8 million as at 30 June 2009 (31 December 2008: HK\$639.1 million). The total borrowings included borrowings from banks, minority investors of subsidiaries of the Company and a fellow subsidiary of the Company. The net debt (total borrowings less cash and bank deposits excluding restricted cash and pledged deposits) of the Group as at 30 June 2009 amounted to HK\$482.2 million (31 December 2008: HK\$3.3 million) making the Group's gearing ratio at 20.3% on the said date (31 December 2008: 0.2%), calculated by net debt divided by total equity of HK\$2,372.8 million (31 December 2008: HK\$1,777.0 million).

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

	30 June 2009 <i>HK\$'000</i>	31 December 2008 <i>HK\$'000</i>
Within one year	1,059,552	639,134
In the second to fifth year	540,220	—
	1,599,772	639,134

As at 30 June 2009, borrowings denominated in Renminbi amounted to RMB436.5 million (approximately HK\$497.5 million) (31 December 2008: RMB388.2 million (approximately HK\$438.3 million)), while the remaining balance of HK\$1,102.3 million (31 December 2008: HK\$200.8 million) was bank borrowings denominated in Hong Kong dollars. All of the Group's borrowings are on a floating interest rate basis. Finance costs charged to the consolidated income statement for the six months ended 30 June 2009 amounted to HK\$156,000 (30 June 2008: HK\$310,000) after capitalisation of HK\$36.3 million (30 June 2008: HK\$20.3 million) into the cost of properties under development. The unutilised banking facilities of the Group amounted to HK\$59.1 million as at 30 June 2009 (31 December 2008: HK\$81.4 million).

Property development commitments of the Group as at 30 June 2009 amounted to HK\$384.7 million (31 December 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 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. Given that the expected continuing strength of the 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 2009 but is closely monitoring the aforesaid exchange risks. As at 30 June 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 30 June 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\$918.0 million (31 December 2008: HK\$344.0 million), (ii) properties under development of HK\$1,153.9 million (31 December 2008: HK\$428.7 million), (iii) leasehold land and buildings of HK\$59.9 million (31 December 2008: Nil), and (iv) fixed bank deposits of HK\$5.6 million (31 December 2008: HK\$5.6 million).

CONTINGENT LIABILITIES

As at 30 June 2009, 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\$418.4 million (31 December 2008: HK\$422.2 million).

EMPLOYEES

As at 30 June 2009, the Group employed 294 (30 June 2008: 298) staff, including the Directors. The total remuneration and benefits of the Directors and staff of the Group during the six months ended 30 June 2009 were HK\$21.9 million (30 June 2008: HK\$19.5 million). The Group adopts a remuneration policy in line with market practice.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

In the opinion of the Directors, throughout the six months ended 30 June 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, the 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 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 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, did not attend 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” (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 six months ended 30 June 2009.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company comprises three Independent Non-executive Directors namely, Mr. Selwyn Mar, Mr. Lam Chun, Daniel and Ms. Tam Wai Chu, Maria. The audit committee has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2009, 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 2009.

BOARD OF DIRECTORS

As at the date of this announcement, the board of Directors comprises nine Directors namely, Mr. Sun Xiaomin as the Chairman and a Non-executive Director, Mr. 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, 24 September 2009

website: <http://www.minmetalsland.com>

** For identification purpose only*