



五礦建設有限公司*

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號：230



2014 Interim Report

中期報告



Cover photo:

Minmetals Vanke City

Minmetals Vanke City is located in Langfang, Hebei Province.

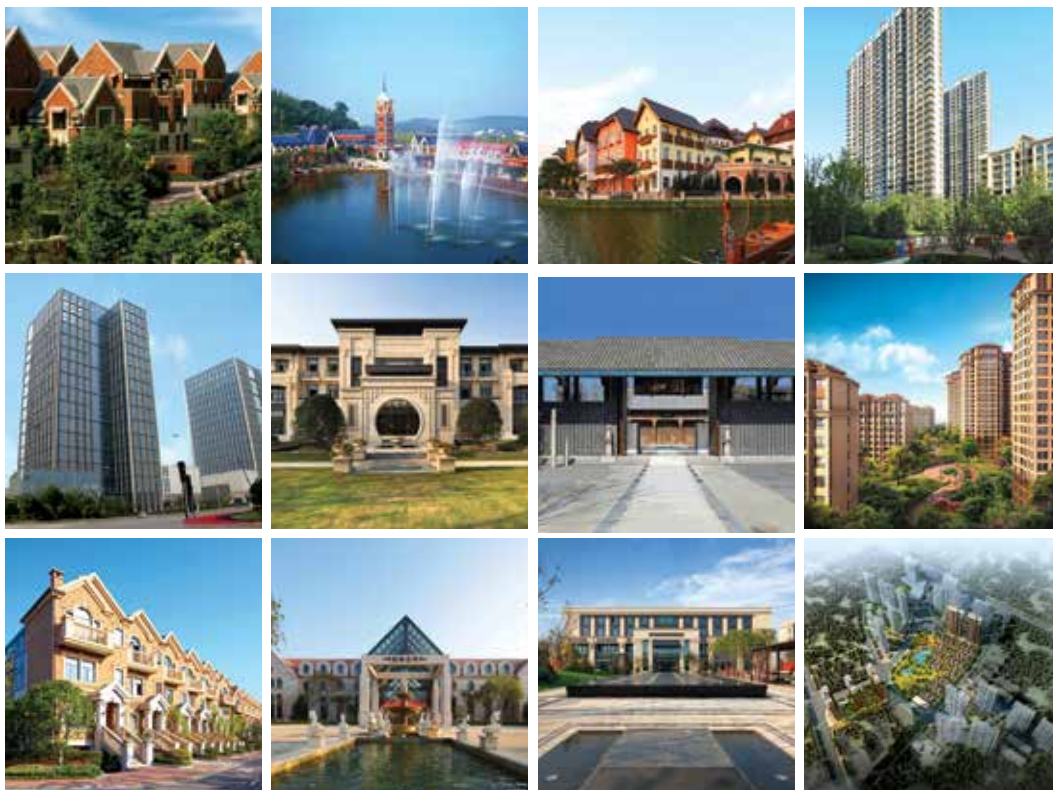
封面圖片：

五礦萬科城

五礦萬科城位於河北省廊坊市。

About Us

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



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Corporate Information

NON-EXECUTIVE DIRECTORS

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

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

Ms. Chung Wing Yee

INDEPENDENT AUDITOR

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

PRINCIPAL BANKERS

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

BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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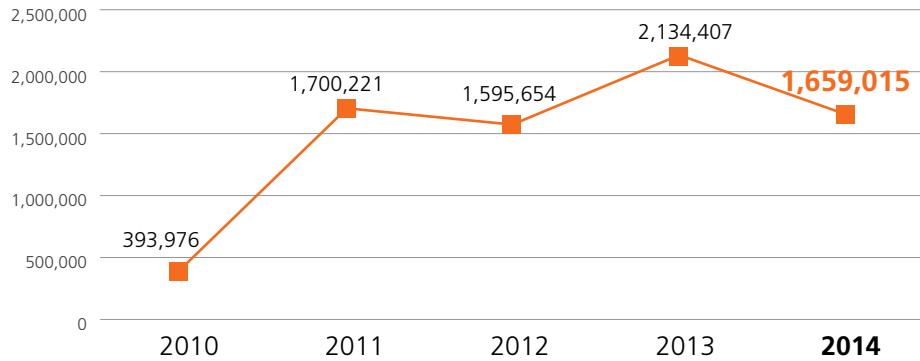
WEBSITE

<http://www.minmetalsland.com>

Financial Highlights

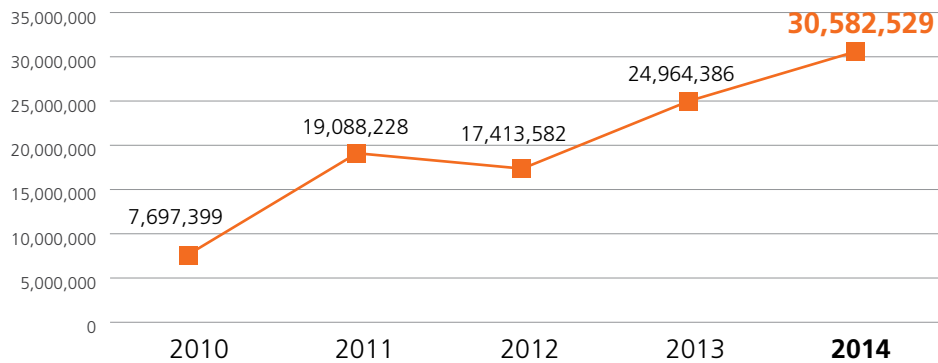
Revenue (HK\$'000)

(For the six months ended 30 June)



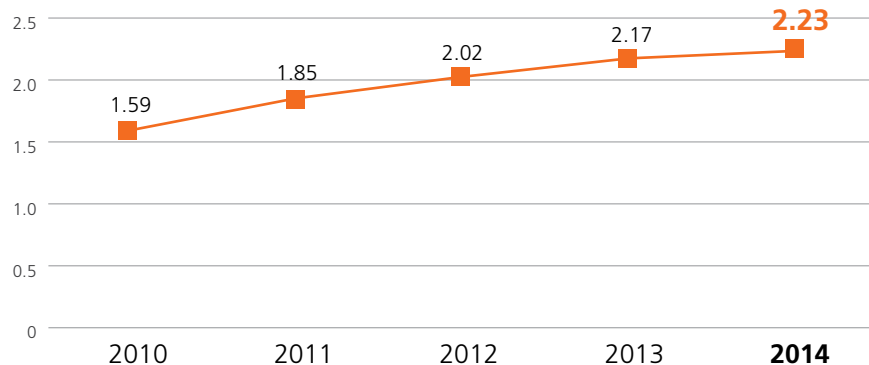
Total Assets (HK\$'000)

(As at 30 June)



Net Asset Value Per Share (HK\$)

(As at 30 June)



REAL ESTATE DEVELOPMENT PROJECTS

Beijing



Project	: Fortune Garden
Location	: Xibeiwang Town, Haidian District, Beijing, the PRC
Usage	: Residential
Site area	: Approximately 139,000 square metres
Gross floor area	: Approximately 416,000 square metres
Group's interest	: 51%
Expected construction completion date	: 4Q 2015

Yingkou



Project	: Platinum Bay
Location	: Liaoning (Yingkou) Coastal Industrial Base, Yingkou City, Liaoning Province, the PRC
Usage	: Residential
Site area	: Approximately 396,000 square metres
Gross floor area	: Approximately 517,000 square metres
Group's interest	: 100%
Expected construction completion date	: Phase III in 4Q 2015

Langfang



Project	: Minmetals Vanke City
Location	: Jingxintun Town, Xianghe County, Langfang City, Hebei Province, the PRC
Usage	: Residential
Site area	: Approximately 395,000 square metres
Gross floor area	: Approximately 622,000 square metres
Group's interest	: 50%
Expected construction completion date	: 2016

Tianjin



Project	: Minmetals International
Location	: At east of Yingbin Main Road and south of Tuochang Road, Tanggu District, Tianjin, the PRC
Usage	: Commercial and residential
Site area	: Approximately 21,000 square metres
Gross floor area	: Approximately 183,000 square metres
Group's interest	: 100%
Construction completion date	: 2011

Nanjing



Project : **Laguna Bay**
 Location : At the junction of Xue Si Road and Xue Qi Road, Science Park, Jiangning District, Nanjing, Jiangsu Province, the PRC
 Usage : Residential
 Site area : Approximately 310,000 square metres
 Gross floor area : Approximately 310,000 square metres
 Group's interest : 71%
 Construction completion date : 2013



Project : **Riviera Royale**
 Location : No. 188 Mengdu Avenue, Jianye District, Nanjing, Jiangsu Province, the PRC
 Usage : Residential
 Site area : Approximately 73,000 square metres
 Gross floor area : Approximately 222,000 square metres
 Group's interest : 98.88%
 Construction completion date : 2012



Project : **Sello Royale**
 Location : At south of Hongjing Road, Science Park, Jiangning District, Nanjing, Jiangsu Province, the PRC
 Usage : Residential
 Site area : Approximately 179,000 square metres
 Gross floor area : Approximately 270,000 square metres
 Group's interest : 100%
 Expected construction completion date : 4Q 2014



Project : **Academic Royale**
 Location : At Tian He Road, southern part of Hexi, Jianye District, Nanjing, Jiangsu Province, the PRC
 Usage : Residential
 Site area : Approximately 136,000 square metres
 Gross floor area : Approximately 465,000 square metres
 Group's interest : 66.67%
 Expected construction completion date : Phase I in 4Q 2015

Changsha



Project : **LOHAS International Community**
 Location : At Gaoyun Road, Muyun Town, Changsha County, Hunan Province, the PRC
 Usage : Residential
 Site area : Approximately 643,000 square metres
 Gross floor area : Approximately 1,084,000 square metres
 Group's interest : 100%
 Expected construction completion date : Phase V in 4Q 2015

Changsha



Project	: Scotland Town
Location	: At Yuntang Village and Yuetang Village, Muyun Town, Changsha County, Hunan Province, the PRC
Usage	: Residential
Site area	: Approximately 333,000 square metres
Gross floor area	: Approximately 440,000 square metres
Group's interest	: 100%
Construction completion date	: 2013



Project	: Kaifu Project
Location	: Fu Yuan West Road, Kaifu District, Changsha County, Hunan Province, the PRC
Usage	: Residential and commercial
Site area	: Approximately 150,000 square metres
Gross floor area	: Approximately 520,000 square metres
Group's interest	: 100%
Expected construction completion date	: Phase I in 4Q 2016

Huizhou



Project	: Hallstatt See
Location	: Mai Tian Ling, Boluo County, Huizhou City, Guangdong Province, the PRC
Usage	: Residential
Site area	: Approximately 984,000 square metres
Gross floor area	: Approximately 1,154,000 square metres
Group's interest	: 80%
Expected construction completion date	: Phase II in 2Q 2014

MAJOR INVESTMENT PROPERTIES

Hong Kong



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



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



Management Discussion and Analysis

Management Discussion and Analysis



BUSINESS REVIEW

The Group's consolidated revenue for the first half of 2014 was HK\$1,659.0 million, representing a decrease of 22.3% compared to HK\$2,134.4 million in the corresponding period last year. Specifically, real estate development segment, which accounted for 75.1% of the overall revenue, recorded a

revenue decline of 27.2% to HK\$1,246.0 million (30 June 2013: HK\$1,710.8 million). The drop in real estate development revenue was mainly attributable to lesser amount of properties delivered to the buyers in the first half of 2014. Revenue from specialised construction segment

recorded a slight decrease of 3.5% to HK\$379.9 million (30 June 2013: HK\$393.6 million) whilst revenue from property investment segment increased by 10.3% to HK\$33.1 million (30 June 2013: HK\$30.0 million) as a result of better rental revision.

Segment Revenue

	For the six months ended 30 June				Year-on-year change
	2014		2013		
	HK\$ million	%	HK\$ million	%	%
Real estate development	1,246.0	75.1	1,710.8	80.2	-27.2
Specialised construction	379.9	22.9	393.6	18.4	-3.5
Property investment	33.1	2.0	30.0	1.4	+10.3
Total	1,659.0	100.0	2,134.4	100.0	-22.3

Overall gross profit margin has noted a slight decline from 30.9% to 29.3% mainly due to lower-margin products being delivered and recognised during the period. As a result of a significant increase in valuation gain of investment properties to HK\$51.2 million (30 June 2013: HK\$22.0 million), as well as a substantial drop in finance cost to HK\$28.8 million (30 June 2013: HK\$86.5 million) due to a higher portion of interest expenses being capitalised as property under development during the period, profit attributable to equity holders of the Company surged 25.3% to HK\$173.3 million from HK\$138.3 million for the corresponding period last year, whilst basic earnings per Share was improved to HK5.19 cents (30 June 2013: HK4.14 cents) for the period.

As at 30 June 2014, the Group's net assets showed a slight decline of 3.5% to HK\$10,944.1 million (31 December 2013: HK\$11,344.2 million). Nonetheless, the financial position of the Group remained healthy. As at 30 June 2014, the Group's net gearing ratio maintained at a relatively low level of 52.7% and its net current assets amounted to HK\$18,448.9 million (31 December 2013: HK\$17,131.1 million), representing an increase of 7.7% through proper management of loan maturity profile. Deferred revenue, which mainly represented the contracted sales of the Group brought forward and will be recognised as the Group's revenue when presold properties are completed and delivered to buyers, accounted for 41.3% of current liabilities

and rose 80.3% to HK\$3,648.2 million (31 December 2013: HK\$2,023.8 million).

The Board has made thorough evaluation of the Group's financial position and the funding requirements for the projects currently undertaken and contemplated, as well as the overall macro and operating environment in which the Group is operating, and consider to be in the long term interest of the Group and of the Shareholders as a whole, not to declare an interim dividend for the six months ended 30 June 2014 (30 June 2013: Nil).

REAL ESTATE DEVELOPMENT



Management Discussion and Analysis



◀ Fortune Garden in Beijing

Contracted Sales

In the first half of 2014, the Group's total contracted sales reached RMB2,617 million (30 June 2013: RMB3,113 million) and the gross floor area

contracted for sale amounted to 134,395 square metres over 1,066 units (30 June 2013: 1,736 units). The average selling price rose 54.4% to approximately RMB19,500 per square metre and the

majority of the contracted sales of the Group were derived from Tier 1 and 2 cities.

The table below provides an analysis by project of contracted sales for the first half of 2013 and 2014:

Project	Six months ended 30 June 2014			Six months ended 30 June 2013		
	Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)	Contracted amount (RMB million)	Contracted GFA (sq.m.)	ASP (RMB/sq.m.)
Beijing Fortune Garden	1,242	25,532	48,642	1,001	20,968	47,742
Yingkou Platinum Bay	64	10,079	6,382	85	11,004	7,704
Tianjin Minmetals International	30	1,304	22,941	157	14,352	10,944
Nanjing Laguna Bay	38	2,729	13,756	28	2,414	11,464
Nanjing Riviera Royale	7	242	28,544	196	8,176	23,993
Nanjing Sello Royale	258	16,774	15,355	627	45,012	13,922
Nanjing Academic Royale	662	28,565	23,191	—	—	—
Changsha LOHAS International Community	270	43,649	6,191	330	48,839	6,767
Changsha Scotland Town	27	3,677	7,309	338	61,774	5,474
Huizhou Hallstatt See	19	1,844	10,404	351	34,291	10,238
Total	2,617	134,395	19,472	3,113	246,830	12,612

Project Profiles

Location/Project	Attributable interest to the Group	Site Area (sq.m.)	Estimated GFA (sq.m.)	GFA completed (sq.m.)	GFA under development (sq.m.)	GFA held for future development (sq.m.)
Pan Bohai Rim						
1. Beijing Fortune Garden	51.00%	139,000	416,000	64,000	265,000	87,000
2. Yingkou Platinum Bay	100.00%	396,000	517,000	103,000	44,000	370,000
3. Langfang Minmetals Vanke City	50.00%	395,000	622,000	—	—	622,000
4. Tianjin Minmetals International	100.00%	21,000	183,000	183,000	—	—
Yangtze River Delta						
5. Nanjing Laguna Bay	71.00%	310,000	310,000	310,000	—	—
6. Nanjing Riviera Royale	98.88%	73,000	222,000	222,000	—	—
7. Nanjing Sello Royale	100.00%	179,000	270,000	109,000	161,000	—
8. Nanjing Academic Royale	66.67%	136,000	465,000	—	327,000	138,000
Central China						
9. Changsha LOHAS International Community	100.00%	643,000	1,084,000	508,000	428,000	148,000
10. Changsha Scotland Town	100.00%	333,000	440,000	440,000	—	—
11. Changsha Kaifu Project	100.00%	150,000	520,000	—	—	520,000
Pearl River Delta						
12. Huizhou Hallstatt See	80.00%	984,000	1,154,000	108,000	132,000	914,000

Beijing Fortune Garden

Fortune Garden is a residential development project located at Xibeiwang Town, Haidian District, Beijing. The development occupies an aggregate site area of approximately 139,000 square metres and has an aggregate planned gross floor area of approximately 416,000 square metres. In December 2012, the project received the "International Award" by the British Association of Landscape Industries in recognition of its outstanding landscape design. The Group has planned two phases for this project. Development of Phase I commenced in October 2011 and has been partially completed and delivered. Construction of Phase II commenced in June 2013 and pre-sale was launched in July 2013. For the period under review, the contracted sales was around 25,532 square metres.

Yingkou Platinum Bay

Platinum Bay is a residential development project that comprises villas and planned condominium units. It is located at Liaoning (Yingkou) Coastal Industrial Base, Yingkou City, Liaoning Province. The project occupies an aggregate site area of approximately 396,000 square metres and has an aggregate planned gross floor area of approximately 517,000 square metres. The Group has planned six phases for this project. Development of Phases I and II was completed in December 2012. Construction of Phase III commenced in March 2014 and pre-sale was launched in June 2014. The remaining three phases are currently under planning. For the period under review, the contracted sales was around 10,079 square metres.

Langfang Minmetals Vanke City

Minmetals Vanke City is a residential development project located in Xianghe County, Langfang City, Hebei Province. The project occupies an aggregate site area of approximately 395,000 square metres and has an aggregate planned gross floor area of approximately 622,000 square metres. As the Beijing-Tianjin-Hebei integration has played a positive role in boosting real estate market in Xianghe County, the Group seeks to grasp the sales opportunities arising from favourable regulatory and marketing environment and planned to commence pre-sale in the fourth quarter of 2014. The project has already completed the tendering work for construction and supervision.

Management Discussion and Analysis



▲ Fortune Garden in Beijing



▲ Platinum Bay in Yingkou



▲ Hallstatt See in Huizhou

Tianjin Minmetals International

Minmetals International is a mixed commercial and residential development project located at the east of Yingbin Main Road and south of Tuochang Road, Tanggu District, Tianjin. This project is comprised of office space, apartments and retail stores as well as car-parking spaces. The development occupies an aggregate site area of approximately 21,000 square metres and has an aggregate planned gross floor area of approximately 183,000 square metres. All development works of this project have basically completed. So far, 70% of the gross saleable floor area including car-parking lots was sold. For the period under review, the contracted sales was around 1,304 square metres.

Nanjing Laguna Bay

Laguna Bay is a fairly mature project, which located at the junction of Xue Si Road and Xue Qi Road, Science Park, Jiangning District, Nanjing, Jiangsu Province. Having completed the development of this residential development project over three phases, it is comprised of terrace houses, high-rise apartments, low-rise villas together with a three-storey commercial building. The project occupies an aggregate site area of approximately 310,000 square metres including the lake area and has an aggregate planned gross floor area of approximately 310,000 square metres. It features two lakes and an open green

space at the centre of the development, supplemented with neighbouring land totaling 20 acres which is reserved for education purposes and other ancillary facilities. All development works of this project have basically completed. So far, 99% of the gross saleable floor area including car-parking lots was sold. It is noteworthy that this project has successfully established a high benchmark in Nanjing and the Group has gained considerable market recognition in the region. For the period under review, the contracted sales was around 2,729 square metres.

Nanjing Riviera Royale

Riviera Royale is the second residential development project acquired by the Group in Nanjing. It comprises villas, apartments and LOFT units aiming at the high-end market. It has ancillary facilities including a central park and a club house of approximately 12,000 square metres and approximately 2,000 square metres respectively. The project is located at Mengdu Avenue, Jianye District, Nanjing, Jiangsu Province. It occupies an aggregate site area of approximately 73,000 square metres and has an aggregate planned gross floor area of approximately 222,000 square metres. All development works of this project have basically completed. So far, 99% of the gross saleable floor area including car-parking lots was sold. In August 2013, the Group acquired 48.53% equity interest in the joint

venture for the development of this project from the joint venture partner, ASPF II Sapphire GmbH ("Fund"), which symbolises the Fund's final exit. This landmark transaction is a testimony of the Group's strong execution capability on both the financing and project management front, resulting in a win-win situation for both parties in the partnership. For the period under review, the contracted sales was around 242 square metres.

Nanjing Sello Royale

Sello Royale is the Group's third residential development project in Nanjing, which located at south of Hongjing Road, Science Park, Jiangning District, Nanjing, Jiangsu Province. It occupies an aggregate site area of approximately 179,000 square metres and has an aggregate planned gross floor area of approximately 270,000 square metres. The project is planned for development of villas and low-rise apartments. Construction of the project commenced in April 2012. Pre-sales of the project began in December 2012. Further development and marketing of this project is expected in 2014, and the outlook for this project remains largely optimistic. For the period under review, the contracted sales was around 16,774 square metres.

Nanjing Academic Royale

Academic Royale is the Group's fourth and latest residential development project in Nanjing, which is located at Tian He Road, southern part of Hexi, Jianye District, Nanjing, Jiangsu Province, approximately 5 kilometres from the Nanjing Olympic Sports Centre, the main stadium for the Nanjing 2014 Summer Youth Olympic Games. The land is located within the Nanjing Hexi New City Zone, a district of key future development, with a construction plan of becoming comfortable living Eco-City, and the project will be developed into a high-quality residential community with low density. The project occupies an aggregate site area of approximately 136,000 square metres and has an aggregate planned gross floor area of approximately 465,000 square metres. The Group has planned two phases for this project. Development of Phase I commenced in the third quarter of 2013 which is expected to reach completion in the fourth quarter of 2015. Pre-sale of Phase I was launched in May 2014 and market response has been very positive. Development of Phase II has commenced in the first quarter of 2014 as scheduled, and pre-sale is expected in the third quarter of 2014. For the period under review, the contracted sales was around 28,565 square metres.

Changsha LOHAS International Community

LOHAS International Community is a large-scale residential development project with ancillary facilities, such as clubhouse, shops, car-parking lots, schools and landscaped garden. Located at Gaoyun Road, Muyun Town, Changsha County, Hunan Province, the project occupies an aggregate site area of approximately 643,000 square metres, including a private lake of 30,000 square metres, and has an aggregate planned gross floor area of approximately 1,084,000 square metres. The Group has planned five phases for

this project. Development of Phases I and II was completed in December 2010 and Phase III was completed in August 2013. Development of Phase IV commenced in March 2013 and is scheduled to complete by the end of 2014. Development of Phase V commenced in December 2013 and is scheduled to complete by the fourth quarter of 2015. For the period under review, the contracted sales was around 43,649 square metres.

Changsha Scotland Town

Scotland Town is a residential development project located at Yuntang Village and Yuetang Village, Muyun Town, Changsha County, Hunan Province, and is adjacent to LOHAS International Community. The development occupies an aggregate site area of approximately 333,000 square metres and has an aggregate planned gross floor area of approximately 440,000 square metres. The Group has planned two phases for this project. Development of Phases I and II reached completion in August 2011 and November 2013 respectively. So far, 98% of the gross saleable floor area including car-parking lots was sold. For the period under review, the contracted sales was around 3,677 square metres.

Changsha Kaifu Project

Kaifu Project is a residential development project located at Fu Yuan West Road, Kaifu District, Changsha County, Hunan Province. These lands are located at a comfortable living Eco-City zone under planning, with close proximity to the Kaifu District Administration Centre. The development occupies an aggregate site area of approximately 150,000 square metres and has an aggregate planned gross floor area of approximately 520,000 square metres, of which approximately 331,000 square metres is designated for residential purpose,

approximately 113,000 square metres for commercial purpose, approximately 5,000 square metres for public ancillary facility purpose, and approximately 71,000 square metres for car-parking and civil air defense purpose. According to the development plan, the residential portion will be turned into a quality residential community for first home buyer and upgrading demand, whilst the commercial portion will be positioned as a 5A graded office building. The Group has planned three phases for this project. Development of phase I is scheduled to commence in September 2014 and is expected to complete in the fourth quarter of 2016, in which development of the villas is scheduled to reach completion by December 2015, and development of the high-rise units is scheduled to reach completion by December 2016.

Huizhou Hallstatt See

Hallstatt See is a residential development project located in Boluo County, Huizhou City, Guangdong Province and is in close proximity to many amenities including golf course. Surrounded by hills and a 20-acre lake, the development occupies an aggregate site area of approximately 984,000 square metres and has an aggregate planned gross floor area of approximately 1,154,000 square metres. The project was given an award for its innovative cultural and resort real estate model (文化與旅遊度假地產模式創新大獎) in the 10th Annual Real Estate Billboard event hosted by the China Commercial Real Estate Commission. The project will be developed over seven phases where Phases I, II and III are under construction. The entire project is scheduled to complete by the end of 2019. For the period under review, the contracted sales was around 1,844 square metres.

Management Discussion and Analysis

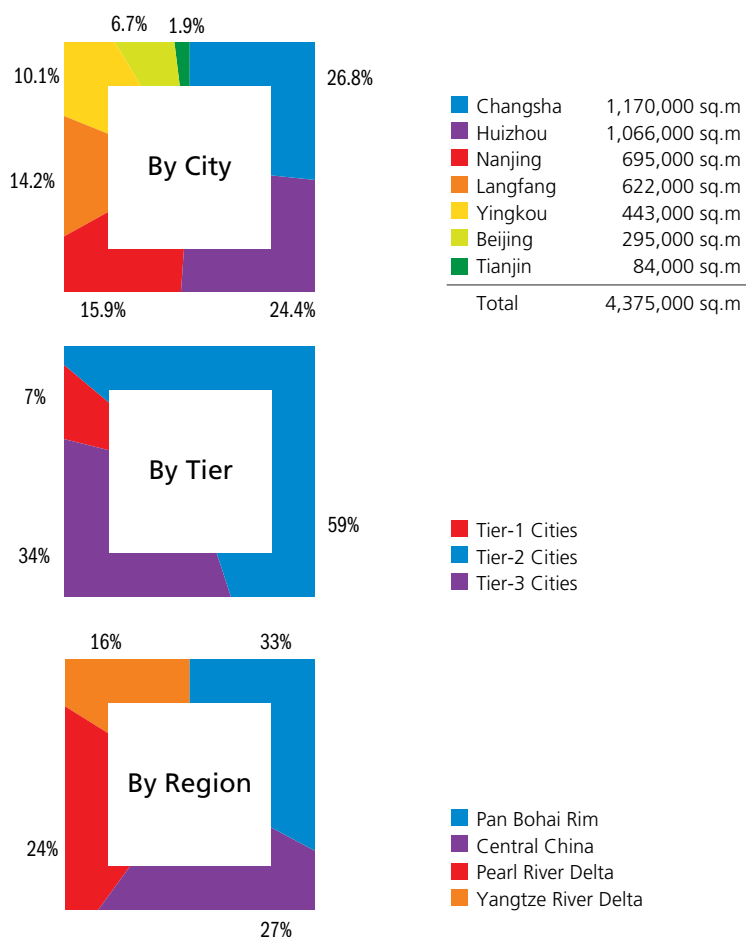


◀ Sello Royale in Nanjing

Land Bank

As at 30 June 2014, the Group had a land bank developable in gross floor area of approximately 4.38 million square metres across 12 real estate development projects in 7 cities located in mainland China, including Beijing, Yingkou, Langfang, Tianjin, Nanjing, Changsha and Huizhou.

Land Bank Composition





◀ *Left*
Curtain wall works at Ko Shan Theatre

◀ *Right*
Curtain wall works at Qingdao MIXc

SPECIALISED CONSTRUCTION

The Group is engaged in the business of specialised construction mainly encompassing the services of design, production and installation of curtain walls system via two wholly-owned subsidiaries, namely Condo Shanghai for the PRC market and Condo Hong Kong for the Hong Kong market. In the first half of 2014, revenue derived from this operating segment showed a slight decline of 3.5% and its operating results, net of intra-group transactions, showed an operating profit of HK\$16.2 million (30 June 2013: operating loss of HK\$5.7 million).

During the period, Condo Shanghai has an improving performance in financial management and accounts receivable collection rate. Tendering will remain as top priority for the business unit in the remainder of the year. Condo Hong Kong had experienced delays in key projects, which was attributable to postponement in handover of construction sites. Intense industry competition and rising labour cost in the Hong Kong market has also lowered its gross margin.

PROPERTY INVESTMENT

The Group's investment property portfolio in Hong Kong comprises two commercial office buildings, namely ONFEM Tower in Central and China Minmetals Tower in Tsimshatsui, plus four residential units, all of which are located in Hong Kong with a total gross floor area of 15,826 square metres. In the first half of 2014, revenue from this operating segment rose by 10.3% to HK\$33.1 million (30 June 2013: HK\$30.0 million). As at 30 June 2014, the occupancy rate of ONFEM Tower was 91.8% (31 December 2013: 80.9%) while China Minmetals Tower remained 100% occupied (31 December 2013: 100%).

OUTLOOK

Looking into the first half of 2014, China's macroeconomic has been facing downward pressure whilst overall growth weakens. In the short term, the weakening economy has led the demand for real estate investment decline. In the long run, the PRC real estate market is likely to grow at a pace that is supported by steady economic growth.

For the PRC real estate market, strong growth in housing price momentum has been restrained since the beginning of

2014 and housing prices showed a downward tendency across different regions. Certain cities where the Group's real estate development projects are located have shown increase in inventory level. Though the Group had, so far, only acquired an additional land in Xianghe County this year, it will seize opportunities to expand its land bank at reasonable cost in core Tier 2 cities in a prudent and rational manner in the second half of the year.

The Group expects that improvement in turnover to reduce excessive inventory will be the focal point for industry players in the second half of 2014. Achieving a higher sales remains the Group's top priority so as to attain its annual contracted sales target. For key markets such as Beijing, Nanjing and Changsha, the Group will continue to enhance the strong sales momentum and strive to deliver higher sales, whilst exerting itself to breakthrough the sales stagnation in Huizhou, Yingkou and Tianjin. In terms of financing, the Group will continue to utilise its listing platform to raise funds for its business development. The Group will maintain its prudent financial management in view of the uncertainties facing the PRC property market.

Management Discussion and Analysis



LIQUIDITY & FINANCIAL RESOURCES

During the six months ended 30 June 2014, the Group's operations were financed mainly by cash flows generated internally from business operations as well as borrowings.

As at 30 June 2014, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted

to HK\$5,221.8 million (31 December 2013: HK\$6,102.3 million), of which 98.5%, 0.5% and 1.0% (31 December 2013: 88.7%, 3.1% and 8.2%) were denominated in Renminbi, Hong Kong dollars and United States dollars respectively.

The Group had utilised financing to supplement internal resources to finance the acquisition of new projects and the development of existing projects. Total

borrowings of the Group stood at HK\$11,123.3 million as at 30 June 2014 (31 December 2013: HK\$10,151.8 million), which mainly comprised of borrowings from banks and bond issuance. The gearing ratio of net debt to total equity of the Group as at 30 June 2014 was 52.7% (31 December 2013: 34.7%).

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

	30 June 2014		31 December 2013	
	HK\$ million	%	HK\$ million	%
Within one year	417.4	3.7	1,412.2	13.9
In the second to fifth year	9,750.4	87.7	7,783.0	76.7
In the fifth to tenth year	955.5	8.6	956.6	9.4
Total	11,123.3	100.0	10,151.8	100.0

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

	30 June 2014		31 December 2013	
	HK\$ million	%	HK\$ million	%
Renminbi	1,235.2	11.1	734.9	7.2
Hong Kong Dollars	7,212.7	64.8	6,738.4	66.4
United States Dollars	2,675.4	24.1	2,678.5	26.4
Total	11,123.3	100.0	10,151.8	100.0

Finance costs charged to the profit or loss for the six months ended 30 June 2014 amounted to HK\$28.8 million (30 June 2013: HK\$86.5 million) after capitalisation of HK\$210.9 million (30 June 2013: HK\$81.6 million) into properties under development. The unutilised banking facilities of the Group as at 30 June 2014 amounted to HK\$6,105.6 million (31 December 2013: HK\$3,208.7 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

During the period under review, most of the Group's revenue and costs were denominated in Hong Kong dollar and Renminbi. 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. The Group has not implemented or entered into any foreign exchange hedging arrangement to manage its exchange rate risk during the period.

CHARGES ON GROUP ASSETS

As at 30 June 2014, 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 amount of nil (31 December 2013: HK\$1,205.1 million);

- ii. land and buildings with carrying amount of nil (31 December 2013: HK\$83.0 million);
- iii. properties under development with carrying amounts of HK\$9,618.6 million (31 December 2013: HK\$1,583.9 million); and
- iv. bank deposits of HK\$110.8 million (31 December 2013: HK\$94.6 million).

FINANCIAL GUARANTEES & CONTINGENT LIABILITIES

As at 30 June 2014, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK\$3,045,074,000 (31 December 2013: HK\$2,986,434,000). Such guarantees will terminate upon the earlier of (i) issuance of the real estate ownership certificate; or (ii) satisfaction of mortgaged loans by the purchasers. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take the possession of the related properties. Under such circumstances, the Group is able to retain the property sales proceeds previously received from the purchasers

and sell the property to recover any amounts paid by the Group to the banks. The Directors therefore consider that no provision is required for the guarantees.

EMPLOYEES

Total number of staff of the Group, including the Directors, was 1,102 as at 30 June 2014 (30 June 2013: 994). Our culture and staff force will make us a strong organisation and therefore the Group continues to adopt a remuneration policy in line with market practice and standards. Total remuneration and benefits of the Directors and staff of the Group during the six months ended 30 June 2014 were approximately HK\$100.4 million (30 June 2013: HK\$92.4 million).

SHARE OPTION

2003 SHARE OPTION

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

Management Discussion and Analysis

Details of the movements of share options granted under the 2003 Share Option Scheme during the six months ended 30 June 2014 are as follows:

Category of participant	Date of grant	Exercisable period	Exercise price HK\$	Number of share options					
				As at 1 January 2014	Granted during the period	Exercised during the period	Lapsed during the period	As at 30 June 2014	
(i) Directors									
Mr. Sun Xiaomin	30.11.2012	30.11.2014 to 29.11.2022 (Note 2)	1.20	1,970,000	—	—	—	1,970,000	
Mr. He Jianbo	1.12.2008	1.12.2010 to 30.11.2018 (Note 1)	0.45	1,428,000	—	—	—	1,428,000	
	30.11.2012	30.11.2014 to 29.11.2022 (Note 2)	1.20	2,900,000	—	—	—	2,900,000	
Mr. Yin Liang	1.12.2008	1.12.2010 to 30.11.2018 (Note 1)	0.45	952,000	—	—	—	952,000	
	30.11.2012	30.11.2014 to 29.11.2022 (Note 2)	1.20	2,200,000	—	—	—	2,200,000	
Ms. He Xiaoli	1.12.2008	1.12.2010 to 30.11.2018 (Note 1)	0.45	793,333	—	—	—	793,333	
	30.11.2012	30.11.2014 to 29.11.2022 (Note 2)	1.20	2,100,000	—	—	—	2,100,000	
Mr. Tian Jingqi	30.11.2012	30.11.2014 to 29.11.2022 (Note 2)	1.20	1,700,000	—	—	—	1,700,000	
Mr. Liu Zeping	30.11.2012	30.11.2014 to 29.11.2022 (Note 2)	1.20	1,470,000	—	—	—	1,470,000	
(ii) Employees and others									
	1.12.2008	1.12.2010 to 30.11.2018 (Note 1)	0.45	7,638,668	—	—	—	7,638,668	
	30.11.2012	30.11.2014 to 29.11.2022 (Note 2)	1.20	41,950,000	—	—	800,000	41,150,000	
Total				65,102,001	—	—	800,000	64,302,001	

Notes:

- These share options are exercisable in three tranches: the maximum percentage of share options of each tranche exercisable within the periods commencing from 1 December 2010 to 30 November 2018, from 1 December 2011 to 30 November 2018 and from 1 December 2012 to 30 November 2018 are 30%, 30% and 40% respectively.
- These share options are exercisable in three tranches: the maximum percentage of share options of each tranche exercisable within the periods commencing from 30 November 2014 to 29 November 2022, from 30 November 2015 to 29 November 2022 and from 30 November 2016 to 29 November 2022 are 30%, 30% and 40% respectively.

Save as disclosed above, no share options in respect of the 2003 Share Option Scheme were lapsed or cancelled during the six months ended 30 June 2014.

2013 SHARE OPTION SCHEME

The Company adopted the 2013 Share Option Scheme on 7 June 2013 to recognise and acknowledge eligible persons for their contribution or potential contribution to the Group. A summary of the principal terms of the 2013 Share Option Scheme is set out in the 2013 annual report of the Company.

No share options have yet been granted by the Company pursuant to the 2013 Share Option Scheme.

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

As at 30 June 2014, the interests and short positions of the Directors and the chief executive of the Company in the Shares and underlying Shares of the Company or any of its associated

corporations (within the meaning of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, or as recorded in the register kept by the Company pursuant to section 352 of the SFO, were as follows:

Long Position in Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of total issued Shares
Mr. He Jianbo	Personal	612,000	0.018%
Mr. Yin Liang	Personal	408,000	0.012%
Ms. He Xiaoli	Personal	370,000	0.011%

Note: Details of the interests of Directors in share options of the Company are disclosed in the section headed "Share Option" above.

Save as disclosed above, as at 30 June 2014, none of the Directors or the chief executive of the Company or any of their associates (as defined in the Listing Rules) had any personal, family, corporate or other interests or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO).

Save as disclosed above, none of the Directors or the chief executive of the Company nor their spouses or children under 18 years of age, was granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of the SFO) during the six months ended 30 June 2014.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2014, according to the register of interests kept by the Company under section 336 of the SFO, the following entities had interests in the Shares and underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Management Discussion and Analysis

Long Position in Shares

Name of Shareholder	Interest in Shares	Approximate percentage of total issued Shares
China Minmetals	2,071,095,506 (Note 1)	62.05%
CMCL	2,071,095,506 (Note 1)	62.05%
Minmetals HK	2,071,095,506 (Note 1)	62.05%
June Glory	2,071,095,506 (Note 1)	62.05%
Mr. Osbert Lyman	170,139,862 (Note 2)	5.10%
Strategic Power International Limited	170,139,862 (Note 2)	5.10%

Notes:

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

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, throughout the six months ended 30 June 2014, the Company had complied with the code provisions of the CG Code as set out in Appendix 14 to the Listing Rules, except for the following deviation:

- 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 and the chairman of all board committees of listed companies to attend and answer questions at the annual general meeting.

Mr. Sun Xiaomin, the Chairman of the Board, was not available for the Company's annual general meeting for 2014 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the Deputy Chairman and Managing Director, 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 as set out in Appendix 10 to the Listing Rules.

Having made specific enquiries of all Directors, they had confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2014.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2014, which have also been reviewed by the Company’s independent auditor, Deloitte Touch Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2014.

CONTINUING DIS- CLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

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

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

2. OFL as the borrower, the Company and MLI as the guarantors and certain banks as the lenders (the “Lenders”) entered into a term loan facility agreement for a 5-year term loan facility (“Loan Facility II”) in the principal amount of HK\$5,300 million on 20 December 2013 (“Facility Agreement II”).

Pursuant to Facility Agreement II, China Minmetals, the controlling shareholder of the Company, shall beneficially (directly or indirectly) own not less than 31% of the issued shares of the Company as well as remain the single largest beneficial Shareholder of the Company and has control over the management of the Company. A breach of any of the aforesaid conditions would constitute an event of default and the Lenders may (i) cancel all commitments under Facility Agreement II; and/or (ii) demand that all or part of the loans together with accrued interest and all other amounts accrued under Loan Facility II be immediately due and payable; and/or (iii) demand that all or part of the loans be payable on demand.

Save as disclosed above, the Company does not have other disclosure obligations under Rules 13.18 and 13.21 of the Listing Rules.

By order of the Board
He Jianbo
*Deputy Chairman and
Managing Director*

Hong Kong, 18 August 2014

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Minmetals Land Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 23 to 42, which comprise of the condensed consolidated statement of financial position as at 30 June 2014 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

18 August 2014

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2014

	Note	Six months ended 30 June	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Revenue	4	1,659,015	2,134,407
Cost of sales		(1,172,510)	(1,475,692)
Gross profit		486,505	658,715
Other gains, net	5	24,903	45,713
Fair value changes on investment properties	11	51,182	22,000
Selling and distribution costs		(52,092)	(69,904)
Administrative expenses		(164,315)	(149,719)
Finance income		29,401	28,301
Finance costs	6	(28,760)	(86,534)
Share of results of associated companies		19,449	(5,149)
Profit before tax		366,273	443,423
Income tax expense	7	(198,956)	(207,397)
Profit for the period	8	167,317	236,026
Profit for the period attributable to:			
Equity holders of the Company		173,330	138,304
Non-controlling interests		(6,013)	97,722
		167,317	236,026
Earnings per share for profit attributable to equity holders of the Company, in HK cents			
Basic	10	5.19	4.14
Diluted	10	5.18	4.13

	Note	Six months ended 30 June	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Dividends	9	—	—

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Profit for the period	167,317	236,026
Other comprehensive (expense)/income, net of income tax:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	(350,268)	188,030
Share of exchange differences of associated companies	(21,577)	34,615
	(371,845)	222,645
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Loss arising on revaluation of financial assets at fair value through other comprehensive income	(152,110)	(46,094)
Other comprehensive (expense)/income for the period	(523,955)	176,551
Total comprehensive (expense)/income for the period, net of income tax	(356,638)	412,577
Total comprehensive (expense)/income for the period attributable to:		
Equity holders of the Company	(255,631)	280,904
Non-controlling interests	(101,007)	131,673
	(356,638)	412,577

Condensed Consolidated Statement of Financial Position

As at 30 June 2014

	Note	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	145,477	141,214
Investment properties	11	1,278,149	1,235,149
Goodwill	11	9,906	10,107
Interests in associated companies	12	1,233,641	853,073
Financial assets at fair value through other comprehensive income	13	470,159	622,269
Deferred tax assets		154,384	189,055
		3,291,716	3,050,867
Current assets			
Inventories	14	20,062,944	18,025,653
Amounts due from customers for contract work		314,849	200,334
Prepayments, trade and other receivables	15	1,559,684	1,914,110
Cash and bank deposits, restricted		131,567	115,605
Cash and bank deposits, unrestricted		5,221,769	6,102,303
		27,290,813	26,358,005
Total assets		30,582,529	29,408,872
EQUITY			
Share capital	16	333,785	333,785
Reserves	17	7,104,661	7,403,746
Equity attributable to equity holders of the Company		7,438,446	7,737,531
Non-controlling interests		3,505,654	3,606,661
Total equity		10,944,100	11,344,192

Condensed Consolidated Statement of Financial Position

As at 30 June 2014

	Note	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	18	10,705,893	8,739,607
Deferred tax liabilities		90,228	97,748
Other liabilities		386	386
		10,796,507	8,837,741
Current liabilities			
Borrowings	18	417,395	1,412,171
Trade and other payables	19	4,613,449	5,536,742
Deferred revenue		3,648,247	2,023,791
Taxation payable		162,831	254,235
		8,841,922	9,226,939
Total liabilities		19,638,429	18,064,680
Total equity and liabilities		30,582,529	29,408,872
Net current assets		18,448,891	17,131,066
Total assets less current liabilities		21,740,607	20,181,933

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	Attributable to equity holders of the Company			Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Reserves HK\$'000 (Note 17)	Total HK\$'000		
At 1 January 2013 (Audited)	333,785	6,671,326	7,005,111	896,143	7,901,254
Profit for the period	—	138,304	138,304	97,722	236,026
Other comprehensive income for the period	—	142,600	142,600	33,951	176,551
Total comprehensive income for the period	—	280,904	280,904	131,673	412,577
Contributions from non-controlling shareholders	—	—	—	739,091	739,091
Employee share option benefits	—	5,616	5,616	—	5,616
Dividends paid to shareholders of the Company	—	(33,379)	(33,379)	—	(33,379)
	—	(27,763)	(27,763)	739,091	711,328
At 30 June 2013 (Unaudited)	333,785	6,924,467	7,258,252	1,766,907	9,025,159
At 1 January 2014 (Audited)	333,785	7,403,746	7,737,531	3,606,661	11,344,192
Profit for the period	—	173,330	173,330	(6,013)	167,317
Other comprehensive expense for the period	—	(428,961)	(428,961)	(94,994)	(523,955)
Total comprehensive expense for the period	—	(255,631)	(255,631)	(101,007)	(356,638)
Employee share option benefits	—	6,614	6,614	—	6,614
Dividends paid to shareholders of the Company	—	(50,068)	(50,068)	—	(50,068)
	—	(43,454)	(43,454)	—	(43,454)
At 30 June 2014 (Unaudited)	333,785	7,104,661	7,438,446	3,505,654	10,944,100

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Net cash used in operating activities	(1,019,480)	(2,903,784)
Net cash (used in)/generated from investing activities		
Purchase of property, plant and equipment	(3,710)	(2,644)
Repayment of loan to an associated company	—	234,706
Investment in an associated company	(382,696)	—
Interest received	29,401	28,301
Repayment from an associated company	—	128,761
	(357,005)	389,124
Net cash generated from financing activities		
Contributions from non-controlling shareholders of subsidiaries (Repayment of advance)/advance from a non-controlling shareholder of a subsidiary	—	739,091
Advances from associated companies	279,615	1,847,357
New borrowings	1,174,263	5,150,625
Repayment of borrowings	(202,753)	(1,659,349)
Dividends paid to the Company's shareholders	(50,068)	(33,379)
	603,328	6,624,246
Net (decrease)/increase in cash and cash equivalents	(773,157)	4,109,586
Cash and cash equivalents at beginning of the period	6,102,303	2,419,256
Effect of foreign exchange rate changes	(107,377)	48,113
Cash and cash equivalents at end of the period	5,221,769	6,576,955
Analysis of balances of cash and cash equivalents		
Cash and bank deposits, unrestricted	5,221,769	6,576,955

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

1. ORGANISATION AND OPERATIONS

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

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

These condensed consolidated financial statements are presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated. These condensed consolidated financial statements have been approved for issue by the Board of Directors of the Company on 18 August 2014.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) — Int 21	Levies

The application of the above new interpretation or amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

4. SEGMENT INFORMATION

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

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

Segment revenue and results

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	Six months ended 30 June	2013	Six months ended 30 June	2013	Six months ended 30 June	2013	Six months ended 30 June	2013	Six months ended 30 June	2013
	2014	HK\$'000	2014	HK\$'000	2014	HK\$'000	2014	HK\$'000	2014	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE										
Total segment revenue	1,246,029	1,710,772	383,446	400,163	34,236	30,972	—	—	1,663,711	2,141,907
Inter-segment revenue	—	—	(3,521)	(6,544)	(1,175)	(956)	—	—	(4,696)	(7,500)
Sales to external customers	1,246,029	1,710,772	379,925	393,619	33,061	30,016	—	—	1,659,015	2,134,407
RESULTS										
Segment results	316,022	496,764	16,159	(5,701)	79,461	50,080	21,889	16,127	433,531	557,270
Unallocated corporate expenses, net									(87,348)	(50,465)
Finance income									346,183	506,805
Finance costs									(28,760)	(86,534)
Share of results of associated companies									19,449	(5,149)
Profit before tax									366,273	443,423

Segment assets

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment assets	25,504,785	24,639,097	1,020,139	926,416	1,296,409	1,247,270	492,053	622,269	28,313,386	27,435,052
Unallocated corporate assets									2,269,143	1,973,820
Total assets									30,582,529	29,408,872

5. OTHER GAINS, NET

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Government subsidies	764	9,515
Dividend income	21,895	16,133
Exchange gain, net	—	17,729
Others	2,244	2,336
	24,903	45,713

6. FINANCE COSTS

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Interest on bank and other borrowings	239,703	168,135
Less: Amount capitalised as properties under development	(210,943)	(81,601)
	28,760	86,534

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2013: Nil).

PRC enterprise income tax has been calculated on the estimated assessable profit for the period derived in the PRC at the rate of 25% (30 June 2013: 25%).

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

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Current tax — PRC		
Enterprise income tax	63,053	45,245
Land appreciation tax	113,607	105,269
Deferred tax	22,296	56,883
	198,956	207,397

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Depreciation	6,299	5,954
Cost of properties sold	828,745	1,097,517
Cost of specialised construction	338,960	373,756
Direct out-goings arising from investment properties that generated rental income	4,805	4,419
Operating lease charges — minimum lease payment in respect of land and buildings	14,451	8,971
Net foreign exchange loss	3,839	—
Legal and professional fees	4,704	5,377
Employee benefit expense (including directors' emoluments)	57,132	59,340

Note: Included in cost of sales, selling and distribution costs and capitalised as properties under development are employee benefit expense of HK\$24,797,000 (30 June 2013: HK\$18,196,000), HK\$4,477,000 (30 June 2013: HK\$4,032,000) and HK\$14,011,000 (30 June 2013: HK\$10,862,000) respectively.

9. DIVIDENDS

The directors of the Company (the "Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (30 June 2013: Nil).

During the current interim period, a final dividend of HK1.5 cent per ordinary share totalling HK\$50,068,000 in respect of the year ended 31 December 2013 (30 June 2013: HK1 cent per ordinary share totalling HK\$33,379,000 in respect of the year ended 31 December 2012) was paid to the shareholders of the Company.

10. EARNINGS PER SHARE

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

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

	Six months ended 30 June	
	2014 (Thousand)	2013 (Thousand)
Number of shares:		
Weighted average number of ordinary shares in issue	3,337,853	3,337,853
Adjustment for share options	5,703	7,277
Weighted average number of ordinary shares for diluted earnings per share	3,343,556	3,345,130

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

	Property, plant and equipment HK\$'000	Investment properties (note) HK\$'000	Goodwill HK\$'000
At 1 January 2014 (Audited)	141,214	1,235,149	10,107
Additions	3,710	—	—
Transfer from investment properties	8,182	(8,182)	—
Increase in fair value recognised in the profit or loss (note)	—	51,182	—
Disposals	(383)	—	—
Depreciation	(6,299)	—	—
Exchange differences	(947)	—	(201)
At 30 June 2014 (Unaudited)	145,477	1,278,149	9,906
At 1 January 2013 (Audited)	139,526	1,070,239	9,800
Additions	2,644	—	—
Increase in fair value recognised in the profit or loss (note)	—	22,000	—
Disposals	(34)	—	—
Depreciation	(5,954)	—	—
Exchange differences	1,391	—	239
At 30 June 2013 (Unaudited)	137,573	1,092,239	10,039

Note:

The investment properties were revalued at 30 June 2014 by Vigers Appraisal & Consulting Limited, independent valuers. The valuation of completed investment properties, was arrived at by considering the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use. A fair value gain of HK\$51,182,000 (30 June 2013: HK\$22,000,000) was recognised directly in profit or loss during the current interim period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

12. INTERESTS IN ASSOCIATED COMPANIES

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Unlisted, at cost	1,190,984	808,288
Share of post-acquisition profit	23,341	3,892
Exchange differences	19,316	40,893
	1,233,641	853,073

Note:

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

During the current interim period, the Group and the other shareholder increased their investments in Beijing Minmetals Vanke according to the corresponding equity interests.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Listed investments:		
Listed equity securities in Hong Kong	470,159	622,269

14. INVENTORIES

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Properties held for sale — located in the PRC	2,373,228	3,176,571
Properties under development — located in the PRC	17,689,716	14,849,082
	20,062,944	18,025,653

15. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

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

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
0 to 90 days	266,382	354,933
91 to 180 days	114,124	143,478
181 days to 1 year	179,344	68,274
1 year to 2 years	91,782	110,151
Over 2 years	77,462	86,634
	729,094	763,470

16. SHARE CAPITAL

	Six months ended 30 June			
	2014		2013	
	Number of shares (‘000)	Amount HK\$'000 (Unaudited)	Number of shares (‘000)	Amount HK\$'000 (Unaudited)
Authorised (ordinary shares of HK\$0.1 each)				
Balance at beginning and end of the period	10,000,000	1,000,000	10,000,000	1,000,000
Issued and fully paid (ordinary shares of HK\$0.1 each)				
Balance at beginning and end of the period	3,337,853	333,785	3,337,853	333,785

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

17. RESERVES

	Share premium HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Investments revaluation reserve HK\$'000	Revaluation reserve HK\$'000	Other reserves HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2013 (Audited)	4,267,699	598,783	769	5,505	85,274	1,314	21,967	309,400	1,380,615	6,671,326
Profit for the period	—	—	—	—	—	—	—	—	138,304	138,304
Other comprehensive (expense)/ income for the period	—	—	—	—	(46,094)	—	—	188,694	—	142,600
Total comprehensive (expense)/ income for the period	—	—	—	—	(46,094)	—	—	188,694	138,304	280,904
Employee share option benefits	—	—	—	5,616	—	—	—	—	—	5,616
2012 final dividend paid	—	(33,379)	—	—	—	—	—	—	—	(33,379)
At 30 June 2013 (Unaudited)	4,267,699	565,404	769	11,121	39,180	1,314	21,967	498,094	1,518,919	6,924,467
At 1 January 2014 (Audited)	4,267,699	565,404	769	19,211	64,532	1,314	31,640	595,730	1,857,447	7,403,746
Profit for the period	—	—	—	—	—	—	—	—	173,330	173,330
Other comprehensive expense for the period	—	—	—	—	(152,110)	—	—	(276,851)	—	(428,961)
Total comprehensive (expense)/ income for the period	—	—	—	—	(152,110)	—	—	(276,851)	173,330	(255,631)
Employee share option benefits	—	—	—	6,614	—	—	—	—	—	6,614
2013 final dividend paid	—	(50,068)	—	—	—	—	—	—	—	(50,068)
At 30 June 2014 (Unaudited)	4,267,699	515,336	769	25,825	(87,578)	1,314	31,640	318,879	2,030,777	7,104,661

18. BORROWINGS

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Non-current		
Bank borrowings, secured	8,030,542	6,061,137
Guaranteed Bonds	2,675,351	2,678,470
	10,705,893	8,739,607
Current		
Bank borrowings, secured	239,366	83,597
Loan from a non-controlling shareholder of a subsidiary, unsecured (note 25)	8,478	8,649
	247,844	92,246
Current portion of long-term bank borrowings	169,551	1,319,925
	417,395	1,412,171
	11,123,288	10,151,778

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

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

18. BORROWINGS (CONTINUED)

Early redemption options are regarded as embedded derivatives not closely related to the host debt instrument. The Directors consider that the fair value of the above early redemption options is insignificant on initial recognition, as at 30 June 2014 and 31 December 2013.

The remaining borrowings with a carrying amount of HK\$8,447,937,000 (31 December 2013: HK\$7,473,308,000) carry interest at variable rates ranging from 2.60% to 7.20% per annum at 30 June 2014 (31 December 2013: 2.63% to 7.38%).

19. TRADE AND OTHER PAYABLES

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

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
0 to 90 days	190,875	316,853
91 to 180 days	86,163	230,061
181 days to 1 year	156,928	31,781
1 year to 2 years	147,754	74,861
Over 2 years	186,094	186,008
	767,814	839,564

20. PLEDGE OF ASSETS

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

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Investment properties	—	1,205,100
Property, plant and equipment	—	82,964
Properties under development	9,618,620	1,583,903
Bank deposits	110,777	94,558
	9,729,397	2,966,525

21. SHARE-BASED PAYMENTS

The Company's share option schemes (the "Schemes") were adopted pursuant to resolutions passed on 29 May 2003 and 7 June 2013. The primary purpose of the Schemes is to provide incentives to Directors and eligible persons. The Schemes will expire in 10 years from the date of adoption. The existing share options were granted on 1 December 2008 and 30 November 2012 respectively. The share-based payment expense charged to profit or loss in current interim period amounted to HK\$6,614,000 (30 June 2013: HK\$5,616,000).

The table below discloses movement of the Company's share options held by the Group's Directors and eligible persons:

	Number of share options Six months ended 30 June	
	2014 (Thousand)	2013 (Thousand)
Balance at beginning of the period	65,102	69,307
Lapsed	(800)	(2,888)
Balance at end of the period	64,302	66,419

22. COMMITMENTS

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
	Contracted but not provided for	
— Expenditure in respect of acquisition of land use rights	—	1,355,113
— Capital contribution into a real estate development company	—	385,805
— Expenditure in respect of properties under development	3,150,124	2,460,232
	3,150,124	4,201,150

23. FINANCIAL GUARANTEES

As at 30 June 2014, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK\$3,045,074,000 (31 December 2013: HK\$2,986,434,000). Such guarantees will terminate upon the earlier of (i) issuance of the real estate ownership certificate; or (ii) satisfaction of mortgaged loans by the purchasers. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take the possession of the related properties. Under such circumstances, the Group is able to retain the property sales proceeds previously received from the purchasers and sell the property to recover any amounts paid by the Group to the banks, therefore, the Directors consider that no provision is required for the guarantees.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2014 HK\$'000	31 December 2013 HK\$'000		
Financial asset at fair value through other comprehensive income — Listed equity securities	470,159	622,269	Level 1	Quoted prices in an active market

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

25. RELATED PARTY TRANSACTIONS

The Directors consider the Company's immediate holding company to be June Glory International Limited, a company incorporated in the British Virgin Islands; its intermediate holding companies to be China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong, and China Minmetals Corporation Limited, a joint stock company with limited liability incorporated in the PRC; and its ultimate holding company to be China Minmetals Corporation ("China Minmetals"), a state-owned enterprise established in the PRC and controlled by the PRC Government.

The Group itself is part of a larger group of companies under China Minmetals, which is controlled by the PRC government. The Group conducts businesses with entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities") in the ordinary course of business. The Directors consider those entities other than the China Minmetals group are independent third parties as far as the Group's business transactions with them are concerned. In establishing its pricing strategies and approval process for transactions with other government-related entities, the Group does not differentiate whether the counter-party is a government-related entity or not. The Group is of the opinion that it has provided, in the best of its knowledge, adequate and appropriate disclosure of related party transactions in the condensed consolidated financial statements.

The Group has entered into various transactions, including sales, purchases, borrowings and other operating expenses with other government-related entities during the period in which the Directors are of the opinion that it is impracticable to ascertain the identity of the counterparties and accordingly whether the counterparties are government-related entities.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

Other than disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions and balances with related parties, which were carried out in the ordinary and normal course of business of the Group:

(a) Transactions with related parties

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Specialised construction costs to a fellow subsidiary (note i)	—	105,629
Construction costs to fellow subsidiaries for real estate development projects (note ii)	135,713	225,865
Construction cost to a non-controlling shareholder of a subsidiary for real estate development projects (note ii)	121,716	148,116
Rental income from fellow subsidiaries (note iii)	2,489	2,665
Rental expense to a fellow subsidiary (note iii)	9,228	4,596
Management fee income from a fellow subsidiary (note iii)	—	778
Loan interest expense to a non-controlling shareholder of a subsidiary (note iv)	288	289
Loan interest expense to a fellow subsidiary (note v)	—	46,957
Loan interest income from an associated company (note viii)	—	1,549

(b) Balances with related parties

	30 June 2014 HK\$'000 (Unaudited)	31 December 2013 HK\$'000 (Audited)
Specialised construction costs payable to a fellow subsidiary (note i)	113,454	135,357
Construction and contract cost payable to fellow subsidiaries for real estate development projects (note ii)	115,476	90,494
Construction cost payable to a non-controlling shareholder of a subsidiary (note ii)	14,175	53,781
Rental expense payable to a fellow subsidiary (note iii)	4,590	6,244
Loan from a non-controlling shareholder of a subsidiary (note iv)	8,478	8,649
Amounts due to associated companies (note vi)	1,379,314	1,088,226
Amounts due to non-controlling shareholders of subsidiaries (note vii)	1,190,985	1,771,232
Fixed deposits placed in a fellow subsidiary (note ix)	—	2,286,950
Loan to a non-controlling shareholder of a subsidiary (note x)	26,100	—

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2014

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management compensation

	Six months ended 30 June	
	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Salaries and short-term employee benefits	4,814	4,668
Pension costs — defined contribution plans	147	140
Share option benefits	1,399	1,727
	6,360	6,535

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

Notes:

- (i) Specialised construction costs to a fellow subsidiary of the Company were based on terms mutually agreed by both parties.
- (ii) Construction costs to fellow subsidiaries of the Company and a non-controlling shareholder of a subsidiary for real estate development projects were based on terms mutually agreed by both parties.
- (iii) Rental and management fee income/expense received or receivable from/paid or payable to fellow subsidiaries of the Company were based on the terms in the agreements entered into between the parties involved.
- (iv) The short-term loan from a non-controlling shareholder is unsecured, bearing interest at 110% of the benchmark interest rate for a one to three year loan quoted by the People's Bank of China per annum and payable on demand.
- (v) The short-term loans from a fellow subsidiary are unsecured, bearing interest at 110% of the benchmark interest rate for a one year loan quoted by the People's Bank of China per annum and payable in one year. The loans were repaid during the six months ended 30 June 2013.
- (vi) The amounts due to associated companies are unsecured, interest free and repayable on demand.
- (vii) The amounts due to non-controlling shareholders of subsidiaries of the Company are unsecured, bearing interest at 7.5% per annum and repayable on demand.
- (viii) The loan to an associated company is unsecured, bearing interest at the benchmark interest rate for a one year short-term loan quoted by the People's Bank of China per annum and repayable in one year. The loan was fully settled during the six months ended 30 June 2013.
- (ix) The fixed deposits as at 31 December 2013 matured on 6 January 2014 and the effective interest rate was 1.49%.
- (x) The loan to a non-controlling shareholder of a subsidiary is unsecured, bearing interest at 6% per annum and repayable in two years.

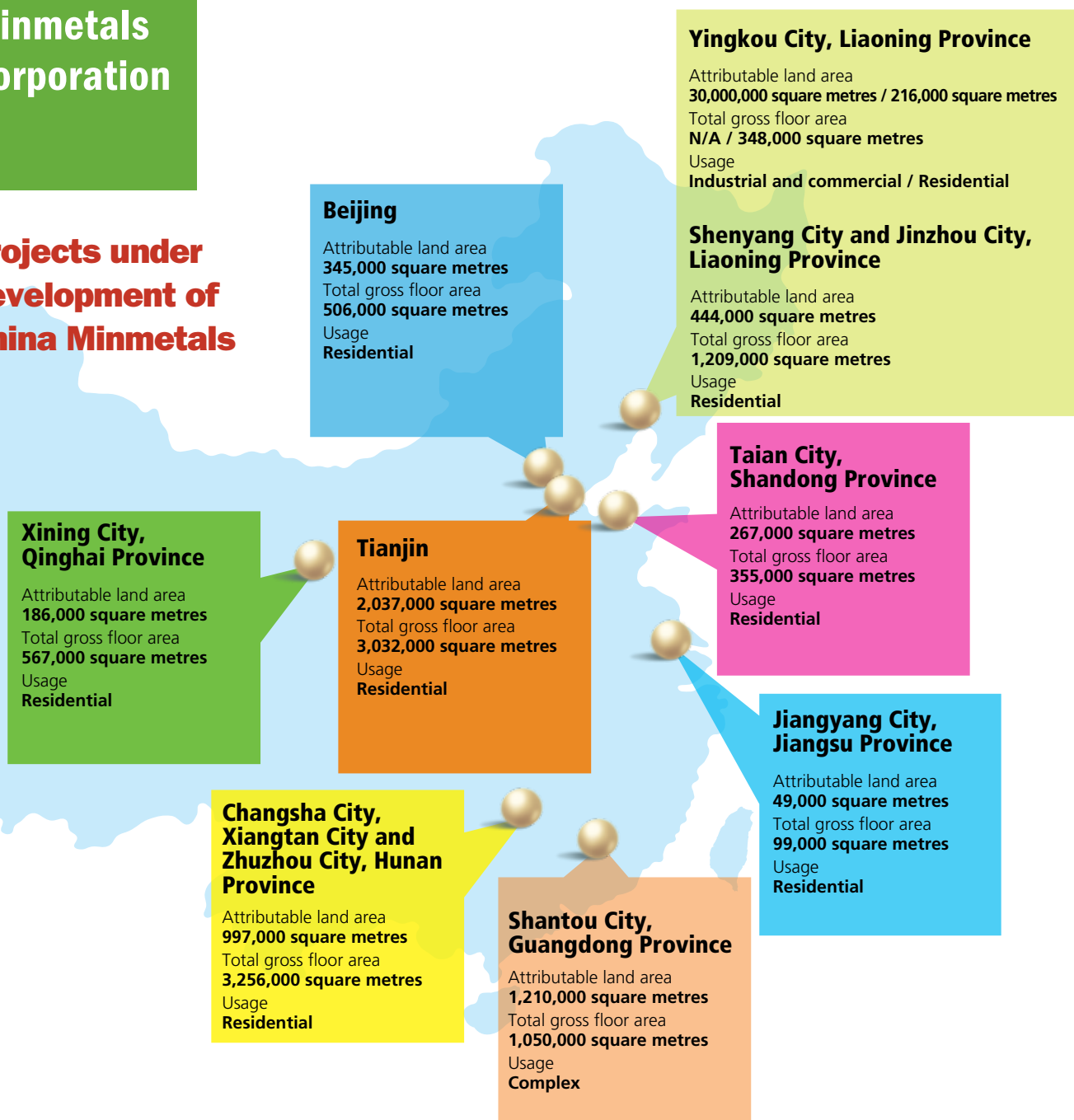
Glossary of Terms

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

"2003 Share Option Scheme"	the share option scheme of the Company adopted on 29 May 2003
"2013 Share Option Scheme"	the share option scheme of the Company adopted on 7 June 2013
"ASP"	average selling price
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code
"China Minmetals"	China Minmetals Corporation
"CMCL"	China Minmetals Corporation Limited
"Company" or "Minmetals Land"	Minmetals Land Limited
"Condo Hong Kong"	Minmetals Condo (Hong Kong) Engineering Company Limited
"Condo Shanghai"	Minmetals Condo (Shanghai) Construction Co., Ltd.
"Director(s)"	director(s) of the Company
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"June Glory"	June Glory International Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Minmetals HK"	China Minmetals H.K. (Holdings) Limited
"MLI"	Minmetals Land Investments Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers
"OFL"	ONFEM Finance Limited
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi
"SFO"	Securities and Futures Ordinance
"Shareholder(s)"	the shareholder(s) of the Company
"Share(s)"	the ordinary share(s) of par value HK\$0.1 each of the Company
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US\$"	United States dollars
"%"	per cent

About China Minmetals Corporation

Projects under development of China Minmetals



Founded in 1950, China Minmetals is one of the largest State-owned conglomerates that operates globally with core business in exploration, mining, smelting, processing and trading for metals and minerals, finance, real estate, and mining and metallurgic technology. China Minmetals achieved operating revenue of approximately RMB402.8 billion for 2013 and ranked 133 among the US Fortune world top 500 enterprises in 2014.

China Minmetals has, in recent years, actively participated in commercial estate development, construction and installation business after it has a footing on the residential development and industrial estate business. Accordingly, it has equipped with considerable resources in this respect. Excluding real estate development projects of Minmetals Land, China Minmetals has a total gross floor area of approximately 15 million square metres for residential and industrial estate development in the Pan Bohai Rim region and the eastern and central part of China. Furthermore, it has an industrial site of 30 square kilometres in Yingkou City of Liaoning Province.

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



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