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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 2015**

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 2015 together with the comparative figures of the corresponding period in 2014.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue	3	2,156,177	1,659,015
Cost of sales		(1,603,282)	(1,172,510)
Gross profit		552,895	486,505
Other gains, net	5	52,778	24,903
Fair value changes on investment properties		102,000	51,182
Selling and marketing expenses		(64,264)	(52,092)
Administrative expenses		(162,664)	(164,315)
Finance income		58,879	29,401
Finance costs		(23,991)	(28,760)
Share of results of associated companies		(8,063)	19,449
Profit before tax		507,570	366,273
Income tax expense	6	(168,151)	(198,956)
Profit for the period	4	339,419	167,317
Profit for the period attributable to:			
Equity holders of the Company		236,243	173,330
Non-controlling interests		103,176	(6,013)
		339,419	167,317
Earnings per share for profit attributable to equity holders of the Company, in HK cents			
Basic	7	7.07	5.19
Diluted	7	7.06	5.18

	Note	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Dividends	8	—	—

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Profit for the period	339,419	167,317
Other comprehensive income/(expense), net of income tax:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	8,177	(350,268)
Share of exchange differences of associated companies	899	(21,577)
	9,076	(371,845)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Gain/(loss) arising on revaluation of financial assets at fair value through other comprehensive income	126,758	(152,110)
Other comprehensive income/(expense) for the period	135,834	(523,955)
Total comprehensive income/(expense) for the period, net of income tax	475,253	(356,638)
Total comprehensive income/(expense) for the period attributable to:		
Equity holders of the Company	359,425	(255,631)
Non-controlling interests	115,828	(101,007)
	475,253	(356,638)

Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	30 June	31 December
	2015	2014
<i>Note</i>	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	149,342	150,785
Investment properties	1,489,079	1,387,079
Goodwill	10,077	10,073
Interests in associated companies	1,412,111	1,419,275
Financial assets at fair value through other comprehensive income	638,401	511,643
Deferred tax assets	228,628	226,694
	<u>3,927,638</u>	<u>3,705,549</u>
Current assets		
Inventories	23,504,954	20,059,392
Amounts due from customers for contract work	335,294	366,651
Prepayments, trade and other receivables	2,260,209	3,315,265
Cash and bank deposits, restricted	744,687	488,315
Cash and bank deposits, unrestricted	6,620,949	5,240,461
	<u>33,466,093</u>	<u>29,470,084</u>
Total assets	<u>37,393,731</u>	<u>33,175,633</u>
EQUITY		
Share capital	334,416	334,051
Reserves	7,980,538	7,668,732
Equity attributable to equity holders of the Company	<u>8,314,954</u>	<u>8,002,783</u>
Non-controlling interests	<u>4,362,323</u>	<u>4,017,680</u>
Total equity	<u>12,677,277</u>	<u>12,020,463</u>

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2015

		30 June	31 December
		2015	2014
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		12,915,293	11,524,591
Deferred tax liabilities		104,095	121,062
Other liabilities		386	386
		13,019,774	11,646,039
Current liabilities			
Borrowings		201,941	116,882
Trade and other payables	<i>10</i>	4,482,586	5,163,088
Deferred revenue		6,868,290	3,857,972
Taxation payable		143,863	371,189
		11,696,680	9,509,131
Total liabilities		24,716,454	21,155,170
Total equity and liabilities		37,393,731	33,175,633
Net current assets		21,769,413	19,960,953
Total assets less current liabilities		25,697,051	23,666,502

Notes :

1. Organisation and operations

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

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

These condensed consolidated financial statements are presented in thousands of units of Hong Kong dollars ("HK\$'000"), unless otherwise stated. These condensed consolidated financial statements have been approved for issue by the board of Directors of the Company (the "Board") on 21 August 2015.

2. Basis of preparation and principal accounting policies

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

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 2015 are the same as those adopted in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following 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 HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 - 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 - 2013 Cycle

The application of the above 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.

3. Segment information

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

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

Segment revenue and results

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	30 June		30 June		30 June		30 June		30 June	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue										
Total segment revenue	1,813,145	1,246,029	331,128	383,446	37,709	34,236	—	—	2,181,982	1,663,711
Inter-segment revenue	—	—	(24,629)	(3,521)	(1,176)	(1,175)	—	—	(25,805)	(4,696)
Sales to external customers	1,813,145	1,246,029	306,499	379,925	36,533	33,061	—	—	2,156,177	1,659,015
Results										
Segment results	394,867	316,022	(5,300)	16,159	134,291	79,461	26,494	21,889	550,352	433,531
Unallocated corporate expenses, net									(69,607)	(87,348)
Finance income									58,879	29,401
Finance costs									(23,991)	(28,760)
Share of results of associated companies									(8,063)	19,449
Profit before tax									507,570	366,273

Segment assets

	Real estate development		Specialised construction		Property investment		Securities investment		Total	
	31		31		31		31		31	
	30 June	December	30 June	December	30 June	December	30 June	December	30 June	December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment assets	31,227,398	27,475,652	1,292,464	1,288,637	1,514,425	1,409,257	664,905	511,643	34,699,192	30,685,189
Unallocated corporate assets									2,694,539	2,490,444
Total assets									37,393,731	33,175,633

4. Profit for the period

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Depreciation	5,149	6,299
Cost of properties sold (Note (i))	1,315,224	828,745
Cost of specialised construction	283,126	338,960
Direct out-goings arising from investment properties that generated rental income	4,932	4,805
Operating lease charges – minimum lease payment in respect of land and buildings	14,792	14,451
Net foreign exchange loss	–	3,839
Legal and professional fees	5,469	4,704
Employee benefit expense (including directors' emoluments) (Note (ii))	<u>56,235</u>	<u>57,132</u>

Notes:

- (i) Included in cost of properties sold are interest expenses of HK\$125,835,000 (30 June 2014: HK\$ 35,429,000).
- (ii) Included in cost of sales, selling and marketing expenses and capitalised as properties under development are employee benefit expenses of HK\$27,947,000 (30 June 2014: HK\$24,797,000), HK\$5,715,000 (30 June 2014: HK\$4,477,000) and HK\$18,050,000 (30 June 2014: HK\$14,011,000) respectively.

5. Other gains, net

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Government subsidies	5,314	764
Dividend income	26,504	21,895
Exchange gain, net	13,652	–
Others	<u>7,308</u>	<u>2,244</u>
	<u>52,778</u>	<u>24,903</u>

6. Income tax expense

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2014: 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 2014: 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	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Current tax – PRC		
Enterprise income tax	136,720	63,053
Land appreciation tax	50,332	113,607
Deferred tax	(18,901)	22,296
	<u>168,151</u>	<u>198,956</u>

7. 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 conversion of all dilutive potential ordinary shares granted under the Company's share option scheme.

	Six months ended 30 June	
	2015 (Thousands)	2014 (Thousands)
Number of shares:		
Weighted average number of ordinary shares in issue	3,342,063	3,337,853
Adjustment for share options	3,731	5,703
Weighted average number of ordinary shares for diluted earnings per share	<u>3,345,794</u>	<u>3,343,556</u>

8. Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

During the current interim period, a final dividend of HK1.5 cents per ordinary share in respect of the year ended 31 December 2014 (30 June 2014: HK1.5 cents per ordinary share in respect of the year ended 31 December 2013) was declared and paid to the shareholders of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK\$50,162,000 (30 June 2014: HK\$50,068,000).

9. Prepayments, trade and other receivables

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

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
0 to 90 days	260,450	472,937
91 to 180 days	89,300	28,485
181 days to 1 year	164,756	89,466
1 year to 2 years	102,809	115,733
Over 2 years	70,469	104,249
	687,784	810,870

10. Trade and other payables

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

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
0 to 90 days	154,583	305,162
91 to 180 days	80,319	26,954
181 days to 1 year	73,457	41,070
1 year to 2 years	52,108	170,738
Over 2 years	165,303	134,131
	525,770	678,055

11. Commitments

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Contracted but not provided for		
- Expenditure in respect of acquisition of land use rights	-	1,267,588
- Expenditure in respect of properties under development	3,250,222	2,545,215
	3,250,222	3,812,803

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's turnover for the first half of 2015 amounted to HK\$2,156.2 million, representing an increase of 30.0% from HK\$1,659.0 million in the corresponding period last year. The real estate development segment, recorded a revenue growth of 45.5% to HK\$1,813.1 million (30 June 2014: HK\$1,246.0 million), accounting for 84.1% of the overall revenue. The substantial growth in real estate development revenue was mainly attributable to higher amount of saleable floor areas delivered to buyers from Beijing Fortune Garden and Nanjing Sello Royale in the first half of 2015. Revenue from specialised construction segment recorded a decrease of 19.3% to HK\$306.5 million (30 June 2014: HK\$379.9 million) whilst revenue from property investment segment increased by 10.6% to

HK\$36.6 million (30 June 2014: HK\$33.1 million).

During the period under review, overall gross profit margin has noted a decline from 29.3% to 25.6% as a result of a change of product composition and declining gross profit margin in the specialised construction segment. There was an increase in valuation gain of investment properties to HK\$102.0 million (30 June 2014: HK\$51.2 million) but a decline in finance costs to HK\$24.0 million (30 June 2014: HK\$28.8 million) due to a higher portion of interest expenses being capitalised as property under development. Profit attributable to equity holders of the Company increased by 36.3% to HK\$236.2 million from HK\$173.3 million for the corresponding period last year and basic earnings per share improved to HK7.07 cents (30 June 2014: HK5.19 cents). The Board has made thorough evaluation of the Group's financial position and the funding requirements for the projects currently undertaken and contemplated 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 period ended 30 June 2015 (30 June 2014: Nil).

As at 30 June 2015, the Group's net assets showed an increase of 5.5% to HK\$12,677.3 million (31 December 2014: HK\$12,020.5 million) whilst the financial position of the Group remained healthy. The Group's net gearing ratio stood at 45.4%. Deferred revenue accounting for 58.7% of current liabilities rose 78.0% to HK\$6,868.3 million (31 December 2014: HK\$3,858.0 million) as a result of an increase in contracted sales. It will be recognised as the Group's revenue when presold properties are completed and delivered.

MARKET OVERVIEW

Despite being full of fluctuations, the first half of 2015 has been somewhat of an unexpectedly favorable period for China's property sector from the perspective of supportive government policy. Deemed to be crucial to the world's second-largest economy, China's property sector took a downturn in 2014 due to weak demand and the cooling continued into the first few months of 2015, fueling concerns that persistent weakness in the faltering sector, exports and domestic consumption may derail the already slowing economy. In an effort to combat the economic slowdown, the People's Bank of China ("PBOC") has cut benchmark interest rates four times and lowering banks' reserve requirement ratio three times since November 2014. In late March, PBOC further reduced down payment levels for second-home buyers to 40 percent from the previous 60 to 70 percent, and exempted business tax for sales of homes purchased over two years ago.

With such supportive policies targeting the property sector taking effect, the housing market in most China's Tier 1 metropolitans has witnessed a rampant revival. Thanks to strong local end-user demand and upgrade homebuyer demand, wealth effect from the booming domestic stock market in the first half of 2015 and more affordable mortgage lending, strong sales recovery has been recorded in Tier 1 and major Tier 2 cities both in terms of volume and pricing in recent months. Despite an overall warming property market, recovery in smaller cities remains mild with certain smaller cities suffering from high inventory stress.

OPERATIONS REVIEW

The tables below set out the total revenue and results of the Group by operating segments for the six months ended 30 June 2015, together with the comparative figures for the corresponding period last year.

Segment Revenue

	For the six months ended 30 June				Year-on-year change %
	2015		2014		
	HK\$ million	%	HK\$ million	%	
Real estate development	1,813.1	84.1	1,246.0	75.1	+45.5
Specialised construction	306.5	14.2	379.9	22.9	-19.3
Property investment	36.6	1.7	33.1	2.0	+10.6
Total	2,156.2	100.0	1,659.0	100.0	+30.0

Segment Results

	For the six months ended 30 June				Year-on-year change %
	2015		2014		
	HK\$ million	%	HK\$ million	%	
Real estate development	394.9	71.8	316.0	72.9	+25.0
Specialised construction	(5.3)	(1.0)	16.1	3.7	N/A
Property investment	134.3	24.4	79.5	18.3	+68.9
Securities investment	26.5	4.8	21.9	5.1	+21.0
Total	550.4	100.0	433.5	100.0	+27.0

REAL ESTATE DEVELOPMENT

Contracted Sales

In the first half of 2015, the Group's total contracted sales reached RMB3,353 million (30 June 2014: RMB2,617 million) and the gross floor area contracted for sale amounted to approximately 172,000 square metres (30 June 2014: approximately 134,400 square metres) over 1,605 units (30 June 2014: 1,066 units). The average selling price remained steady at approximately RMB19,500 per square metre and the majority of the contracted sales of the Group derived from Tier 1 and 2 cities.

The table below provides an analysis by project of contracted sales for the first half of 2014 and 2015:

Project	Six months ended 30 June 2015			Six months ended 30 June 2014		
	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	1,260	24,290	51,875	1,242	25,532	48,642
Yingkou Platinum Bay	21	3,105	6,945	64	10,079	6,382
Langfang Minmetals Vanke City	261	36,558	7,143	—	—	—
Tianjin Minmetals International	86	8,057	10,706	30	1,304	22,941
Nanjing Laguna Bay	8	485	17,079	38	2,729	13,756
Nanjing Riviera Royale	17	610	28,168	7	242	28,544
Nanjing Sello Royale	185	11,072	16,713	258	16,774	15,355
Nanjing Academic Royale	1,263	52,537	24,036	662	28,565	23,191
Changsha LOHAS International Community	128	22,453	5,710	270	43,649	6,191
Changsha Scotland Town	—	—	—	27	3,677	7,309
Changsha Kaifu Project	75	8,431	8,865	—	—	—
Huizhou Hallstatt See	49	4,415	11,141	19	1,844	10,404
Total	3,353	172,013	19,488	2,617	134,395	19,472

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	151,000	173,000	92,000
2. Yingkou Platinum Bay	100.00%	396,000	521,000	103,000	45,000	373,000
3. Langfang Minmetals Vanke City	50.00%	395,000	622,000	—	202,000	420,000
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	236,000	34,000	—
8. Nanjing Academic Royale	66.67%	136,000	465,000	—	327,000	138,000
9. Nanjing Yan Shan Ju	100.00%	91,000	205,000	—	102,000	103,000
Central China						
10. Changsha LOHAS International Community	100.00%	643,000	1,084,000	744,000	231,000	109,000
11. Changsha Scotland Town	100.00%	333,000	440,000	440,000	—	—
12. Changsha Kaifu Project	100.00%	150,000	534,000	—	128,000	406,000
Pearl River Delta						
13. Huizhou Hallstatt See	80.00%	984,000	1,003,000	115,000	98,000	790,000
Total		3,850,000	6,275,000	2,504,000	1,340,000	2,431,000

Beijing Fortune Garden

Fortune Garden is a residential development project located at Xibeiwang Town, Haidian District, Beijing. The project 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. The project received the “International Award” by the British Association of Landscape Industries in recognition of its outstanding landscape design. It will be developed in two phases. Development of Phase I commenced in October 2011 and has been partially completed and delivered. Construction of Phase II commenced in June 2013, pre-sale was launched in July 2013 and is scheduled to complete by the end of 2016. During the first half of 2015, this project achieved a contracted sales of 24,290 square metres.

Yingkou Platinum Bay

Platinum Bay is a residential development project that comprises villas and apartments. 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 521,000 square metres. It will be developed over six phases. Development of Phases I and II was completed in December 2012. Phase III was under pre-sale in June 2014 and is expected to complete and deliver at the end of 2015. The remaining three phases are currently under planning. During the first half of 2015, this project achieved a contracted sales of 3,105 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. It will be developed over two phases. Construction of Phase I commenced in October 2014 and pre-sale was launched in December 2014 and it is

expected to complete by the end of 2016. Development of Phase II is expected to commence in the third quarter of 2015 and is scheduled to complete at the end of 2017. During the first half of 2015, this project achieved a contracted sales of 36,558 square metres.

Tianjin Minmetals International

Minmetals International is a completed mixed commercial and residential development project located at the east of Yingbin Main Road and south of Tuochang Road, Tanggu District, Tianjin, which is now within the Tianjin Free-Trade Zone. The project is comprised of office space, apartments and retail stores. This development occupies an aggregate site area of approximately 21,000 square metres and has an aggregate gross floor area of approximately 183,000 square metres. So far, 81% of the gross saleable floor area including car-parking lots was sold. During the first half of 2015, this project achieved a contracted sales of 8,057 square metres. The establishment of Tianjin Free-Trade Zone has enhanced the appeal of this development.

Nanjing Laguna Bay

Laguna Bay is a completed project located at the junction of Xue Si Road and Xue Qi Road, Science Park, Jiangning District, Nanjing, Jiangsu Province. The project is comprised of terrace houses, high-rise apartments, low-rise villas together with a three-storey commercial building. It occupies an aggregate site area of approximately 310,000 square metres, including the lake area, and has an aggregate 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 reserved for education purposes and other ancillary facilities. So far, 99% of the gross saleable floor area including car-parking lots was sold. This project has successfully established a high benchmark in Nanjing and the Group has gained considerable market recognition in the region. During the first half of 2015, it achieved a contracted sales of 485 square metres.

Nanjing Riviera Royale

Riviera Royale is another completed residential development project comprises villas, apartments and LOFT units aiming at the high-end market. The project is located at Mengdu Avenue, Jianye District, Nanjing, Jiangsu Province. 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. It occupies an aggregate site area of approximately 73,000 square metres and has an aggregate gross floor area of approximately 222,000 square metres. So far, 99% of the gross saleable floor area including car-parking lots was sold. During the first half of 2015, this project achieved a contracted sales of 610 square metres.

Nanjing Sello Royale

Sello Royale is a residential development project 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 gross floor area of approximately 270,000 square metres. The project comprises villas and low-rise apartments. Construction of the project commenced in April 2012 and pre-sales of the project was launched in December 2012. The project was awarded the title of “Best Residential Development in 2014 (East & Central China)” (2014 年度中國華東及華中地區最佳住宅項目) at the first China Property Awards held by Ensign Media. Majority of the development works of this project have completed and delivered. So far, 95% of the gross saleable floor area including car-parking lots was sold. During the first half of 2015, this project achieved a contracted sales of 11,072 square metres.

Nanjing Academic Royale

Academic Royale is a residential development project 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 site 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. 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, which will be developed over four phases. Development of Phase I commenced in the third quarter of 2013 and has reached completion with pre-sale in April 2014.

Development of Phase II commenced in the first quarter of 2014 and is expected to complete at the beginning of 2016. Pre-sale of Phase II was launched in the third quarter of 2014. Development of Phase III commenced in January 2015, and pre-sale of Phase III is scheduled to launch in the fourth quarter of 2015 and is expected to complete at the end of 2016. Development of Phase IV is scheduled to commence in the first quarter of 2016 and expected to complete at the end of 2017. During the first half of 2015, this project achieved a contracted sales of 52,537 square metres.

Nanjing Yan Shan Ju

Yan Shan Ju is a residential development project located at the southeast of Zijin Mountains in Nanjing Xuanwu District, the prime high-end residential district where land supply is limited. It occupies an aggregate site area of approximately 91,000 square metres and has an aggregate planned gross floor area of approximately 205,000 square metres. There are well developed transportation facilities and the project is in close proximity to the Ninghang Expressway and Subway Line 2. In addition, it enjoys excellent surrounding environment and neighbours a number of educational and research institutions. The project will be developed into a high-end low-density residential community comprises low-rise apartments for first time buyers and upgraders from the local district and the Nanjing city. The Group has planned two phases for the project. Construction of Phase I has commenced in the first quarter of 2015, pre-sale is expected to launch in September 2015 and construction is scheduled to complete in the third quarter of 2016. Construction of Phase II is expected to commence in the third quarter of 2015 and pre-sale will be launched in the third quarter of 2016.

Changsha LOHAS International Community

LOHAS International Community is a large-scale residential development project with a variety of ancillary facilities. 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. It will be developed over five phases. Development of Phases I, II and III was completed in December 2010 and August 2013 respectively. Development of Phase IV commenced in March 2013 and was completed at the end of 2014. Development of Part I of Phase V commenced in December 2013 and is scheduled to complete in the fourth quarter of 2015. Development of Part II of Phase V is currently under planning. So far, 61% of the gross saleable floor area including car-parking lots was sold. During the first half of 2015, this project achieved a contracted sales of 22,453 square metres.

Changsha Scotland Town

Scotland Town is another completed residential development project located at Yuntang Village and Yuetang Village, Muyun Town, Changsha County, Hunan Province, and is adjacent to LOHAS International Community. The project occupies an aggregate site area of approximately 333,000 square metres and has an aggregate gross floor area of approximately 440,000 square metres. Development of Phases I and II reached completion in August 2011 and November 2013 respectively. So far, 96% of the gross saleable floor area including car-parking lots was sold. During the first half of 2015, this project did not achieve any contracted sales.

Changsha Kaifu Project

Kaifu Project is a residential development project located at Fu Yuan West Road, Kaifu District, Changsha County, Hunan Province. The project is located at a comfortable living Eco-City zone under planning, with close proximity to the Kaifu District Administration Centre. It occupies an aggregate site area of approximately 150,000 square metres and has an aggregate planned gross floor area of approximately 534,000 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 purposes. According to the development plan, the residential portion will be turned into a quality residential community for first home buyers and upgraders, whilst the commercial portion will be positioned as a 5A graded office building, business hotel, commercial zone with shops of lifestyle and leisure goods and services and office building zone positioned for cultural and creative sector. The project will be developed over three phases. Development of phase I commenced in September 2014

and is expected to complete in the fourth quarter of 2016, in which development of the villas is scheduled to complete by December 2015, and development of the high-rise units is scheduled to complete by December 2016. During the first half of 2015, this project achieved a contracted sales of 8,431 square metres.

Huizhou Hallstatt See

Hallstatt See is a large-scale 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 project occupies an aggregate site area of approximately 984,000 square metres and has an aggregate planned gross floor area of approximately 1,003,000 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. It will be developed over seven phases. Development of Phase I and part of Phase II was completed and delivered in 2013 and 2014 respectively. Phase III and the remaining part of Phase II are currently under construction. The entire project is scheduled to complete by the end of 2019. As of end of June 2015, the commercial portion of Hallstatt See has completed project positioning to a more recreational, leisure theme with restaurants, children's recreation centre, wedding photography and boutique hotel on site. During the first half of 2015, this project achieved a contracted sales of 4,415 square metres.

Land Bank

As at 30 June 2015, the Group had a land bank developable in gross floor area of approximately 3.70 million square metres across 13 real estate development projects in 7 cities located in mainland China, including Beijing, Yingkou, Langfang, Tianjin, Nanjing, Changsha and Huizhou.

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 Minmetals Condo (Shanghai) Construction Co., Ltd. ("Condo Shanghai") for the PRC market and Minmetals Condo (Hong Kong) Engineering Company Limited ("Condo Hong Kong") for the Hong Kong market.

In the first half of 2015, revenue derived from this operating segment showed a decline of 19.3% and its segment results, net of intra-group transactions, showed a segment loss of HK\$5.3 million (30 June 2014: segment profit of HK\$16.1 million). The segment loss of this operating segment is primarily attributed to a lower gross profit margin as a result of rising construction costs of Condo Shanghai. The competition of downstream industry chain such as curtain wall business has intensified as a result of the downturn of China's real estate industry since 2014. Condo Shanghai has improved its financial management and accounts receivable collection rate. Tendering will remain as top priority for the business unit in the remainder of the year. During the first half of 2015, Condo Shanghai has secured new tenders amounting to approximately RMB470 million and it has projects on hand as at end of June amounting to RMB650 million.

During the period, despite intense industry competition in the Hong Kong market, Condo Hong Kong has secured new tenders amounting to approximately HK\$250 million with projects on hand amounting to around HK\$550 million as of 30 June 2015.

PROPERTY INVESTMENT

The Group's investment property portfolio in Hong Kong comprises two commercial office buildings, namely LKF 29 (formerly known as 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 2015, revenue from this operating segment rose by 10.6% to HK\$36.6 million (30 June 2014: HK\$33.1 million). As at 30 June 2015, the occupancy rates of LKF 29 was 91.5% (31 December 2014: 95.9%) while China Minmetals Tower remained 100% occupied (31 December 2014: 100%).

OUTLOOK

On the back of supportive monetary easing and preferential tax policies while China's overall economy has yet to recover fully, we believe China's real estate industry is likely to continue with ongoing adjustments into the second half of this year. However, transaction volume of real estate market in Tier 1 and 2 cities is likely to remain robust. It is yet to be seen whether such revival will spread to Tier 3 cities to ease the current polarisation in the sector. On the flip side, the impact of the stock market turmoil starting in early July is yet to roll out and surging home prices could lead to new tightening policies, which is a bigger risk in top tier cities in China.

The Group attempted in land bidding auctions but did not replenish any land bank in the first half of this year. We will seize opportunities to expand our land bank at reasonable cost in Hong Kong and China in a prudent and rational manner over the second half of the year. We will make further efforts to strengthen our brand and improve sales under stringent costs control since achieving a higher turnover and margin have always been the Group's top priority. For key markets such as Beijing and Nanjing, we will continue to enhance the vigorous sales momentum and strive to deliver strong sales, whilst exerting itself to break through the sales stagnation in Tianjin, Changsha, Huizhou and Yingkou. In addition, we will improve the strength of our product offerings and shorten development lead time. We will target gaps in our product offering, identify customers' preferences in accordance with rapid market changes and offer appropriate products to fill these gaps and to satisfy these customers' preferences.

In terms of financing, we will continue to take advantage of our competitive edge in accessing low cost funding over wide range of fundraising channels through our listing platform and SOE background, so as to provide adequate financial resources to support our rapid business development. As the net gearing ratio of the Group is relatively low at 45.4% at the moment, the Group is hence in a position to secure more funding at suitable times.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2015, the Group's operations were financed mainly by cash flows generated internally from business operations as well as borrowings.

As at 30 June 2015, cash and bank deposits (excluding restricted cash and bank deposits) of the Group amounted to HK\$6,620.9 million (31 December 2014: HK\$5,240.5 million).

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\$13,117.2 million as at 30 June 2015 (31 December 2014: HK\$11,641.5 million), which mainly comprised borrowings from banks and bond issuance. The gearing ratio of net debt to total equity of the Group as at 30 June 2015 was 45.4% (31 December 2014: 49.2%).

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

	30 June 2015		31 December 2014	
	HK\$ million	%	HK\$ million	%
Within one year	201.9	1.5	116.9	1.0
In the second year	4,873.2	37.2	4,596.5	39.5
In the third to fifth year	7,084.8	54.0	5,970.8	51.3
In the fifth to tenth year	957.3	7.3	957.3	8.2
Total	13,117.2	100.0	11,641.5	100.0

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

	30 June 2015		31 December 2014	
	HK\$ million	%	HK\$ million	%
Renminbi	1,339.9	10.2	1,194.3	10.3
Hong Kong Dollar	9,089.6	69.3	7,761.6	66.6
United States Dollar	2,687.7	20.5	2,685.6	23.1
Total	13,117.2	100.0	11,641.5	100.0

Finance costs charged to the profit or loss for the six months ended 30 June 2015 amounted to HK\$24.0 million (30 June 2014: HK\$28.8 million) after capitalisation of HK\$248.1 million (30 June 2014: HK\$210.9 million) into properties under development. The unutilised banking facilities of the Group as at 30 June 2015 amounted to HK\$3,297.3 million (31 December 2014: HK\$4,597.5 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

During the first half of 2015, 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 dollar, 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. However, the Group has been closely monitoring the recent fluctuation in Renminbi exchange rate, and will adopt necessary measures to minimise the impact arising from adverse currency fluctuation.

CHARGES ON GROUP ASSETS

As at 30 June 2015, certain assets of the Group were pledged to secure certain banking facilities granted to the Group and mortgage loan facilities to the buyers of the Group's properties, and these pledged assets of the Group included:

- i. properties under development with carrying amounts of approximately HK\$7,266.8 million (31 December 2014: HK\$7,185.5 million); and
- ii. bank deposits with carrying amounts of approximately HK\$119.7 million (31 December 2014: HK\$127.2 million).

FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

As at 30 June 2015, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK\$6,060.5 million (31 December 2014: HK\$3,750.8 million). Such guarantees will terminate upon the earlier of (i) issuance of the property ownership certificate which will generally be available within one year after the purchasers take possession of the relevant properties; 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, after taking into account of the credit worthiness of the purchasers, the Directors consider that no provision is required in the condensed consolidated financial statements for the guarantees.

HUMAN RESOURCES

Total number of staff of the Group, including the Directors, was 1,136 as at 30 June 2015 (30 June 2014: 1,102). The Group will continue to adopt a remuneration policy in line with local market practice and standards. Total remuneration and benefits of the Directors and staff of the Group during the six months ended 30 June 2015 were approximately HK\$107.9 million (30 June 2014: HK\$100.4 million).

CORPORATE GOVERNANCE

Corporate Governance Code

In the opinion of the Directors, throughout the six months ended 30 June 2015, the Company had complied with the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for the following 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. Zhang Yuanrong, the Chairman of the Board and of the Nomination Committee, was not available for the Company’s annual general meeting for 2015 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the Deputy Chairman, Managing Director and a member of the Nomination Committee, took the chair of the said meeting.

- (iii) Code provision A.5.1 requires that the nomination committee should comprise a majority of independent non-executive directors. Furthermore, Rule 3.10(1) of the Listing Rule provides that every board of directors of listed companies must include at least three independent non-executive directors, Rule 3.10A provides that the number of independent non-executive directors should represent at least one third of the board, Rule 3.21 provides that the audit committee should comprise a minimum of three members and Rule 3.25 provides that the remuneration committee should comprise a majority of independent non-executive directors.

Subsequent to the resignation of Mr. Lam Chun, Daniel as an independent non-executive Director of the Company on 11 June 2015, the number of independent non-executive Directors of the Company and the number of members of each of the Audit Committee, Remuneration Committee and Nomination Committee have fallen below the minimum number as required under Rules 3.10(1), 3.10A, 3.21 and 3.25 and code provision A.5.1 of the CG Code of the Listing Rules. As announced by the Company on 20 August 2015, Mr. Lam Chung Lun, Billy will take up the position of independent non-executive Director of the Company on 1 September 2015 and accordingly, the Company will fully comply with the aforesaid Listing Rules requirements then.

Code for Securities Transactions by Directors

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

Transactions”) on terms no less exacting than those contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry of all Directors, they have confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2015.

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 2015, which have also been reviewed by the Group’s independent auditor, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

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 2015.

BOARD OF DIRECTORS

As at the date of this announcement, the board of Directors comprises seven Directors namely, Mr. Zhang Yuanrong as the Chairman and a non-executive Director, Mr. He Jianbo as the Deputy Chairman, Managing Director and an executive Director, Mr. Yin Liang and Ms. He Xiaoli as executive Directors, Mr. Liu Zeping as a non-executive Director, and Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as independent non-executive Directors.

By order of the board

He Jianbo

Deputy Chairman and Managing Director

Hong Kong, 21 August 2015

website: www.minmetalsland.com

** For identification purpose only*