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 2008

FINANCIAL HIGHLIGHTS

	30 June 2008 *HK$'000*	30 June 2007 *HK$'000*	**Percentage change**
Revenue	**135,081**	158,741	**-14.9%**
Profit attributable to equity holders	**27,169**	170,023	**-84.0%**
Earnings per share *(HK cents)*	**3.51**	22.00	**-84.1%**

UNAUDITED INTERIM RESULTS

The board of directors ("Directors") of Minmetals Land Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 together with the comparative figures of the corresponding period in 2007.

Condensed Consolidated Income Statement
For the six months ended 30 June 2008

	Note	Unaudited Six months ended 30 June 2008 HK$'000	2007 HK$'000
Revenue	3	**135,081**	158,741
Cost of sales		**(106,918)**	(130,862)
Gross profit		**28,163**	27,879
Other gains	4	**218**	141,112
Selling and distribution costs		**(15,210)**	(13,334)
Administrative expenses		**(15,895)**	(25,258)
Other operating expenses		**(1,519)**	(1,227)
Revaluation gain on investment properties		**15,000**	38,000
Operating profit		**10,757**	167,172
Finance income		**10,825**	3,864
Finance costs		**(318)**	(488)
Profit before tax	5	**21,264**	170,548
Income tax	6	**679**	(525)
Profit for the period		**21,943**	170,023
Attributable to:			
Equity holders of the Company		**27,169**	170,023
Minority interests		**(5,226)**	—
		21,943	170,023
Earnings per share for profit attributable to equity holders of the Company during the period			
(expressed in HK cents per share)			
- basic and diluted	7	**3.51**	22.00

Condensed Consolidated Balance Sheet

As at 30 June 2008

	Note	**Unaudited 30 June 2008** *HK$'000*	Audited 31 December 2007 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**23,072**	20,297
Investment properties		**356,249**	341,249
Goodwill		**9,107**	8,520
Other assets		**457**	437
		388,885	370,503
Current assets			
Inventories		**1,709,735**	1,311,836
Trade and other receivables	*9*	**269,464**	262,918
Gross amounts due from customers for contract work		**379**	875
Pledged deposits		**5,550**	17,850
Cash and bank deposits		**783,143**	796,784
		2,768,271	2,390,263
Total assets		**3,157,156**	2,760,766

Condensed Consolidated Balance Sheet (Cont'd)

As at 30 June 2008

	Note	**Unaudited 30 June 2008 *HK$'000***	Audited 31 December 2007 *HK$'000*
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**77,383**	77,383
Reserves		**854,510**	800,707
		931,893	878,090
Minority interests		**204,493**	195,246
Total equity		**1,136,386**	1,073,336
LIABILITIES			
Non-current liabilities			
Borrowings		**268,115**	204,923
Deferred tax liabilities		**123**	123
Other liabilities		**8,919**	8,299
		277,157	213,345
Current liabilities			
Trade and other payables	*10*	**409,096**	267,603
Deferred revenue		**1,028,582**	833,245
Current tax payable		**11,116**	11,737
Borrowings		**294,819**	361,500
		1,743,613	1,474,085
Total liabilities		**2,020,770**	1,687,430
Total equity and liabilities		**3,157,156**	2,760,766
Net current assets		**1,024,658**	916,178
Total assets less current liabilities		**1,413, 543**	1,286,681

Notes to the Condensed Consolidated Financial Information

1. Organisation and operations

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

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

This condensed consolidated financial information is presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated. This condensed consolidated financial information has been approved for issue by the board of Directors of the Company on 5 September 2008.

2. Basis of preparation and accounting policies

The interim results of the Group is extracted from the condensed consolidated financial information which has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2007, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those described in the annual financial statements for the year ended 31 December 2007.

The following new and revised standards relevant to the Group have been issued but have not been early adopted:

HKAS 1 (Revised)	Presentation of Financial Statements (effective from 1 January 2009)
HKAS 23 (Revised)	Borrowing costs (effective from 1 January 2009)
HKFRS 3 (Amendment)	Business Combinations (effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009)
HKFRS 8	Operating Segments (effective from 1 January 2009)

The Group will apply the above standards and interpretations from the accounting periods for which they are effective, but they are not expected to have material impact on the condensed consolidated financial information.

3. Segment information

Primary reporting format - business segments

The Group categorises its businesses into the following segments:

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

	Six months ended 30 June											
	Real estate development and project management		**Specialised construction**		**Property leasing**		**Manufacturing and trading**		**Securities investment and trading**		**Total**	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
REVENUE												
Sales to external customers	**557**	2,432	**87,048**	118,080	**10,430**	8,129	**37,046**	30,100	**–**	–	**135,081**	158,741
RESULT												
Segment results	**(18,355)**	(6,525)	**1,354**	(4,574)	**24,069**	44,908	**2,049**	1,730	**–**	140,898	**9,117**	176,437
Unallocated costs, net											**1,640**	(9,265)
Operating profit											**10,757**	167,172
Finance income											**10,825**	3,864
Finance costs											**(318)**	(488)
Income tax											**679**	(525)
Profit for the period											**21,943**	170,023

Unallocated costs, net represent corporate expenses and losses net of corporate income and gains.

4. Other gains

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
Gain on disposal of available-for-sale financial assets	–	140,911
Others	**218**	201
	218	141,112

5. Profit before tax

Profit before tax is stated after charging/(crediting) the following:

	Six months ended 30 June 2008 HK$'000	2007 HK$'000
Interest on borrowings	**20,604**	8,275
Less : amount capitalised into properties under development	**(20,286)**	(7,787)
	318	488
Amortisation of land lease premium	**7,132**	3,099
Less : amount capitalised into properties under development	**(7,132)**	(3,099)
	—	—
Depreciation*	**1,440**	1,325
Cost of inventories sold	**21,524**	15,943
Employee benefit expense, including Directors' emoluments*	**24,305**	18,821
(Write-back of)/provision for inventory obsolescence*	**(94)**	1,248
Provision for impairment of receivables*	**—**	308
Net foreign exchange gain*	**(18,788)**	(5,953)
Operating lease charges in respect of land and buildings*	**4,001**	2,712
Direct outgoings arising from investment properties that generated rental income	**1,187**	1,191

* included in administrative expenses

6. Income tax

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2007: Nil).

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 June 2008 HK$'000	2007 HK$'000
Current tax – Overseas taxation		
Provision for the period	**18**	525
Over-provision in respect of prior years	**(697)**	—
Income tax (credit) / charge	**(679)**	525

7. Earnings per share

Basic earnings per share is calculated by dividing the consolidated profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June 2008	2007
Profit attributable to equity holders of the Company *(HK$'000)*	**27,169**	170,023
Weighted average number of ordinary shares in issue *('000)*	**773,832**	772,819
Basic earnings per share *(HK cents)*	**3.51**	22.00

There were no dilutive potential shares in existence during the period (30 June 2007: Nil).

8. Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (30 June 2007: Nil).

9. Trade and other receivables

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

	30 June 2008 *HK$'000*	31 December 2007 *HK$'000*
0 - 30 days	**34,089**	62,949
31 - 60 days	**14,055**	37,634
61 - 90 days	**8,552**	15,277
Over 90 days	**74,345**	43,835
	131,041	159,695
Less: provision for impairment of receivables	**(352)**	(10,638)
	130,689	149,057

For trade receivables, the normal credit period granted by the Group to the customers is 30 days to 60 days from the date of invoice. The credit period for contract receivables varies in accordance with the terms of contracts.

10. Trade and other payables

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

	30 June 2008 *HK$'000*	31 December 2007 *HK$'000*
0 - 30 days	**18,122**	47,493
31 - 60 days	**9,681**	32,234
61 - 90 days	**13,336**	17,871
Over 90 days	**78,926**	53,933
	120,065	151,531

11. Capital commitments

	30 June 2008 *HK$'000*	31 December 2007 *HK$'000*
Contracted but not provided for in relation to		
Property development	**263,428**	338,338
Leasehold improvement	**2,224**	–
	265,652	338,338

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the businesses of real estate development and project management, specialised construction, property leasing, and manufacturing and trading. Since the disposal of the Group's securities investment in January 2007, the Group has not been involved in any securities investment and trading activities.

For the six months ended 30 June 2008, the consolidated revenue of the Group decreased year-on-year by 14.9% to HK$135,081,000 (30 June 2007: HK$158,741,000). The decrease was mainly due to the decline in contribution from the Group's specialised construction business, despite a substantial percentage increase in the property leasing and manufacturing and trading businesses.

Profit attributable to equity holders of the Company during the period under review was HK$27,169,000, down 84.0% from the same period last year (30 June 2007: HK$170,023,000). Earnings per share of the Company decreased by 84.1% from 22.00 HK cents to 3.51 HK cents. Excluding revaluation gain on investment properties of HK$15,000,000, profit attributable to equity holders of the Company during the period under review amounted to HK$12,169,000 as compared to a loss of HK$8,888,000 (after excluding revaluation gain on investment properties of HK$38,000,000 and a one-off gain of HK$140,911,000 on disposal of a securities investment) for the same period last year.

The Directors have resolved not to declare an interim dividend for the six months ended 30 June 2008 (30 June 2007: Nil).

REVENUE BY BUSINESS SEGMENTS

	Six months ended 30 June				Year-on-year change
	2008		2007		
	HK$'000	*%*	*HK$'000*	*%*	*%*
Real estate development and project management	**557**	**0.4**	2,432	1.5	**-77.1**
Specialised construction	**87,048**	**64.5**	118,080	74.4	**-26.3**
Property leasing	**10,430**	**7.7**	8,129	5.1	**+28.3**
Manufacturing and trading	**37,046**	**27.4**	30,100	19.0	**+23.1**
Total revenue	**135,081**	**100.0**	158,741	100.0	**-14.9**

REAL ESTATE DEVELOPMENT AND PROJECT MANAGEMENT BUSINESS

With the addition of LOHAS International Community Project in Changsha, the PRC, in 2007, the Group had three real estate development projects in the PRC as at 30 June 2008 with a total gross floor area on completion of approximately 1,388,000 square metres.

Since each of our real estate development projects was either in its construction phase or pre-sale stage, no revenue was recognised by the Group during the period from real estate development. During both the period under review and the corresponding period last year, revenue of this business segment was derived entirely from the remaining balance of the service fees from the project management service contract in respect of the Guangzhou Tian He Jin Hai Building ("Jin Hai Building") in Guangzhou, the PRC, which was completed in 2007. Segment revenue for this period was HK$557,000, down 77.1% from HK$2,432,000 in the corresponding period last year. Following the completion of the construction of the Jin Hai Building, the Group does not expect any substantial revenue from its project management activities in the latter part of 2008. Nevertheless, the revenue and results from the sale of property units in The Grand Panorama Project are expected to be recognised by the Group upon handover of property units to buyers in the second half of 2008.

Segment loss for the period under review increased to HK$18,355,000 from HK$6,525,000 for the six months ended 30 June 2007. This was mainly due to the recognition in the income statement of the selling and distribution costs incurred, which amounted to HK$8,514,000, for the pre-sale of The Grand Panorama Project and the Laguna Bay Project while the corresponding revenue and results from such pre-sale would only be recognised at a later stage, upon handover of property units to buyers.

The Grand Panorama Project, Zhuhai, Guangdong Province, the PRC

Given the major infrastructure developments, including the Hong Kong-Zhuhai-Macau Bridge, currently underway in Zhuhai region, the property market in Zhuhai has been relatively healthy. Transaction prices of certain properties in Zhuhai had even reached record high levels in mid-2008.

As at 30 June 2008, the Group had completed the pre-sale of all residential units, comprising a total saleable floor area of 62,467 square metres, all commercial space of 2,315 square metres, and 263 or 82.7% of the car-parking spaces. Following handover of property units to buyers starting July 2008, operating results of the project will start to be reflected in the results of the Group in the second half of 2008 and thereafter. Total revenue to be generated by the project is expected to be approximately HK$926,709,000.

Laguna Bay Project, Jiangning District, Nanjing, the PRC

Although the nationwide austerity measures implemented by the PRC Government to help stabilise the overheating property market in the PRC have achieved results, we continue to believe that the macro economic developments in Jiangning District, the new city zone of Nanjing, remain favourable to the project. In particular, the Nanjing Government has continued to develop the new city zone at substantial government expenditure, with the Southern Extension of the Nanjing subway confirmed to reach Jiangning District near the location of the project, and construction of phase II of the Ninghang Expressway, with a toll station in Jiangning District, to be completed in the second half of 2008.

In mid-May 2008, construction works of the project has progressed to a point that the pre-sale of an additional eight blocks of buildings (in the southern part of phase I) of the project was approved. In spite of the influence of the austerity measures implemented by the PRC Government, the results of pre-sale so far have been generally acceptable. Since commencement of pre-sale in October 2007 and up to 30 June 2008, 368 units or 82% of the 450 residential units of phase I that were marketed have been contracted for sale, achieving an average selling price of around RMB5,090 per square metre in gross floor area. The pre-sale so far has contributed approximately HK$143,665,000 to the cash flow of the Group up to 30 June 2008.

Moving ahead, the Group will, on the one hand, continue to implement stringent cost control measures to mitigate the effects of rising construction costs, and on the other hand, monitor closely construction progress so as to be able to offer, as planned, the remaining 153 residential units of phase I for pre-sale in the second half of 2008.

LOHAS International Community Project, Changsha, Changsha City, Hunan Province, the PRC

During the period under review, demolition and relocation works for the relevant land with respect to part I of phase I of the project were substantially completed and infrastructure construction works were commenced. In addition, relevant government authorities had approved the preliminary design of the project, allowing construction works to commence. In the second half of 2008, the Group plans to appoint the main contractor for construction works of part I of phase I and strive to adjust the construction programme in order to make up for the delays incurred in the approval process of the overall design and planning.

SPECIALISED CONSTRUCTION BUSINESS

For the six months ended 30 June 2008, our specialised construction business operated through two entities in the curtain wall industry; namely, (i) Shanghai Jin Qiao Condo Decoration Engineering Co., Ltd. ("SJQ"), which was engaged in the design and installation of curtain walls in the PRC, and (ii) Condo (Hong Kong) Decoration Engineering Company Limited ("Condo HK"), which was engaged in the design and installation of curtain walls in Hong Kong and Macau.

During the period under review, this business segment recorded an aggregate revenue of HK$87,048,000, representing a 26.3% decrease from HK$118,080,000 during the corresponding period last year. Segment profit improved to HK$1,354,000 from a loss of HK$4,574,000 for the six months ended 30 June 2007.

The decrease in segment revenue was mainly due to the decline in contribution from SJQ and the scaling down of operations of Enful Holdings Limited and its subsidiaries (collectively, "Enful"). During the period under review, the Group closed down Enful's operations in the PRC and has effectively controlled further losses from its operations. However, this positive contribution to the segment results was partly offset by the mediocre operating results of SJQ.

Curtain wall business
SJQ recorded a revenue of HK$68,566,000 for the period under review, as compared with HK$112,481,000 in the corresponding period last year, representing a decrease of 39.0% year-on-year. Segment profit decreased by 97.9% to HK$44,000, down from HK$2,081,000 for the six months ended 30 June 2007.

SJQ secured new contracts totalling approximately HK$135,920,000 in the first half of 2008. However, construction progress with respect to these new contracts suggests that SJQ would recognise revenue only commencing from the second half of 2008. As a result, the revenue of SJQ for the period under review was generated from outstanding contracts on hand of HK$77,604,000 brought forward from the end of 2007.

SJQ has successfully obtained the classification as Building and Decorating Project Contractor Class III and Metal Doors and Windows Engineering Contractor Class III by the Ministry of Construction of the PRC. As at 30 June 2008, SJQ's outstanding contracts on hand amounted to approximately HK$163,908,000. Despite its success, SJQ is facing tough competition from larger and higher-end curtain wall contractors in the PRC, which are competitive particularly in terms of financial and human resources. With these limitations, SJQ continues to face challenges in securing larger contracts which generally offer a better chance to achieve higher margins.

During the period under review, Condo HK's revenue surged over 20 times year-on-year to HK$18,482,000 (30 June 2007: HK$883,000), all of which was derived from Hong Kong. Segment profit was HK$1,174,000, as compared with HK$22,416 for the same period in the preceding year. The principal contract award included the design, supply and installation of curtain wall for the new departure concourse of the Hong Kong International Airport. As at 30 June 2008, Condo HK's outstanding contracts on hand amounted to HK$43,684,000.

Fire-proofing door and plaster business
Enful had not generated any revenue in Hong Kong for the six months ended 30 June 2008. Following the closure of its operations in the PRC, the operations of Enful in Hong Kong were also scaled down to a minimum level so as to finalise the final accounts of the outstanding projects.

PROPERTY LEASING BUSINESS

During the period under review, our property leasing business covered primarily the leasing of office and commercial spaces in ONFEM Tower located in Central, Hong Kong, and four residential units in Hong Kong.

In the first half of 2008, segment revenue increased by 28.3% over last year's level to HK$10,430,000 (30 June 2007: HK$8,129,000), while segment profit before revaluation gain increased 31.3% year-on-year to HK$9,069,000 (30 June 2007: HK$6,908,000). During the period under review, the Group recorded a revaluation gain on investment properties of HK$15,000,000 (30 June 2007: HK$38,000,000). The satisfactory growth in segment revenues and results were mainly due to the increase in average rental rate achieved in the leasing of ONFEM Tower, which benefited from the robust office rental market in the Central district in Hong Kong.

MANUFACTURING AND TRADING BUSINESS

During the period under review, our manufacturing and trading business operated through Jaeger Oil & Chemical Holdings Limited and its subsidiaries (collectively, "Jaeger"), which was engaged in the manufacture and distribution of industrial lubricants and industrial tools mainly in the PRC and Hong Kong.

Jaeger recorded a revenue of HK$37,046,000 in the first half of 2008, representing an increase of 23.1% on a year-on-year basis (30 June 2007: HK$30,100,000). 90% of the revenue was derived from the PRC with the remaining 10% from Hong Kong and other Southeast Asia regions. For the period under review, segment profit attributable to Jaeger increased by 18.4% to HK$2,049,000 from HK$1,730,000 in the corresponding period last year.

Rising oil prices and the appreciating Renminbi had continued to cause a significant increase in the direct costs of Jaeger during the period under review and eroded its operating margins, in spite of some increase in the average selling prices of its products.

OUTLOOK

The Group's results for the first half of 2008 were, to different degrees, adversely affected by rising direct and operating costs in the PRC in the wake of high oil prices and domestic inflation. Under such difficult operating environment, the industries in which our non-real estate development businesses in the PRC operate are becoming increasingly competitive, as industry players could not pass on much of the increases in costs to their customers. In this respect, our business units in these industries are seen to be more vulnerable in view of their relatively smaller operating scales.

The nationwide austerity measures implemented by the PRC Government continue to stabilise the overheating property market in the PRC. On the other hand, the current robust PRC economy, together with the appreciation of Renminbi, had continued to contribute to a favourable business environment for the Group's core business of real estate development in the PRC. We believe that with the support of our controlling shareholder and our seasoned management team, our real estate development business will likely achieve satisfactory returns for our shareholders in future, as generally compared to our other businesses in the PRC.

The property leasing business of the Group, which has been making steady contributions to the cash flow and profits of the Group, has helped stabilise the earnings of our otherwise project-based business activities. Subsequent to the period under review, the Group acquired the China Minmetals Tower as an additional investment property in an effort to, amongst others, build up a broader and more stable earning base.

Going forward, we expect that our real estate development business will be a major contributor to the results of the Group and we will endeavour to focus our financial and human resources to further advance our business segments where our competitive strengths lie with the aim of maintaining the growth momentum of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group derived its funds mainly from cash flows generated from business operation as well as borrowings from banks, a minority investor of a subsidiary of the Company and a fellow subsidiary of the Company.

As at 30 June 2008, cash and bank deposits of the Group amounted to HK$783,143,000 (excluding pledged deposits) (31 December 2007: HK$796,784,000), of which 97.03%, 2.94% and 0.03% (31 December 2007: 95.3%, 4.6% and 0.1%) were denominated in Renminbi, Hong Kong dollar and United States dollar respectively.

To finance the acquisition and development of new projects, total borrowings, comprising borrowings from banks, a minority investor of a subsidiary of the Company and a fellow subsidiary of the Company, were HK$562,934,000 as at 30 June 2008 (31 December 2007: HK$566,423,000). The ratio of total borrowings to total equity of the Group decrease from 52.8% as at 31 December 2007 to 49.5% as at 30 June 2008. However, if considering the gearing ratio, representing net debt (total borrowings less pledged deposits and cash and bank deposits) divided by total equity, there was no net debt and therefore no gearing for the Group as at 30 June 2008 (31 December 2007: Nil) since the Group maintains a high level of cash and bank deposits.

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

	30 June 2008 *HK$'000*	31 December 2007 *HK$'000*
Within one year	**294,819**	361,500
In the second year	**268,115**	204,923
	562,934	566,423

As at 30 June 2008, borrowings denominated in Renminbi amounted to RMB316,963,000 (approximately HK$361,940,000) (31 December 2007: RMB341,822,000 (approximately HK$365,168,000)), while the remaining balance of HK$200,994,000 (31 December 2007: HK$201,255,000) was bank borrowings denominated in Hong Kong dollar. All of the Group's borrowings were on a floating interest rate basis. Finance costs charged to the consolidated income statement for the six months ended 30 June 2008 amounted to HK$318,000 (30 June 2007: HK$488,000) after capitalisation of HK$20,286,000 (30 June 2007: HK$7,787,000) into the cost of properties under development. The unutilised banking facilities of the Group amounted to HK$70,676,000 as at 30 June 2008 (31 December 2007: HK$37,414,000).

Property development commitments of the Group as at 30 June 2008 amounted to HK$263,428,000 (31 December 2007: HK$338,338,000). These commitments are to be financed by internal funds and borrowings.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

Most of the transactions of the Group were denominated in Hong Kong dollar, Renminbi and United States dollar, and therefore, the Group has Renminbi exposure in large while the currency risk exposure to United States dollar was considered minimal. Given that the expected appreciation of Renminbi would have positive impact on the Group's assets in the PRC and income generated from the PRC, the Group had not implemented hedging or other alternative measures during the six months ended 30 June 2008. As at 30 June 2008, the Group did not have any significant exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

CHARGES ON GROUP ASSETS

As at 30 June 2008, the Group pledged leasehold land and buildings and investment properties with carrying amounts of HK$6,462,000 (31 December 2007: HK$6,554,000) and HK$356,249,000 (31 December 2007: HK$341,249,000) respectively, properties under development of HK$356,938,000 (31 December 2007: HK$476,100,000) and fixed bank deposits of HK$5,550,000 (31 December 2007: HK$17,850,000) as securities for the Group's banking facilities.

CONTINGENT LIABILITIES

The Group has provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Company and the outstanding mortgage loans under these guarantees amounted to approximately HK$425,362,000 (31 December 2007: HK$346,887,000).

EMPLOYEES

As at 30 June 2008, the Group employed 465 (30 June 2007: 390) staff, including the Directors. The total remuneration and benefits of the Directors and staff of the Group during the six months ended 30 June 2008 were HK$24,305,000 (30 June 2007: HK$18,821,000). The Group adopts a remuneration policy in line with market practice.

CORPORATE GOVERNANCE

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, throughout the six months ended 30 June 2008, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviations:

(i) Code provision A.4.2 requires that all directors appointed to fill a casual vacancy in listed companies should 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 been elected at the first general meeting, Directors appointed by the Company to fill a casual vacancy would be subject to election at the first annual general meeting after their appointment. Besides, all Directors are subject to rotational retirement in the manner as set out in the said code provision save for the Chairman and the Managing Director where they are not required to do so pursuant to the private company act 1991 by which the Company was incorporated.

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

   Mr. Zhou Zhongshu, the Chairman of the board of Directors and of the remuneration committee, did not attend the Company's annual general meeting for 2008 due to ad hoc business commitment. Accordingly, Mr. He Jianbo, the Managing Director and a member of the remuneration committee, took the chair of the said general meeting.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has established a set of guidelines as its own "Rules and Procedures for Directors and Relevant Employees of the Company in respect of Dealings in Securities of the Company" (the "Rules for Securities Transactions") on terms no less exacting than those contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Specific enquiry had been made with all Directors who have confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2008.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company comprises three Independent Non-executive Directors namely, Mr. Selwyn Mar, Mr. Lam Chun, Daniel and Ms. Tam Wai Chu, Maria. The audit committee has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2008, which has also been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagement 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 has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2008.

BOARD OF DIRECTORS

As at the date of this announcement, the board of Directors comprises nine Directors namely, Mr. Zhou Zhongshu as the Chairman and a Non-executive Director, Mr. Qian Wenchao, Mr. He Jianbo, Mr. Yan Xichuan, Mr. Yin Liang and Ms. He Xiaoli as Executive Directors and Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as Independent Non-executive Directors.

By order of the board
He Jianbo
Managing Director

Hong Kong, 5 September 2008

website: http://www.minmetalsland.com

* *For identification purpose only*