五礦資源有限公司
MINMETALS RESOURCES LIMITED
（Incorporated in Hong Kong with limited liability）
(Stock Code: 1208)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

Financial Highlights

	Six months ended 30 June		
	2009	2008	Change
	HK$ million	*HK$ million*	
Revenue	**2,140.0**	4,500.5	-52%
Profit attributable to equity holders of the Company	**169.4**	190.3	-11%
Earnings per share			
- Basic	**HK8.36 cents**	HK9.24 cents	-10%
- Diluted	**HK8.36 cents**	HK9.23 cents	-9%

	30 June 2009	31 December 2008	Change
	HK$ million	*HK$ million*	
Total assets	**8,522.1**	8,909.9	-4%
Shareholders' funds	**6,144.3**	6,092.1	+1%

Chairman's Message

Interim Results

In the first half of 2009, although the Group has experienced unprecedented severe economic conditions, the management, by virtue of their prudent management style and pragmatism, was able to sustain profitability of Minmetals Resources. The Group reported a consolidated net profit of HK$169.4 million. Owing to global recession coupled with depressed pricing of and shrinking demand for aluminium, consolidated revenue for the six months ended 30 June 2009 fell by 52% to HK$2,140.0 million. Basic earnings per share were HK8.36 cents.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009. The Board will continue to review the dividend policy based on its business conditions.

Business Review

With respect to the Group's trading business, severe decline in downstream demand has resulted in suspended production of certain aluminium smelters and plunge in alumina demand since the fourth quarter of last year. Aluminium price continued the downward trend in January and February 2009, and hit record low in mid-February, almost returning to the same level as 10 years ago. Depressed aluminium price and drastic drop in demand led to extraordinarily difficult operating environment. Since March, key aluminium consumption industries such as construction, real estate, automobile and other industrial production sectors in the PRC have been showing signs of recovery, and monthly consumption has been rising. Nevertheless, cumulative consumption for the first half declined as compared with the same period last year. Being one of the largest importers of alumina in the PRC, the Group's alumina and aluminium ingot trading business has inevitably been adversely affected. Segment revenue and profit contribution from the trading business decreased accordingly as compared with the same period last year.

With respect to aluminium resources exploration and operation integration, the Group completed the acquisition of a 33% equity interest in Guangxi Huayin Aluminium Company Limited ("Guangxi Huayin") at the end of April 2008. Guangxi Huayin is one of the largest and the most advanced alumina refinery plants in the PRC. It ranks high among alumina refinery plants in the PRC in terms of production efficiency and technical aspects. Operation of the production lines with annual production capacity of 1.6 million tonnes of alumina commenced after construction was completed in the middle of last year. However, capacity was under-utilised during the period under review as a result of alumina market downturn. Owing to the unused production capacity, fixed costs such as depreciation, finance expense and wages could not spread over larger output, leading to decline in cost efficiency. This together with depressed selling price resulted in a loss. With an improved alumina demand outlook, Guangxi Huayin started to resume, in May, the utilisation of some of its production capacities. As of now, Guangxi Huayin has reached its full production capacity, which is in line with the latest alumina demand situation in the PRC. It is expected that unit production cost will be lowered further and Guangxi Huayin's operations will improve. Regarding its project for exploration of bauxite mine and establishment of an alumina refining facility in Jamaica, the Group, after considering the adverse market conditions and aluminium industry downturn during the first half of 2009, will confirm its development plan when market conditions mature.

For the aluminium fabrication business, the Group's 72.8%-owned subsidiary, North China Aluminium Company Limited ("NCA"), was also affected by the deteriorating external environment during the period under review, resulting in a decline in revenue. However, effective sales management and cost control have enabled this segment to post a growth in profit contribution. In order to meet the needs of future development, the construction of "1850 mm

Super-thin, Wide and Compound Aluminium Foil Production Line Project" is underway and progresses smoothly. It is expected that production will commence during the fourth quarter of 2009. NCA's annual aluminium fabrication capacity is expected to be increased by 25,000 tonnes to 105,000 tonnes by then.

The Group's copper fabrication business benefited from the government economic stimulus package, which boosted the copper rods industry. The increased investment in infrastructure also brought about the recovery of the power cable industry. The PRC government provided direct subsidies to farmers for purchase of household appliances and such led to recovering demand for magnet wire. The Group's 36.3%-owned jointly-controlled company, Changzhou Jinyuan Copper Company Limited ("Changzhou Jinyuan"), expanded power cable sales and continued to solidify its market position in copper rod and copper wire owing to superior product quality during the period under review. As a result, an encouraging growth in profit contribution was achieved. Changzhou Jinyuan is constructing an advanced copper rod production line with a 300,000-tonne annual production capacity to further expand its production capacity. Construction of the new facilities is expected to be completed in 2010, and operation will commence by then.

The Group has disposed its entire interest of approximately 11.5 million shares in Sino Gold Mining Limited ("Sino Gold") in June 2009. The investment in Sino Gold is not a core business of the Group and the disposal creates a good opportunity for realising a gain. The net proceeds of approximately HK$386.7 million further enhanced the Group's financial strength and provided additional source of fund for future development.

Outlook

Despite facing a tremendously volatile economic cycle, Minmetals Resources performed resiliently during the period under review. The Board was satisfied with the results for the first half of the year. Global economic outlook remains highly uncertain. It remains unclear as to the strength and sustainability of overall economic recovery. Nonetheless, the Board is cautiously optimistic about the future prospects, in view of various improving economic indicators. Upholding its beliefs in prudent approach and long-term sustainable development, the Group will diligently pursue its major tasks in the second half of this year. These tasks include aligning its trading business to grasp the opportunities brought by changes in economic cycle and completing the aluminium and copper fabrication capacity expansion projects. The strategies of Minmetals Resources include the following: the Group will fully leverage on its competitive edges in alumina and aluminium ingot business operations to maintain and consolidate its market position; the Group will continue to push ahead with aluminium operation integration to enhance its overall competitiveness; by seizing opportunities for exploring other metals with strategic value, the Group will cultivate new investment projects and profit growth drivers; by capitalising on its status as China Minmetals Corporation's overseas platform for non-ferrous metals businesses, the Group will gradually develop into an international metals and mining conglomerate.

On behalf of the Board, I would like to extend my heartfelt thanks to our shareholders and others for their unfailing support. The Board and all of its employees will serve with continued dedication and effort to offer value and return for our shareholders.

Li Fuli
Chairman

Hong Kong, 15 September 2009

The board of directors (the “Board”) of Minmetals Resources Limited (the “Company”) herewith announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009.

Management Discussion and Analysis

OVERVIEW

The global economic downturn as a result of the financial crisis emerged late last year posed an extremely challenging operating environment to the non-ferrous metals industry for the first half of 2009, though economy showed some signs of stabilisation and bottoming out in recent months. Plagued by the setback of markets and decline in alumina and aluminium prices, the Group posted consolidated revenue of HK$2,140.0 million and consolidated net profit after tax of HK$169.4 million for the six months ended 30 June 2009, representing decrease of 52.4% and 11.0% respectively as compared to the corresponding period in 2008. Basic earnings per share were HK8.36 cents for the first half of 2009, as compared to HK9.24 cents for the same period in 2008.

FINANCIAL REVIEW

Revenue

	Six months ended 30 June			
	2009	2008	Increase/(Decrease)	
	HK$ million	*HK$ million*	*HK$ million*	*%*
Trading	**1,332.4**	3,266.4	(1,934.0)	(59.2)
Aluminium fabrication	**646.1**	1,078.3	(432.2)	(40.1)
Other operations	**161.5**	155.8	5.7	3.7
Total external revenue	**2,140.0**	4,500.5	(2,360.5)	(52.4)

In the first six months of 2009, the market downturn for downstream aluminium products was deep and sustained, which in turn dramatically decreased the demand for and prices of products in the upper-end of the business chain - alumina and aluminium. Notwithstanding the severe downturn in market conditions, trading volume of alumina handled by the Group and aluminium fabrication volume decreased only by 1.6% and 17.8% respectively. Plunge in consolidated revenue was primarily due to drop in alumina and aluminium prices. The Group’s consolidated revenue for the first six months of 2009 was HK$2,140.0 million, representing a decrease of 52.4% as compared to the same period last year.

Gross profit

During the period, the Group recorded gross profit of HK$109.8 million, a decrease of HK$248.2 million or 69.3% when compared to the same period in 2008. The decrease was mainly attributable to the decrease in selling prices and deterioration in overall gross profit margin.

Overall gross profit margin reduced from 8.0% in the first half of 2008 to 5.1% in first half of 2009, mainly due to the decrease in gross profit margin in the Group's trading business. Trading margin narrowed as the fall in alumina sales price exceeded the corresponding fall in the procurement cost of the Group during the period. This happened because the cost of alumina sourced under a long-term supply contract from a supplier was in some way correlated to the production cost of that supplier and therefore its fluctuation might not fully match with the alumina price fluctuation in the spot market.

Selling expenses

For the six months ended 30 June 2009, the Group's selling expenses decreased by 29.2% to HK$37.6 million (2008: HK$53.1 million), mainly due to the decrease in turnover. Given the fact that sales volume decreased marginally whereas there were substantial decreases in selling prices, selling expenses to revenue ratio rose from 1.2% to 1.8%.

Administrative expenses

To cope with the difficult economic situation, the Group has strengthened its operational and cost control management so as to reduce its administrative costs. During the period, the Group's administrative expenses decreased substantially by 25.6% to HK$73.4 million (2008: HK$98.7 million). However, due to the fixed nature of certain cost components, administrative expenses to revenue ratio still increased from 2.2% to 3.4%.

Other gains - net

Other gains – net increased from HK$26.6 million in the first half of 2008 to HK$28.1 million in the first half of 2009. The major changes include : (i) net exchange gains decreased HK$64.5 million as Renminbi showed little appreciation over the period; and (ii) net gains of HK$24.7 million were reported in respect of the realised gains/losses and mark-to-market fair value adjustments on aluminium forward/futures contracts in the current period, compared to net losses of HK$43.2 million in the last corresponding period.

Gain on disposal of available-for-sale financial assets

During the period, the Group disposed its entire interest of approximately 11.5 million shares in Sino Gold Mining Limited and recorded a net gain of approximately HK$214.7 million.

Finance costs - net

Finance costs – net increased by HK$11.8 million from HK$10.4 million in the first half of 2008 to HK$22.2 million in the first half of 2009, mainly due to the decrease in interest income. Under a low interest rate environment, the Group's interest income decreased by HK$14.4 million during the period.

Share of post-tax profits less losses of jointly-controlled companies

The Group's share of the results of its jointly-controlled companies is as follows:

Jointly-controlled company	Interest held	Six months ended 30 June **2009**	2008
		HK$ million	*HK$ million*
Changzhou Jinyuan Copper Company Limited ("Changzhou Jinyuan")	36.3%	**40.9**	14.6
Guangxi Huayin Aluminium Company Limited ("Guangxi Huayin")	33%	**(67.2)**	0.8
Mincenco Limited ("Mincenco")	51%	**(1.0)**	(0.9)
The Group's share of post-tax profits less losses		**(27.3)**	14.5

Changzhou Jinyuan - Despite the unfavourable market conditions, sales volume of copper rods and wires showed no decline but a silent growth of 0.9%. This, combined with proactive risk management on copper price movements, helped Changzhou Jinyuan survived through the wild fluctuations in the commodities market. With the substantial rebounds in copper prices, the actual losses realised on certain copper futures contracts upon the execution of the corresponding physical contracts in the first half of 2009 were much smaller than the unrealised mark-to-market losses recorded for the same contracts at last year end, and thus boosted Changzhou Jinyuan's profit for the period.

Guangxi Huayin - Weak market demand for alumina led to low utilisation rate of production capacity and high absorption rate of fixed overheads. Guangxi Huayin recorded operating loss primarily as a result of weak alumina price and under-utilisation of production capacity.

Mincenco - The bauxite exploration and alumina refinery project in Jamaica is still in the feasibility study phase, so no revenue contribution during the period.

Share of post-tax profits of associates

The Group's share of the results of its associates is as follows:

Associate	Interest held	Six months ended 30 June **2009**	2008
		HK$ million	*HK$ million*
Sino Nickel Pty Ltd ("Sino Nickel")	40%	**2.6**	8.3
Qingdao M.C. Packaging Limited ("Qingdao M.C.")	20%	**2.3**	2.3
Others		**0.3**	0.2
The Group's share of post-tax profits		**5.2**	10.8

Sino Nickel - Sales volume grew by 9.1% but with average selling price of nickel concentrate slumped by about 60%, profit reduced significantly when compared to the last corresponding period.

Qingdao M.C. - Sales volume declined slightly by 4% but net profit contribution to the Group remained stable.

SEGMENTAL ANALYSIS

Trading

For the six months ended 30 June 2009, trading business accounted for 62.3% (2008: 72.6%) of the Group's external revenue and contributed HK$13.1 million (2008: HK$235.9 million) to the Group's operating profit. Alumina and aluminium ingots remained the major trading products during the period, representing about 90.1% (2008: 74.4%) and 9.9% (2008: 25.6%) respectively of the external revenue of this segment.

		Six months ended 30 June			
		2009	2008	Decrease	
					%
External revenue	(HK$ million)				
Alumina		**1,200.1**	2,429.1	(1,229.0)	(50.6)
Aluminium ingot		**131.9**	835.3	(703.4)	(84.2)
Others		**0.4**	2.0	(1.6)	(80.0)
Total		**1,332.4**	3,266.4	(1,934.0)	(59.2)
Sales volume	('000 tonnes)				
Alumina		**620.0**	629.9	(9.9)	(1.6)
Aluminium ingot		**10.4**	48.6	(38.2)	(78.6)
Average selling price	(HK$ per tonne)				
Alumina		**1,936**	3,856	(1,920)	(49.8)
Aluminium ingot		**12,647**	17,182	(4,535)	(26.4)
Operating profit	(HK$ million)	**13.1**	235.9	(222.8)	(94.4)

Alumina prices continued to slump in the beginning of 2009 as PRC's alumina was still oversupplied. In February, the domestic spot price once dropped to the level of about RMB1,800 per tonne. After the cold winter of demand shrinkage and price slump, alumina price then showed some signs of stabilisation and found support in the latter months. In early April, the PRC alumina spot price jumped by more than 20% to about RMB2,200 to RMB2,300 per tonne in response to the restart of idle capacity by some aluminium smelters and the upsurge of aluminium prices after the buying of aluminium reserve by the State Reserve Bureau. Then, in April and May, certain domestic alumina refineries restarted their idle capacity but the less-than-expected restart of capacity at aluminium smelters lowered the demand for alumina. Alumina spot price eased back in June and traded around RMB2,000 per tonne.

In term of sales volume, the Group saw only minimal decline in its trading of alumina despite the difficult economic environment. Sales volume dropped 1.6% when compared to the same period in last year. Nevertheless, the slump in alumina sales prices – about 50% drop in average selling price of the Group when compared to the last corresponding period – greatly reduced the Group's trading revenue. This, together with depressed trading margin, caused the substantial decrease in operating profit contribution from this segment.

Aluminium Fabrication

Aluminium fabrication accounted for 30.2% (2008: 24.0%) of the Group's external revenue and contributed HK$27.9 million (2008: HK$25.4 million) to the Group's operating profit for the six months ended 30 June 2009. The Group operated its aluminium fabrication business through a 72.8%-owned subsidiary, North China Aluminium Company Limited ("NCA").

		Six months ended 30 June			
		2009	2008	Increase/(Decrease)	
					%
External revenue	(HK$ million)	**646.1**	1,078.3	(432.2)	(40.1)
Sales volume	('000 tonnes)	**36.9**	44.9	(8.0)	(17.8)
Operating profit	(HK$ million)	**27.9**	25.4	2.5	9.8

Due to the international financial crisis, demand for downstream aluiminium products from the packaging, printing and home appliance industries – in both PRC and overseas markets – declined dramatically. Export slowdown and intensified competition in the domestic market added much difficulty to NCA in developing its market. For the six months ended 30 June 2009, sales volume and external sales revenue in this segment decreased by 17.8% and 40.1% respectively when compared to the last corresponding period.

The decline in sales volume in some of its major products, like aluminium foil stock (which can be further processed into light gauge aluminium foil) and aluminium foil used in air-conditioner, lowered NCA's revenue for the period. However, there was no material change in the product mix of NCA. To cope with this challenge, NCA has strengthened its sales management, quality and cost controls, and stepped up its effort on product research and development. Through these measures, its operating profit showed improvement despite the downturn of market.

Other operations

Other operations of the Group include production and sale of aluminium processing equipment, production and sale of plica tubes (flexible metals conduits) and port logistics services, which in aggregate accounted for 7.5% (2008: 3.5%) of the Group's external revenue and contributed HK$4.3 million (2008: HK$5.5 million) to the Group's operating profit for the six months ended 30 June 2009.

OTHER FINANCIAL INFORMATION

Financial Resources and Liquidity

The Group remained in a strong financial and liquidity position for the six months end 30 June 2009. During the period, total assets decreased by 4.4% to HK$8,522.1 million and shareholders' equity increased by 0.9% to HK$6,144.3 million. Current ratio also improved from 2.0 at 31 December 2008 to 3.0 at 30 June 2009.

As at 30 June 2009, the Group was in a net cash position of HK$821.0 million, representing cash and bank deposits of HK$2,044.9 million less total borrowings of HK$1,223.9 million (comprising bank borrowings of HK$968.4 million and advances from banks for discounted bills of HK$255.5 million). Hence, gearing ratio (defined as total borrowings less cash and bank deposits divided by shareholders' equity) is not applicable.

The Group's cash and bank deposits, amounting to HK$2,044.9 million at 30 June 2009, were mainly denominated in US dollars (41%), Renminbi (26%), Australian dollars (21%) and Hong Kong dollars (12%).

As at 30 June 2009, the profile of the Group's bank borrowings was as follows:

(1) 53% were in Renminbi and 47% were in US dollars;
(2) 17% were in fixed rates and 83% were in floating rates;
(3) 26% were repayable within 1 year, 18% were repayable between 1 and 2 years, 33% were repayable between 2 and 5 years and 23% were repayable after 5 years.

Material Acquisitions and Disposals

In March 2009, the Group increased its investments in its jointly-controlled company, Changzhou Jinyuan, by a cash injection of approximately HK$42.4 million. The cash contribution from the Group, together with those provided by other shareholders, will be used by Changzhou Jinyuan to finance the construction of a new copper rod production line with an annual capacity of 300,000 tonnes. After this cash injection, the Group's interest in Changzhou Jinyuan increased slightly from 36% to about 36.3%.

In June 2009, the Group disposed its entire interest of 11,492,912 shares in Sino Gold Mining Limited to independent third parties and recorded a net profit of approximately HK$214.7 million. The disposal represents a good opportunity to realise a gain from the investment and the net proceeds of approximately HK$386.7 million will be used by the Group as general working capital and to fund any potential investments available to the Group in the future.

During the period, the Group made the following cash contributions to its jointly-controlled companies in proportion to the respective interest it held in those companies:

(1) Approximately HK$19.4 million was provided to Guangxi Huayin to support its construction of transport system and other infrastructures; and

(2) Approximately HK$8.0 million was provided to Mincenco to support its daily operations in the feasibility study stage.

Except for the above, there was no material acquisition or disposal of investments by the Group for the six months ended 30 June 2009.

Contingent Liabilities

The Group had no material contingent liability as at 30 June 2009.

Capital Expenditure and Commitments

The Group incurred capital expenditure of approximately HK$157.8 million for six months ended 30 June 2009, which was mainly related to the construction of a new aluminium foil production line and the upgrade of other production facilities.

The Group's capital commitments as at 30 June 2009 amounted to approximately HK$156.9 million, which were mainly related to the construction of new aluminium foil production line as well as the expansion of other production facilities.

Charge on Assets

As at 30 June 2009, the following assets of the Group were pledged to certain banks for the banking facilities granted to the Group:

(1) All the equity interests of a wholly owned subsidiary, Sino Mining Alumina Limited ("Sino Mining") and all the assets of Sino Mining;

(2) Certain property, plant and equipment, land use rights as well as inventories of the Group with a total carrying amount of approximately HK$416.3 million; and

(3) Bank deposits of approximately HK$35.3 million.

Risk Management

Set out below are the major risk areas that the Group may enter into derivative contracts from time to time to hedge against the risks.

(a) Commodity price risk

Same as last year, in order to mitigate the price risk of the commodity cycle that may cause to its trading and aluminium fabrication operations, the Group entered into certain aluminium forward/futures contracts in the first half of 2009. As at 30 June 2009, the Group's long and short positions in aluminium forward/futures contracts amounted to approximately 14,540 tonnes and 8,125 tonnes respectively.

(b) Interest rate risk

The Group has used interest rate swaps to reduce the impact of interest rate fluctuation on its operation. There was no new interest rate swap entered during the period and the outstanding principal amount of the Group's interest rate swaps amounted to approximately HK$452.4 million at 30 June 2009.

Risk Management (Continued)

(c) Foreign exchange risk

The Group's foreign exchange risk exposure primarily lies on its operations in Hong Kong, Mainland China and Australia. Given the exchange rate peg between Hong Kong dollars and United States dollars, it is not foreseen that the Group will be exposed to significant risk for transactions conducted in these two currencies. However, exchange rate fluctuations between Renminbi or Australian dollars and Hong Kong dollars may affect the Group's performance and asset value. The Group had not entered into any derivative contracts to hedge against this risk for the six months ended 30 June 2009.

Human Resources

At 30 June 2009, the Group's total headcount stood at approximately 2,458 (not including the employees of jointly-controlled companies and associates), of which 15 were based in Hong Kong, 13 were in Australia and the remaining ones were in Mainland China. The total staff costs, including the directors' emoluments, for the six months ended 30 June 2009 amounted to HK$60.6 million.

Whilst pursuing a range of cost-saving measures to improve efficiency in the difficult economic conditions, the Group remains to see committed and competent workforce as a key to corporate success. There was no material change in the Group's human resources policies in relation to remuneration, performance assessment as well as training and development for the six months ended 30 June 2009.

Condensed Consolidated Interim Income Statement

		Six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Revenue	4	**2,139,951**	4,500,490
Cost of sales		**(2,030,150)**	(4,142,445)
Gross profit		**109,801**	358,045
Selling expenses		**(37,594)**	(53,088)
Administrative expenses		**(73,396)**	(98,709)
Other income	5	**5,708**	4,461
Other gains – net	6	**28,120**	26,620
Gain on disposal of available-for-sale financial assets	7	**214,722**	-
Operating profit	8	**247,361**	237,329
Finance costs – net	9	**(22,169)**	(10,384)
Share of post-tax profits less losses of jointly-controlled companies		**(27,294)**	14,554
Share of post-tax profits of associates		**5,240**	10,846
Profit before income tax		**203,138**	252,345
Income tax expense	10	**(30,485)**	(58,204)
Profit for the period		**172,653**	194,141
Attributable to:			
Equity holders of the Company		**169,382**	190,297
Minority interest		**3,271**	3,844
		172,653	194,141
Earnings per share for profit attributable to equity holders of the Company	11		
- Basic		**HK8.36 cents**	HK9.24 cents
- Diluted		**HK8.36 cents**	HK9.23 cents
Interim dividend	12	**-**	-

Condensed Consolidated Interim Statement of Comprehensive Income

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**172,653**	194,141
Other comprehensive income		
Net fair value loss of available-for-sale financial assets	**-**	(18,858)
Net fair value gain on cash flow hedge, net of tax	**7,927**	498
Currency translation differences	**15,825**	96,114
Transfer to income statement on disposal of available-for-sale financial assets	**(137,762)**	-
Total comprehensive income for the period	**58,643**	271,895
Total comprehensive income attributable to:		
Equity holders of the Company	**55,372**	256,640
Minority interest	**3,271**	15,255
	58,643	271,895

Condensed Consolidated Interim Balance Sheet

	Note	**30 June 2009 (Unaudited) *HK$'000***	31 December 2008 (Audited) *HK$'000*
Assets			
Non-current assets			
Property, plant and equipment	13	**508,176**	520,703
Construction in progress	13	**240,169**	103,639
Investment properties	13	**13,110**	13,110
Land use rights	13	**8,831**	9,303
Alumina purchasing rights	13	**2,489,499**	2,558,400
Goodwill		**6,849**	6,849
Interests in jointly-controlled companies		**1,161,386**	1,125,868
Interests in associates		**104,324**	89,247
Long-term receivables and prepayments		**59,964**	177,840
Available-for-sale financial assets		**-**	309,790
Deferred income tax assets		**27,510**	60,027
		4,619,818	4,974,776
Current assets			
Inventories		**564,378**	693,907
Trade and bills receivables	14	**904,143**	776,029
Prepayments, deposits and other receivables		**346,572**	538,385
Amounts due from fellow subsidiaries		**18,103**	-
Derivative financial instruments		**7,861**	3,925
Current income tax assets		**16,382**	17,039
Time deposits		**102,600**	-
Pledged bank deposits		**35,341**	38,176
Cash and cash equivalents		**1,906,922**	1,867,712
		3,902,302	3,935,173
Total assets		**8,522,120**	8,909,949

Condensed Consolidated Interim Balance Sheet (Continued)

	Note	**30 June 2009 (Unaudited) *HK$'000***	31 December 2008 (Audited) *HK$'000*
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	15	**101,311**	101,455
Reserves		**6,042,949**	5,990,624
		6,144,260	6,092,079
Minority interest		**196,405**	193,134
Total equity		**6,340,665**	6,285,213
Liabilities			
Non-current liabilities			
Deferred income		**22,599**	23,967
Derivative financial instruments		**-**	7,426
Deferred income tax liabilities		**125,183**	128,987
Bank borrowings	18	**712,488**	541,860
		860,270	702,240
Current liabilities			
Trade payables	19	**334,998**	802,336
Accruals, receipts in advance and other payables		**453,438**	476,786
Advances from banks for discounted bills		**255,524**	87,297
Amounts due to ultimate holding company, a fellow subsidiary, a jointly-controlled company and an associate		**1,632**	200,285
Derivative financial instruments		**19,480**	47,330
Current income tax liabilities		**237**	1,742
Bank borrowings	18	**255,876**	306,720
		1,321,185	1,922,496
Total liabilities		**2,181,455**	2,624,736
Total equity and liabilities		**8,522,120**	8,909,949
Net current assets		**2,581,117**	2,012,677
Total assets less current liabilities		**7,200,935**	6,987,453

Notes to the Condensed Consolidated Financial Information

1. Independent review

The interim financial information for the six months ended 30 June 2009 is unaudited, but has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The auditor's unmodified review report will be included in the interim report sent to the Company's shareholders. This interim financial information has also been reviewed by the Company's audit committee.

2. Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with 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") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This condensed interim financial information should be read in conjunction with the financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3. Significant accounting policies

Except as described below, the accounting policies applied in the preparation of this condensed consolidated interim financial information are consistent with those used in the financial statements for the year ended 31 December 2008.

For the six months ended 30 June 2009, the Group has applied the following new/revised standards and amendments to existing standards issued by the HKICPA, which are first effective for the current accounting period of the Group.

HKAS 1 (Revised) - Presentation of financial statements

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The condensed consolidated interim financial information has been prepared under the revised disclosure requirements.

3. Significant accounting policies (Continued)

HKAS 23 (Revised) – Borrowing costs

The standard has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard did not have any material impact on the Group's financial statements as it was consistent with the policy already adopted by the Group.

HKFRS 8 - Operating segments

HKFRS 8 replaces HKAS 14 - Segment reporting. It requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas.

Following the adoption of HKFRS 8, the identification of the Group's reportable segments has changed. However, the reportable segments identified under HKFRS 8 are same as those reported under HKAS 14 in the Group's last annual financial statements. Additional explanation regarding the basis of preparation of the information has been included in Note 4. Amounts reported for prior period have been reclassified to conform to the requirements of HKFRS 8.

Amendment to HKFRS 7 - Financial instruments: disclosures

The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures and requires some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy. It also requires entities to provide additional disclosures about the relative reliability of fair value measurements. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. The Group will make additional relevant disclosures in its financial statements for the year ending 31 December 2009.

Notes to the Condensed Consolidated Financial Information

3. Significant accounting policies (Continued)

The following revised standards, amendments and interpretations to standards are also mandatory for the accounting periods beginning on or after 1 January 2009:

HKFRSs (Amendment)	Improvements to HKFRSs 2008 [1]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellations
HKAS 32 and HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HK (IFRIC)- Int 9 and HKAS 39 (Amendments)	Reassessment of embedded derivatives
HK (IFRIC) - Int 13	Customer loyalty programmes
HK (IFRIC) - Int 15	Agreements for the construction of real estate
HK (IFRIC) - Int 16	Hedges of a net investment in a foreign operation

1 Effective for the annual periods beginning on or after 1 January 2009 except for the amendment to HKFRS 5, "Non-current assets held for sale and discontinued operations" which is effective for annual periods beginning on or after 1 January 2010.

The adoption of these revised standards, amendments and interpretations to standards did not result in a significant impact on the results and financial position of the Group.

The Group has not early adopted the following revised standards, amendments and interpretations to standards that have been issued but not yet effective for the accounting period beginning on 1 January 2009. The Group is in the process of assessing their impact to the Group's results and financial position.

HKFRSs (Amendment)	Improvements to HKFRSs 2009 [1]
HKFRS 1 (Revised)	First-time adoption of HKFRSs [1]
HKFRS 3 (Revised)	Business combinations [1]
HKAS 27 (Revised)	Consolidated and separate financial statements [1]
HKAS 39 (Amendment)	Eligible hedged items [1]
HK (IFRIC) - Int 17	Distributions of non-cash assets to owners [1]
HK (IFRIC) - Int 18	Transfers of assets from customers [2]

1 Effective for annual periods beginning on or after 1 January 2010
2 Effective for transfer of assets received on or after 1 July 2009

4. Segment information

The Group has adopted HKFRS 8 - Operating segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and assess its performance.

The Group manages its non-ferrous metals businesses through subsidiaries engaging in different operations along the supply chain. The chief operating decision-maker has been identified as the Company's executive directors and other senior management of the Group. They review the Group's internal reporting of these companies in order to assess performance and allocate resources. The identification of operating segments is based on the stage of operation along the supply chain. The Group's reportable segments under HKFRS 8, which are same as those identified under HKAS 14 and reported in the Group's last annual financial statements, are as follows:

Trading	:	This segment engages in the trading of alumina and aluminium ingot. Alumina is sourced under spot contracts and long-term contracts signed with principal alumina suppliers in the international market as well as the Group's jointly-controlled company, and mainly sold to aluminium smelters in the People's Republic of China (the "PRC"). Aluminium ingot is sourced from PRC aluminium smelters and sold to the Group's aluminium fabrication operation and other PRC customers.
Aluminium fabrication	:	This segment engages in the production and sale of aluminium foil, plate, strip and extrusions. Its products are sold throughout the PRC, Europe, America and Southeast Asia markets.
Other operations	:	Operating segments that do not meet the quantitative thresholds are combined as "Other operations", which includes the production and sale of aluminium processing equipment, production and sale of plica tubes and provision of port logistics services.

Segment result represents the profit earned by each segment without allocation of head office's central administration and corporate expenses and share of profits less losses of jointly-controlled companies and associates. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance. In prior years and under HKAS 14, the measure used by the Group for reporting segment profit is operating profit. Other information provided, except as disclosed in the following paragraph, to the chief operating decision-maker is measured in a manner consistent with that in the financial statements.

Segment assets exclude current income tax assets, deferred income tax assets, available-for-sale financial assets and interests in jointly-controlled companies and associates. Segment liabilities exclude current income tax liabilities and deferred income tax liabilities. The excluded assets and liabilities are presented as part of the reconciliation to total balance sheet assets or liabilities.

Inter-segment sales are priced with reference to prices charged to external third parties for similar transactions. Finance costs for inter-segment loans are charged at prevailing market interest rates.

Notes to the Condensed Consolidated Financial Information

4. Segment information (Continued)

	For the six months ended 30 June 2009 (Unaudited)						
	Trading	Aluminium fabrication	Other operations	Segment total	Inter-segment elimination	Unallocated (Note)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
External revenue	1,332,352	646,054	161,545	2,139,951	-	-	2,139,951
Inter-segment revenue	389,643	1,191	4,614	395,448	(395,448)	-	-
Revenue	**1,721,995**	**647,245**	**166,159**	**2,535,399**	**(395,448)**	**-**	**2,139,951**
Operating profit	**13,149**	**27,856**	**4,273**	**45,278**	**-**	**202,083**	**247,361**
Finance income	3,787	141	1,513	5,441	(3,053)	5,249	7,637
Finance costs	(14,427)	(18,338)	(94)	(32,859)	3,053	-	(29,806)
Segment result	**2,509**	**9,659**	**5,692**	**17,860**	**-**	**207,332**	**225,192**
Share of post-tax profits less losses of jointly-controlled companies							(27,294)
Share of post-tax profits of associates							5,240
Income tax expense							(30,485)
Profit for the period							172,653
Minority interest							(3,271)
Profit attributable to equity holders of the Company							169,382
Capital expenditure	743	129,040	27,979	157,762	-	15	157,777
Depreciation and amortisation	69,229	30,465	2,391	102,085	-	447	102,532

	At 30 June 2009 (Unaudited)						
	Trading	Aluminium fabrication	Other operations	Segment total	Inter-segment elimination	Unallocated (Note)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	**4,669,018**	**1,513,124**	**525,478**	**6,707,620**	**-**	**504,898**	**7,212,518**
Interests in jointly-controlled companies							1,161,386
Interests in associates							104,324
Deferred income tax assets							27,510
Current income tax assets							16,382
Total assets							8,522,120
Segment liabilities	**787,906**	**860,162**	**406,751**	**2,054,819**	**-**	**1,216**	**2,056,035**
Deferred income tax liabilities							125,183
Current income tax liabilities							237
Total liabilities							2,181,455

Note : Unallocated items mainly include: (i) gain on disposal of available-for-sale financial assets, finance income and corporate costs which cannot be meaningfully allocated to individual segments; and (ii) assets and liabilities that are not directly attributable to any reportable segment.

Notes to the Condensed Consolidated Financial Information

4. Segment information (Continued)

	For the six months ended 30 June 2008 (Unaudited)						
	Trading	**Aluminium fabrication**	**Other operations**	**Segment total**	**Inter-segment elimination**	**Unallocated (Note)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
External revenue	3,266,402	1,078,280	155,808	4,500,490	-	-	4,500,490
Inter-segment revenue	326,807	-	1,882	328,689	(328,689)	-	-
Revenue	3,593,209	1,078,280	157,690	4,829,179	(328,689)	-	4,500,490
Operating profit	235,905	25,412	5,455	266,772	-	(29,443)	237,329
Finance income	16,434	209	1,966	18,609	(19,329)	22,721	22,001
Finance costs	(31,976)	(19,571)	(167)	(51,714)	19,329	-	(32,385)
Segment result	220,363	6,050	7,254	233,667	-	(6,722)	226,945
Share of post-tax profits less losses of jointly-controlled companies							14,554
Share of post-tax profits of associates							10,846
Income tax expense							(58,204)
Profit for the period							194,141
Minority interest							(3,844)
Profit attributable to equity holders of the Company							190,297
Capital expenditure	205	27,371	872	28,448	-	168	28,616
Depreciation and amortisation	71,955	31,648	1,038	104,641	-	-	104,641

	At 31 December 2008 (Audited)						
	Trading	**Aluminium fabrication**	**Other operations**	**Segment total**	**Inter-segment elimination**	**Unallocated (Note)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Segment assets	4,722,711	1,425,018	550,636	6,698,365	-	609,613	7,307,978
Interests in jointly-controlled companies							1,125,868
Interests in associates							89,247
Available-for-sale financial assets							309,790
Deferred income tax assets							60,027
Current income tax assets							17,039
Total assets							8,909,949
Segment liabilities	1,311,771	737,566	432,638	2,481,975	-	12,032	2,494,007
Deferred income tax liabilities							128,987
Current income tax liabilities							1,742
Total liabilities							2,624,736

Note : Unallocated items mainly include: (i) finance income and corporate costs which cannot be meaningfully allocated to individual segments; and (ii) assets and liabilities that are not directly attributable to any reportable segment.

Notes to the Condensed Consolidated Financial Information

4. Segment information (Continued)

The Company is domiciled in Hong Kong. The revenues from external customers are attributed to countries on the basis of the customer's location.

	External revenue		Interests in jointly-controlled companies and associates		Other non-current assets (not including deferred income tax assets and available-for-sale financial assets)	
	Six months ended 30 June		**30 June**	31 December	**30 June**	31 December
	2009	2008	**2009**	2008	**2009**	2008
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**2,013,739**	3,787,353	**1,189,786**	1,152,877	**832,613**	826,546
Australia	**486**	356,399	**75,869**	62,238	**2,490,590**	2,559,470
Hong Kong	**1,139**	80	**-**	-	**3,395**	3,828
Others	**124,587**	356,658	**55**	-	**-**	-
Total	**2,139,951**	4,500,490	**1,265,710**	1,215,115	**3,326,598**	3,389,844

For the six months ended 30 June 2009, revenues of approximately HK$256,615,000 are derived from a single external customer. These revenues are attributable to the trading segment. For the six months ended 30 June 2008, no single external customer accounted for 10% or more of the Group's total revenue.

5. Other income

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Sales of by-products and other services income	**3,592**	2,541
Amortisation of deferred income	**1,368**	1,308
Others	**748**	612
	5,708	4,461

Notes to the Condensed Consolidated Financial Information

6. Other gains – net

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net gains/(losses) on aluminium forward/futures contracts	**24,650**	(43,188)
Exchange gains – net	**4,556**	69,045
Gain/(Loss) on disposal of property, plant and equipment	**250**	(36)
(Provision for)/Reversal of provision for impairment of receivables	**(631)**	2,047
Others	**(705)**	(1,248)
	28,120	26,620

7. Gain on disposal of available-for-sale financial assets

During the six months ended 30 June 2009, the Group disposed 11,492,912 ordinary shares of Sino Gold Mining Limited to certain independent third parties for an aggregate consideration of approximately Australian dollars 62,265,000 (equivalent to approximately HK$386,749,000). The disposal resulted in a net gain of approximately HK$214,722,000.

8. Operating profit

Operating profit is determined after charging the following:

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories	**1,945,788**	4,038,977
Employee benefit expenses (including directors' emoluments)	**60,600**	71,764
Amortisation		
- Alumina purchasing rights	**68,901**	53,707
- Land use rights	**900**	896
Depreciation of property, plant and equipment	**32,731**	32,032
Operating lease rental on properties	**2,582**	2,010

Notes to the Condensed Consolidated Financial Information

9. Finance costs - net

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Finance costs		
- Interest on bank borrowings wholly repayable within five years	**(15,380)**	(18,256)
- Interest on bank borrowings not wholly repayable within five years	**(10,435)**	(11,943)
- Fair value loss on interest rate swaps	**(9,443)**	(4,049)
	(35,258)	(34,248)
Less : Interest expense capitalised into construction in progress	**5,452**	1,863
	(29,806)	(32,385)
Finance income		
- Interest income	**7,637**	22,001
Finance costs – net	**(22,169)**	(10,384)

Capitalisation rate of 5.9% per annum (2008: 8.2%) was used, representing the weighted average rate of the cost of borrowings to finance the construction in progress.

10. Income tax expense

No provision for Hong Kong profits tax has been made as the Group has tax losses brought forward to offset the assessable profit generated in Hong Kong for the period (2008: Nil). Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the period at the rates prevailing in the relevant jurisdictions.

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current income tax		
PRC corporate income tax	**(1,907)**	(49,336)
Overseas income tax	**-**	(291)
	(1,907)	(49,627)
Deferred income tax expense	**(28,578)**	(8,577)
Income tax expense	**(30,485)**	(58,204)

Notes to the Condensed Consolidated Financial Information

11. Earnings per share

(a) Basic

The calculation of basic earnings per share is based on net profit attributable to equity holders of the Company of HK$169,382,000 (2008: HK$190,297,000) and the weighted average number of 2,026,556,865 (2008: 2,059,215,304) ordinary shares in issue during the period.

(b) Diluted

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the period after adjusting for the dilutive potential ordinary shares in respect of the Company's outstanding share options. The potential ordinary shares in respect of the Company's outstanding share options are anti-dilutive for the six months ended 30 June 2009.

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**169,382**	190,297
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	**2,026,556,865**	2,059,215,304
Add: Dilutive potential ordinary shares in respect of share options	**-**	3,412,719
Adjusted weighted average number of ordinary shares in issue	**2,026,556,865**	2,062,628,023
Diluted earnings per share	**HK8.36 cents**	HK9.23 cents

12. Dividend

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

Notes to the Condensed Consolidated Financial Information

13. Capital expenditure

	Property, plant and equipment (Unaudited)	Construction in progress (Unaudited)	Investment properties (Unaudited)	Land use rights (Unaudited)	Alumina purchasing rights (Unaudited)
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
At 1 January 2009	520,703	103,639	13,110	9,303	2,558,400
Additions	2,257	155,092	-	428	-
Transfer to property, plant and equipment	18,562	(18,562)	-	-	-
Depreciation and amortisation	(32,731)	-	-	(900)	(68,901)
Disposals	(615)	-	-	-	-
At 30 June 2009	**508,176**	**240,169**	**13,110**	**8,831**	**2,489,499**

14. Trade and bills receivables

Majority of sales in the Group's trading operation are under the arrangement of delivery upon payment from customers, with the remaining amounts are on letters of credit. For sales in the Group's aluminium fabrication and other operations, customers with established trading history are normally granted with credit periods ranging from 30 to 90 days, others are on cash terms. The aging analysis of the trade receivables was as follows:

	At 30 June 2009 (Unaudited)		At 31 December 2008 (Audited)	
	HK$'000	***%***	*HK$'000*	*%*
Trade receivables				
Less than 6 months	**300,292**	**83**	175,754	76
6 months – 1 year	**9,726**	**3**	7,022	3
Over 1 year	**50,513**	**14**	48,317	21
	360,531	**100**	231,093	100
Less: Provision for impairment of receivables	**(48,729)**		(48,011)	
Trade receivables – net	**311,802**		183,082	
Bills receivables (Note)	**592,341**		592,947	
	904,143		776,029	

Note: Bills receivables are with maturity of less than 6 months. As at 30 June 2009, approximately HK$356,449,000 (2008: HK$527,562,000) of which were discounted to banks or endorsed to suppliers.

Notes to the Condensed Consolidated Financial Information

15. Share capital

	Number of ordinary shares (Unaudited)		Nominal value (Unaudited)	
	2009	2008	**2009**	2008
	(in thousand)	*(in thousand)*	***HK$'000***	*HK$'000*
Issued and fully paid:				
At 1 January	**2,029,105**	2,058,721	**101,455**	102,936
Shares repurchased in 2008 and cancelled in current period	**(800)**	-	**(40)**	-
Shares repurchased and cancelled during the period	**(2,088)**	-	**(104)**	-
Issue of new shares under share option scheme	**-**	500	**-**	25
At 30 June	**2,026,217**	2,059,221	**101,311**	102,961

For the six months ended 30 June 2009, the Company repurchased 2,088,000 shares of its own shares from the market. The repurchased shares were cancelled during the period. Pursuant to Section 49H of the Hong Kong Companies Ordinance, an amount equivalent to the nominal value of the repurchased and cancelled shares of approximately HK$144,000 was transferred from retained profits to capital redemption reserve. The premium paid and expenses incurred in relation to the above shares repurchased as well as 800,000 shares repurchased in 2008 and subsequently cancelled in the current period, amounting to approximately HK$3,016,000 and HK$30,000 respectively, were deducted from the retained profits.

Set out below are the particulars of repurchases by the Company of its own shares made on The Stock Exchange of Hong Kong Limited during the period.

Month of repurchase	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
	(in thousand)	*HK$*	*HK$*	*HK$'000*
January 2009	2,088	1.18	1.03	2,291

There were no movements in the authorised capital of the Company for the six months ended 30 June 2009.

Notes to the Condensed Consolidated Financial Information

16. Share option scheme

The movements of the share options granted under the Company's share option scheme for the six months ended 30 June 2009 are as follows:

Category and name of participant	Date of grant	Exercise price per share	Exercise period	Number of options: Balance as at 1 January 2009	Lapsed during the period	Balance as at 30 June 2009
		HK$				
Directors						
Zhou Zhongshu	18 April 2006	2.725	18 April 2006 to 17 April 2009	3,000,000	(3,000,000)	-
Xu Huizhong	18 April 2006	2.725	18 April 2006 to 17 April 2009	2,600,000	(2,600,000)	-
Shen Ling	18 April 2006	2.725	18 April 2006 to 17 April 2009	1,500,000	(1,500,000)	-
Zong Qingsheng	18 April 2006	2.725	18 April 2006 to 17 April 2009	1,500,000	(1,500,000)	-
Wang Lixin	18 April 2006	2.725	18 April 2006 to 17 April 2009	2,000,000	(2,000,000)	-
Employees of the Group	18 April 2006	2.725	18 April 2006 to 17 April 2009	8,000,000	(8,000,000)	-
				18,600,000	(18,600,000)	-

17. Special capital reserve

In January 2007, the Company filed a petition to the high court of the Hong Kong Special Administrative Region to seek the court's confirmation of the cancellation of the special capital reserve account of the Company and the reduction of the share premium account of the Company for the purpose of eliminating the accumulated losses of the Company as at 31 October 2006. On 13 February 2007, the court ordered that the cancellation of the special capital reserve account of HK$125,374,000 and the reduction of the premium account by HK$764,428,000 was confirmed ("Capital Reorganisation"). In relation to the Capital Reorganisation, the Company has provided an undertaking ("Undertaking") for its petition to the court that so long as any debt or liability of claim against the Company as at the effective date of the Capital Reorganisation remains outstanding, the Company should credit the following amounts to a special reserve (the "Special Reserve"):

(i) All retained profits, if any, accruing to the Company between 1 November 2006 and 13 February 2007 (the effective date of the Capital Reorganisation);

(ii) Any recovery in excess of the written down value of or the reversal of impairment loss in respect of certain investments in subsidiaries, listed securities, properties and loans or receivables of the Company as at 31 October 2006; and

(iii) An amount equal to the change in fair value in respect of certain share options not yet vested as at 31 October 2006.

The standing to the credit of the Special Reserve shall not be treated as realised profit. It shall be treated as an undistributable reserve of the Company for the purposes of Section 79C of the Hong Kong Companies Ordinance. As at 30 June 2009, the standing to the credit of the Company's special capital reserve, which had been made in accordance with the Undertaking, amounted to approximately HK$72,848,000.

18. Bank borrowings

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	HK$'000	*HK$'000*
Amount due within one year and included under current liabilities	**255,876**	306,720
Amount due after one year	**712,488**	541,860
Total bank borrowings	**968,364**	848,580
Bank borrowings are repayable as follows:		
- Within 1 year	**255,876**	306,720
- Between 1 and 2 years	**174,138**	105,487
- Between 2 and 5 years	**319,950**	194,573
- Repayable within 5 years	**749,964**	606,780
- Over 5 years	**218,400**	241,800
	968,364	848,580

19. Trade payables

The aging analysis of the trade payables was as follows:

	At 30 June 2009 (Unaudited)		At 31 December 2008 (Audited)	
	HK$'000	***%***	*HK$'000*	*%*
Trade payables				
Less than 6 months	**228,907**	**98**	354,788	98
6 months – 1 year	**3,189**	**1**	3,787	1
Over 1 year	**1,977**	**1**	3,496	1
	234,073	**100**	362,071	100
Trade payables under endorsed bills	**100,925**		440,265	
	334,998		802,336	

OTHER INFORMATION

CORPORATE GOVERNANCE

Corporate Governance Practices

The Company is committed to maintain a high standard of corporate governance practices by emphasising a quality board of directors, sound internal controls, transparency and accountability to all the shareholders of the Company.

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the period of the six months ended 30 June 2009 with the exception of code provision E.1.2 of the CG Code that the chairman of the Board should attend the annual general meeting. The chairman of the Board had not attended the annual general meeting of the Company held on 25 May 2009 due to ad hoc business commitment. The chairman of the Board will endeavor to attend all future annual general meetings of the Company.

Audit Committee

The audit committee of the Company comprises three independent non-executive directors, namely Mr. Li Dongsheng, Mr. Ting Leung Huel, Stephen and Mr. Loong Ping Kwan and two non-executive directors, namely Mr. Zong Qingsheng and Mr. Xu Jiqing. Mr. Ting Leung Huel, Stephen is the chairman of the audit committee. The principal duties of the audit committee include the review and supervision of the financial reporting process and internal control system of the Group. The audit committee has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2009.

Securities Transactions by Directors

The Company has adopted a code for securities transactions by directors of the Company (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry with all the directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct during the six months ended 30 June 2009.

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

During the six months ended 30 June 2009, the Company repurchased a total of 2,088,000 ordinary shares of HK$0.05 each of the Company on The Stock Exchange of Hong Kong Limited. The repurchases were effected by the Board for the enhancement of long-term shareholder value. Details of the repurchases by month are as follows:

Month of repurchases	Number of shares repurchased	Purchase price per Share Highest *HK$*	Purchase price per Share Lowest *HK$*	Aggregate purchase price *HK$*
January 2009	2,088,000	1.18	1.03	2,290,600
	2,088,000			2,290,600

The 2,088,000 shares repurchased during the six months ended 30 June 2009 and the 800,000 shares repurchased in the last financial year ended 31 December 2008 were cancelled in the current period. The premium paid and expenses incurred in relation to all the shares cancelled during the six months ended 30 June 2009 amounting to approximately HK$3,016,000 and HK$30,000 respectively, were deducted from retained profits.

Save as disclosed above, 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 2009.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is also published on the website of the Company at www.minmetalsresources.com. The Interim Report 2009 of the Company will be despatched to the shareholders and will be available on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company respectively in due course.

By order of the Board
Minmetals Resources Limited
Hao Chuanfu
Executive Director and President

Hong Kong, 15 September 2009

As at the date of this announcement, the board of directors of the Company comprises eleven directors, of which two are executive directors, namely Mr. Hao Chuanfu and Mr. Ren Suotang; six are non-executive directors, namely Mr. Li Fuli (Chairman), Mr. Wang Lixin (Vice Chairman), Ms. Shen Ling, Mr. Zong Qingsheng, Mr. Cui Hushan and Mr. Xu Jiqing; and three are independent non-executive directors, namely Mr. Li Dongsheng, Mr. Ting Leung Huel, Stephen and Mr. Loong Ping Kwan.