五礦建設有限公司 *

MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 230)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006	**Percentage change**
	HK$'000	*HK$'000*	*%*
Revenue	**431,206**	303,085	**+42.3**
Profit attributable to equity holders	**162,653**	105,845	**+53.7**
Total assets	**2,760,766**	1,275,166	**+116.5**
Total liabilities	**1,687,430**	457,337	**+269.0**
Total equity	**1,073,336**	817,829	**+31.2**
Earnings per share *(HK cents)*	**21.03**	13.71	**+53.4**

FINANCIAL RESULTS

The board of directors ("Directors") of Minmetals Land Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 together with the comparative figures in 2006, as follows:

Consolidated Income Statement

For the year ended 31 December 2007

	Note	**2007** ***HK$'000***	2006 *HK$'000*
Revenue	*3*	**431,206**	303,085
Cost of sales		**(372,096)**	(239,260)
Gross profit		**59,110**	63,825
Other income	*4*	**151,014**	2,867
Selling and distribution costs		**(23,470)**	(14,032)
Administrative expenses		**(59,304)**	(30,166)
Other operating expenses		**(2,746)**	(3,207)
Impairment of goodwill		**(12,554)**	—
Revaluation gain on investment properties		**50,480**	52,670
Write-back of provision for properties under development		—	36,276
Operating profit	*5*	**162,530**	108,233
Finance costs		**(1,579)**	(948)
Profit before tax		**160,951**	107,285
Income tax	*6*	**(1,453)**	(1,440)
Profit for the year		**159,498**	105,845
Attributable to:			
Equity holders of the Company		**162,653**	105,845
Minority interests		**(3,155)**	—
		159,498	105,845
Earnings per share for profit attributable to equity holders of the Company during the year *(expressed in HK cents per share)*			
- basic and diluted	*7*	**21.03**	13.71
Dividends	*8*	—	—

Consolidated Balance Sheet
As at 31 December 2007

	Note	2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**20,297**	17,545
Investment properties		**341,249**	290,769
Goodwill		**8,520**	20,095
Deferred tax assets		—	932
Other assets		**437**	197
		370,503	329,538
Current assets			
Inventories		**1,311,836**	488,607
Trade and other receivables	*9*	**262,918**	167,229
Gross amounts due from customers for contract work		**875**	617
Available-for-sale financial assets		—	136,080
Pledged deposits		**17,850**	36,994
Cash and bank deposits		**796,784**	116,101
		2,390,263	945,628
Total assets		**2,760,766**	1,275,166
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**77,383**	77,218
Reserves	*10*	**800,707**	740,611
		878,090	817,829
Minority interests		**195,246**	—
Total equity		**1,073,336**	817,829
LIABILITIES			
Non-current liabilities			
Borrowings		**204,923**	99,640
Deferred tax liabilities		**123**	—
Other liabilities		**8,299**	6,226
		213,345	105,866
Current liabilities			
Trade and other payables	*11*	**267,603**	168,323
Deferred revenue		**833,245**	—
Current tax payable		**11,737**	11,326
Borrowings		**361,500**	171,822
		1,474,085	351,471
Total liabilities		**1,687,430**	457,337
Total equity and liabilities		**2,760,766**	1,275,166
Net current assets		**916,178**	594,157
Total assets less current liabilities		**1,286,681**	923,695

Notes to the Consolidated Financial Information

1. Organisation and operations

The Group is principally engaged in real estate development and project management, specialised construction, property leasing, manufacturing and trading, and securities investment 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.

2. Basis of preparation and accounting policies

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets.

(a) New standard, amendment and interpretations effective in 2007

In 2007, the Group adopted the following new standard, amendment and interpretations, which are relevant to its operations:-

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment

The adoption of these new standard, amendment and interpretations does not have any significant impact on the Group's accounting policies or results and financial position.

(b) Comparative figures

Certain comparative figures have been re-classified to conform with the current year's presentation of the consolidated financial statements.

3. Segment information

(a) Primary reporting format - business segments

In accordance with its internal financial reporting, the Group has determined that business segments should be presented as the primary reporting format. The Group has categorised 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

Revenue during the year comprised the following:

	2007	2006
	HK$'000	*HK$'000*
Revenue from provision of construction project management services	**2,311**	11,283
Revenue from specialised construction contracts	**345,961**	206,727
Gross rental and management fee income from investment properties	**17,042**	14,249
Sales of lubricant oil, industrial tools and chemical products	**65,892**	64,931
Sales of securities investments held for trading	—	5,895
	431,206	303,085

Segment revenue and results

	Real estate development and project management		**Specialised construction**		**Property leasing**		**Manufacturing and trading**		**Securities investment and trading**		**Total**	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	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	**2,311**	11,283	**345,961**	206,727	**17,042**	14,249	**65,892**	64,931	**—**	5,895	**431,206**	303,085
Results												
Segment results	**(14,498)**	43,828	**(18,118)**	(3,432)	**64,841**	63,892	**1,724**	4,628	**140,701**	2,878	**174,650**	111,794
Unallocated costs											**(12,120)**	(3,561)
Operating profit											**162,530**	108,233
Finance costs											**(1,579)**	(948)
Income tax											**(1,453)**	(1,440)
Profit for the year											**159,498**	105,845

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

Segment assets and liabilities

	Real estate development and project management		**Specialised construction**		**Property leasing**		**Manufacturing and trading**		**Securities investment and trading**		**Total**	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets												
Segment assets	**2,074,515**	653,950	**219,521**	149,018	**343,522**	293,017	**26,581**	26,505	**—**	136,191	**2,664,139**	1,258,681
Unallocated corporate assets											**96,627**	16,485
Total assets											**2,760,766**	1,275,166
Liabilities												
Segment liabilities	**899,860**	46,182	**191,455**	99,446	**5,785**	5,442	**5,379**	5,024	**—**	—	**1,102,479**	156,094
Unallocated corporate liabilities											**584,951**	301,243
Total liabilities											**1,687,430**	457,337

Segment assets consist primarily of property, plant and equipment, investment properties, goodwill, inventories, available-for-sale financial assets, receivables and operating cash. Segment liabilities comprise all operating liabilities but exclude items such as borrowings and taxation.

Other segment information

	Real estate development and project management		Specialised construction		Property leasing		Manufacturing and trading		Securities investment and trading		Unallocated		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Capital expenditure	**2,907**	1,031	**1,368**	1,718	**257**	159	**477**	640	**–**	–	**175**	1,030	**5,184**	4,578
Depreciation recognised in the consolidated income statement	**308**	419	**398**	296	**66**	66	**713**	626	**–**	–	**1,061**	828	**2,546**	2,235
Revaluation gain on investment properties	**–**	–	**–**	–	**50,480**	52,670	**–**	–	**–**	–	**–**	–	**50,480**	52,670
Write-back of provision for properties under development	**–**	36,276	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	36,276
Impairment loss/(reversal of impairment loss) recognised in the consolidated income statement	**–**	–	**17,929**	5,267	**–**	(109)	**1**	16	**–**	–	**(528)**	(15,385)	**17,402**	(10,211)

Capital expenditure comprises additions to property, plant and equipment.

(b) Secondary reporting format – geographical segments

The Group's businesses operate in two main geographical areas:

Hong Kong and Macau: Specialised construction, property leasing, manufacturing and trading, and securities investment and trading

The PRC: Real estate development and project management, specialised construction, and manufacturing and trading

In presenting information on the basis of geographical segments, sales are presented based on the geographical locations of the customers. Segment assets and capital expenditure are presented based on the geographical locations of the assets.

	Hong Kong and Macau		The PRC		Other countries		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
External sales	**60,121**	44,714	**370,811**	258,001	**274**	370	**431,206**	303,085
Segment assets	**383,683**	450,038	**2,280,456**	808,643	**–**	–	**2,664,139**	1,258,681
Capital expenditure	**521**	1,047	**4,663**	3,531	**–**	–	**5,184**	4,578

4. Other income

	2007	2006
	HK$'000	*HK$'000*
Gain on disposal of available-for-sale financial assets (a)	**140,911**	—
Interest income from bank deposits	**8,645**	1,562
Gain on disposal of property, plant and equipment	—	256
Others	**1,458**	1,049
	151,014	2,867

(a) The amount represents the gain on disposal of 7,200,000 ordinary shares in China Merchants China Direct Investments Limited at HK$22 per share for a cash consideration of HK$158,400,000 in January 2007. Further details of the transaction have been published in the Company's announcement dated 9 January 2007.

5. Operating profit

Operating profit is stated after charging/(crediting) the following:

	2007	2006
	HK$'000	*HK$'000*
Gross rental and management fee income from investment properties	**(17,042)**	(14,249)
Less: outgoings	**2,662**	2,998
	(14,380)	(11,251)
Amortisation of land lease premium	**6,999**	3,611
Less: amount capitalised into properties under development	**(6,999)**	(3,611)
	—	—
Depreciation	**2,546**	2,235
Operating lease charges – minimum lease payment in respect of land and buildings	**5,813**	4,886
Cost of inventories sold	**35,511**	35,591
Auditor's remuneration	**2,723**	2,306
Net foreign exchange gain	**(26,609)**	(9,626)
Employee benefit expense (including directors' emoluments)	**50,149**	35,435
Provision/(write-back of provision) for inventory obsolescence	**1,150**	(238)
Provision for impairment of receivables	**4,226**	2,420
Write-back of receivables previously written-off	**(546)**	(15,658)

6. Income tax

Hong Kong profits tax has been provided at the rate of 17.5% (2006:17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2007	2006
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Provision for the year	**153**	–
Over-provision in respect of prior years	–	(76)
	153	(76)
Current tax – Overseas		
Provision for the year	**245**	1,621
Deferred tax		
Recognition/(reversal) of temporary differences	**1,055**	(105)
Income tax	**1,453**	1,440

7. Earnings per share

Basic earnings per share is calculated by dividing the consolidated profit attributable to equity holders of the Company of approximately HK$162,653,000 (2006: HK$105,845,000) by the weighted average number of 773,340,356 ordinary shares (2006: 772,181,783 ordinary shares) in issue during the year.

There were no dilutive potential shares in existence during the year (2006: Nil).

8. Dividends

The Directors do not recommend the payment of a dividend for the year ended 31 December 2007 (2006: Nil).

9. Trade and other receivables

	2007	2006
	HK$'000	*HK$'000*
Trade and contract receivables, net (a)	**149,057**	105,244
Retention receivables	**35,943**	22,590
Deposits	**7,713**	31,211
Prepayments (b)	**61,727**	818
Others	**8,478**	7,366
	262,918	167,229

(a) The aging analysis of trade and contract receivables is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**62,949**	38,146
31 – 60 days	**37,634**	12,978
61 – 90 days	**15,277**	8,075
Over 90 days	**43,835**	63,854
	159,695	123,053
Less: provision for impairment of receivables	**(10,638)**	(17,809)
	149,057	105,244

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

(b) Prepayments include prepaid taxes and other charges of approximately HK$55,869,000 (2006: Nil) in relation to the deferred revenue received.

10. Reserves

	Share premium *HK$'000*	Contributed surplus *HK$'000*	Capital redemption reserve *HK$'000*	Available-for-sale financial assets revaluation reserve *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
Balance at 1 January 2006	409,738	600,412	769	12,420	3,104	(503,627)	522,816
Revaluation surplus of available-for-sale financial assets	—	—	—	106,740	—	—	106,740
Currency translation adjustments	—	—	—	—	5,210	—	5,210
Profit for the year	—	—	—	—	—	105,845	105,845
Balance at 31 December 2006	**409,738**	**600,412**	**769**	**119,160**	**8,314**	**(397,782)**	**740,611**
Issue of shares on exercise of share options	**1,204**	**—**	**—**	**—**	**—**	**—**	**1,204**
Disposal of available-for-sale financial assets	**—**	**—**	**—**	**(119,160)**	**—**	**—**	**(119,160)**
Currency translation adjustments	**—**	**—**	**—**	**—**	**15,399**	**—**	**15,399**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**162,653**	**162,653**
Balance at 31 December 2007	**410,942**	**600,412**	**769**	**—**	**23,713**	**(235,129)**	**800,707**

11. Trade and other payables

	2007	2006
	HK$'000	*HK$'000*
Trade, bills and contract payables (a)	**151,531**	107,176
Retention payables	**29,998**	21,176
Accruals and other payables	**55,135**	29,632
Rental deposits received	**1,571**	2,917
Other deposits received	**–**	7,422
Amount due to a minority investor of a subsidiary	**7,422**	–
Amount due to a fellow subsidiary	**21,946**	–
	267,603	168,323

(a) The aging analysis of trade, bills and contract payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**47,493**	23,499
31 – 60 days	**32,234**	6,773
61 – 90 days	**17,871**	4,914
Over 90 days	**53,933**	71,990
	151,531	107,176

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is principally engaged in the business of real estate development and project management, specialised construction, property leasing, manufacturing and trading, and securities investment and trading.

For the financial year ended 31 December 2007, consolidated revenue of the Group was HK$431.2 million, 42.3% higher than the comparable figure for the previous year (2006: HK$303.1 million), mainly benefiting from the significant increase in revenue for the specialised construction segment of the Group in 2007. This is the third consecutive year of improvement in total revenue of the Group since year 2004 and this has been achieved in the absence of contributions from our real estate development business.

Profit attributable to equity holders of the Company for the year under review was HK$162.7 million, up 53.7% over the comparable figure reported in 2006 of HK$105.8 million. In respect of investment properties, the Group continued to benefit from the robust property market in Hong Kong. For the year ended 31 December 2007, the Group recorded a revaluation gain on investment properties of HK$50.5 million whilst the comparable figure for 2006 was HK$52.7 million. Before inclusion of revaluation gain on investment properties, profit attributable to equity holders of the Company was HK$112.2 million, representing an increase of 111.3% over the previous year. The improvement in operating results of the Group in 2007 was mainly attributable to the increase in segment profit from the securities investment and trading business of HK$140.7 million, up from HK$2.9 million in 2006, which outweighed a decline in segment profits from other business segments of the Group. Basic earnings per share rose from 13.71 HK cents in 2006 to 21.03 HK cents in 2007.

Total revenue by business segments

	Year ended 31 December				Year-on-year
	2007		2006		**change**
	HK$'000	*%*	*HK$'000*	*%*	*%*
Real estate development and project management	**2,311**	**0.5**	11,283	3.7	**-79.5**
Specialised construction	**345,961**	**80.2**	206,727	68.2	**+67.4**
Property leasing	**17,042**	**4.0**	14,249	4.7	**+19.6**
Manufacturing and trading	**65,892**	**15.3**	64,931	21.4	**+1.5**
Securities investment and trading	**—**	**—**	5,895	2.0	**-100.0**
Total revenue	**431,206**	**100.0**	303,085	100.0	

OPERATIONAL REVIEW

Real Estate Development And Project Management Business

The portfolio of real estate development projects of the Group comprises three residential projects at staggered stages of development, ranging from early stage of construction to final stage of pre-sale. As regards the project management business, the Group had completed its sole project management service contract on hand in 2007.

During the year under review, revenue from this segment decreased 79.5% year-on-year from HK$11.3 million in 2006 to HK$2.3 million, whilst segment results recorded a loss of HK$14.5 million (2006: segment profit of HK$43.8 million or HK$7.5 million before write-back of provision for properties under development of HK$36.3 million).

Whilst The Grand Panorama Project had been substantially pre-sold and the pre-sale of phase I of Laguna Bay Project started at the end of 2007, none of the real estate development projects of the Group were completed in 2007. As revenue from the sale of our real estate development projects will only be recognised upon handover of the relevant property units, the revenue recorded under this business segment in 2007 was entirely derived from the project management activities in relation to the construction works of Guangzhou Tian He Jin Hai Building ("Jin Hai Building").

Pursuant to the Group's project management service contract with respect to the construction of Jin Hai Building, fee income of RMB36.6 million had already been recognised up to the end of 2006. Given the moderate amount of service fee remaining, the revenue recognised by the Group in 2007 from this service contract was substantially lower compared with that in the previous year.

Whilst there was no revenue recognised from our real estate development business activities in 2007, expenses incurred by the Group for the pre-sale of The Grand Panorama Project and phase I of the Laguna Bay Project, and administration overheads of our real estate development projects were charged to the consolidated financial statements of the Group, accounting for a large proportion of the loss in this business segment.

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

The Grand Panorama Project is located on Qinglu Zhonglu in Zhuhai, Guangdong Province of the PRC and is being developed mainly for residential use. The Group has 100% ownership in this development and had successfully launched the pre-sale of the project at the beginning of 2007.

The austerity measures implemented by the PRC Government to help stabilise the overheating property market in the PRC namely by strengthening the administration of commercial real estate credit loans and raising bank reserve requirements, have seen noticeable effects in the second half of 2007, when general property prices in the PRC started to consolidate. Nevertheless, these cooling measures had no material impact on The Grand Panorama Project as the pre-sale of this project was substantially completed in the first half of 2007. As of the end of 2007, all of the residential units, 261 or 76% of the car-parking spaces and 1,183.6 square metres or 51% of the commercial space of the project had been contracted for sale. The average selling price achieved for the residential units was around RMB12,000 per square metre of gross floor area. The pre-sale of the project in 2007 contributed HK$772.9 million to the cash flow of the Group.

In 2007, construction of the superstructure of the project's four residential buildings was completed whilst interior and external decoration and electrical and mechanical installation works were at the final stages. Moving ahead in 2008, our key tasks are focused on the completion of the construction and sale of the remaining property units of the project. According to the current work progress, handover of the property units to buyers is expected to begin in stages from mid-2008, upon which revenue and results from sale of the relevant property units will be recognised in the Group's consolidated financial statements.

Laguna Bay Project, Nanjing, the PRC

This three-phased residential project is located at the junction of Xue Si Lu and Xue Qi Lu, Science Park, Jiangning District, Nanjing City, Jiangsu Province of the PRC. The Laguna Bay Project, in which the Group has a 71% ownership, occupies a site area of 310,296 square metres with a total gross floor area of 310,670 square metres. Since the Group was awarded the bid to acquire the underlying land use rights for RMB160 million in December 2005, the project has progressed satisfactorily.

Ershisanye Construction Group Co., Ltd., an indirect majority-owned subsidiary of China Minmetals Corporation ("China Minmetals"), was appointed in July 2007 as the main contractor for construction works of phase I of the project. In 2007, all of the site formation work and part of superstructure construction for phase I of the project were completed. Up to October 2007, the construction works for the project had progressed to a point that the pre-sale of the northern part of phase I of the project was approved. Despite the economic cooling measures implemented by the PRC Government, the local residential property market in Jiangning District continued to show strong signs of growth evidenced by rising land transaction prices in the district, which reached an implied equivalent price of around RMB4,500 per square metre of gross floor area. The results of pre-sale were satisfactory. As of the end of 2007, 212 or 73% of the residential units of the northern part of phase I offered for sale had been contracted for sale, achieving an average selling price of around RMB5,000 per square metre in gross floor area.

With the PRC economy experiencing rapidly increasing material prices, an appreciating currency and tightened credit conditions for property sector during the year under review, the project had been facing rising construction and financing costs. As such, the registered capital of the joint venture company undertaking the project has been increased to US$6.6 million from US$3.3 million to strengthen its capital base, and stringent cost control measures were implemented as part of an effort to maximise returns.

Despite the challenges described above, we continue to believe that the property supply and demand dynamics in the Jiangning District are favourable to this project in the view of the development in progress of infrastructure facilities surrounding the district including the Jiangning metro subway system and phase II of the Ninghang Expressway. In this regard, we have decided to accelerate the development of the project so that the remaining phases may be marketed as early as practicable. As such, pre-sale of the remaining 313 residential units of phase I will continue in 2008. Construction works on phase II and phase III development of the project are expected to start in the third quarter of 2008 and in 2009 respectively, and pre-sale will commence in the fourth quarter of the respective years.

The updated construction and pre-sale schedules of the Laguna Bay Project are shown below:

	Gross floor area *(square metres)*	**Actual and expected pre-sale commencement date**	**Expected construction completion date**
Phase I	77,971	4Q 2007	1Q 2009
Phase II	169,711	4Q 2008	4Q 2009
Phase III	62,988	4Q 2009	4Q 2010
Total	310,670		

The Real Estate Development Project in Changsha, Hunan Province, the PRC

This project consists of two parcels of adjoining land with a total gross site area of 633,000 square metres located at Yuetang Village and Gaotang Village of Muyun Town, Changsha County, Changsha City, Hunan Province of the PRC. In May 2007, the Group entered into agreements with two indirect majority-owned subsidiaries of China Minmetals to jointly develop the project following the successful bid for the underlying land use rights for RMB628 million. The Group holds a 51% ownership in the project through a joint venture company. The estimated gross floor area of the project is approximately 1,071,300 square metres.

During the year under review, demolition and relocation works for the relevant land had been substantially completed. In particular, the Construction Land Use Planning Permit for phase I development of a total gross floor area of around 630,000 square metres was approved by the relevant government authorities and the related land use certificate for a site area of 285,861 square metres was obtained. In December 2007, site works for phase I of the development started and pre-sale is expected to commence from the last quarter of 2008.

In December 2007, National Development and Reform Commission of the PRC approved the cluster of cities in Hunan Province comprising Changsha, Zhuzhou and Xiangtang as one of the six experimental economic zones for energy-saving and environment-friendly programmes. As a result, local government support will be provided to these three cities to build energy-saving and environment-friendly industries and to accelerate the economic reform thereof through modern industrialisation and urbanisation. The Changsha-Zhuzhou-Xiangtang area is expected to become a new growth area as a southern axis linking the central and western parts of the PRC.

In view of the prospective economic activities of Changsha City mentioned above and the unique geographical location of the project, which is in the vicinity of hills and a lake, the Group is confident about the potential of this project and its contributions to the Group's revenue and cash flow for several years from 2009 onwards, notwithstanding the challenges stemming from rising construction and financing costs in the real estate development sector in the PRC.

Construction Project Management Service

During the year under review, the Group's project management service contract with respect to the construction of the Jin Hai Building project was completed and the Group recorded revenue of HK$2.3 million. Following the completion of the Group's services, further revenue to be recognised by the Group under the service contract will be relatively insignificant.

Specialised Construction Business

The Group operates this business through (i) Shanghai Jin Qiao Condo Decoration Engineering Co., Ltd. ("SJQ"), which is engaged in the design and installation of curtain walls in the PRC, (ii) Condo (Hong Kong) Decoration Engineering Company Limited ("Condo HK"), which is engaged in the design and installation of curtain walls in Hong Kong and Macau, and (iii) Enful Holdings Limited and its subsidiaries ("Enful"), which is engaged in the manufacture and installation of fire-resistant timber doors and fire-proofing plaster projects in the PRC and Hong Kong.

In 2007, our specialised construction business segment reported revenue of HK$346.0 million, representing an increase of 67.4% over the comparable figure in the previous year of HK$206.7 million. Enful's business was not satisfactory and continued to suffer losses which outweighed the operating profit of our curtain wall business. This business segment as a whole made a loss of HK$18.1 million or HK$5.5 million before impairment of goodwill at HK$12.6 million (2006: segment loss of HK$3.4 million). Despite the efforts of the Group to revive Enful's business in the past through various measures, improvement had not been evident. As a result, the Company had decided to rationalise Enful's business in an orderly manner.

During the year under review, better collaboration between this business segment and our real estate development business was achieved, as evidenced by SJQ having been engaged as contractor for the supply and installation of aluminium windows for phase I of the Laguna Bay Project.

Curtain Wall Business

SJQ recorded revenue of HK$310.9 million from its business in the PRC in 2007, representing a 62.4% increase compared with the comparable figure in 2006 of HK$191.4 million. In 2007, SJQ secured contracts totalling HK$175 million whilst the value of outstanding contracts on hand amounted to HK$87 million at the end of 2007 (2006: HK$300 million). SJQ was awarded "2007 年建築幕牆製作安裝推荐企業" (Year 2007 Recommended Enterprise for Curtain Wall Construction and Installation) by 中國建築裝飾協會幕牆委員會 (the Curtain Wall Committee of the PRC Construction and Decoration Association) and was designated as one of the 50 leading curtain wall enterprises in the PRC. Yet, SJQ is facing tough competition especially in securing larger contracts which offer a better chance to achieve higher profit margins, as evidenced by the decreasing contract backlog. As such, the Group had made a goodwill impairment of HK$12.6 million in 2007. To sustain its competitive advantages in a very competitive industry landscape, SJQ is required to enhance continuously its production facilities, technology content and financial strength. The Company will continue to periodically review and realign, if necessary, SJQ's business strategies in the context of the development plans of the Group as a whole.

During the year under review, Condo HK generated HK$29.3 million in revenue mainly attributable to the curtain wall project contract for a shopping mall in Repulse Bay in Hong Kong. Subsequent to year-end 2007, Condo HK was also able to secure the curtain wall contract for the new departure concourse of the Hong Kong International Airport. In light of the substantial investments in the infrastructure sector in Hong Kong over the coming years and the competitive strengths of Condo HK, the Group will prudently expand the operating scale of this unit.

Fire-proofing Door and Plaster Business

The operations of Enful were considered not to be sustainable in the PRC. In view of this, the Group had started to close down Enful's operations in the PRC since the beginning of the financial year ended 31 December 2007. As a result, the Group had written off the relevant assets of Enful's PRC manufacturing plant in 2007. The revenue of Enful during the year under review was entirely derived from the Hong Kong market. During the year under review, Enful recorded revenue of HK$5.8 million, representing a 62.1% decline compared with the comparable figure of HK$15.3 million in 2006.

Property Leasing Business

The Group's property leasing business covers mainly the leasing of office and commercial spaces in ONFEM Tower ("ONFEM Tower") located in Central, Hong Kong, and four other residential units in Hong Kong. The Group's residential properties in Shanghai were occupied as staff quarters of the Group.

Benefiting from the robust property market in Hong Kong, revenue of our property leasing business segment increased by 19.6% to HK$17.0 million (2006: HK$14.2 million). Segment profit amounted to HK$64.8 million, up 1.4% compared with the recorded figure in the previous year of HK$63.9 million. Segment profit was HK$14.3 million before including the gain on revaluation of investment properties of HK$50.5 million in 2007, growing 27.7% year-on-year over the comparable figure of HK$11.2 million in 2006.

According to research reports published by leading property valuers in Hong Kong, leasing demand for office space in Central, Hong Kong and their rental value remains relatively strong. We therefore expect this business segment to continue to make steady contributions to the cash flow and profits of the Group in the foreseeable future.

Manufacturing and Trading Business

The Group's manufacturing and trading business consists of the manufacture and distribution of lubricant oil, industrial tools and chemical products operated by Jaeger Oil & Chemical Holdings Limited and its subsidiaries ("Jaeger").

In 2007, this business segment recorded HK$65.9 million in revenue (2006: HK$64.9 million), of which 92% was derived from the PRC market, with the remainder from the Hong Kong and other Southeast Asian markets. Despite the moderate growth of revenue by 1.5% year-on-year, this business segment recorded a 63.0% decline in segment profit in 2007 to HK$1.7 million from HK$4.6 million in the previous year. During the year under review, rising international oil prices (by over 60%) and an appreciating Renminbi had led to a significant increase in the direct cost of sales of Jaeger and eroded its operating margins, in spite of its successful efforts to increase the average selling prices of its products by approximately 15% in the PRC and to improve its product mix towards higher value products.

Moving ahead, Jaeger will be facing challenges in dealing with the escalating international oil prices and rising operating costs induced by Renminbi appreciation and inflationary pressures in the PRC and the new Labour Contract Law of the PRC.

Securities Investment and Trading Business

In 2007, this business segment recorded segment profit of HK$140.7 million (2006: HK$2.9 million). The significant increase in segment profit was a result of the disposal of the Group's investment of 7,200,000 shares in China Merchants China Direct Investments Limited in January 2007, which generated a gain of HK$140.9 million. Since such disposal, the Group has not held any securities for investment and trading purposes.

DEVELOPMENT STRATEGIES AND OUTLOOK

The main driver of our business continues to be real estate development activities. Apart from The Grand Panorama Project and the units of our Laguna Bay Project pre-sold in 2007, the Group's current real estate development projects are capable of generating a total attributable gross floor area of approximately 733,000 square metres available for sale in the next several years.

With regard to the PRC economy, year-on-year growth in GDP was up 11.4% in 2007 whilst the inflation rate reached 4.8%, well above the official target of 3%. The inflation rate in the PRC has shown a continuing rising trend by reaching a 11-year high of 8.7% in February 2008 on a year-on-year basis. In an attempt to moderate economic growth, the PRC Government continues to pursue a very tight monetary policy by raising interest rates and curbing lending from banks particularly for customers in the real estate development sector. Notwithstanding these cooling measures, economic commentators expect that the PRC could maintain strong growth of about 8% to 10% in 2008 even in the face of a likely slowdown of the U.S. economy. Furthermore, property prices in the PRC have a generally positive correlation with rising inflation expectations as property investments are a popular hedge against inflation. In conclusion, we are of the view that the property market in the PRC is undergoing consolidation and we remain optimistic on its long-term prospects.

Going forward, our key objectives are to continue to grow our real estate development business in the PRC by successfully completing our existing projects, whilst seeking to expand our land bank prudently in view of prevailing market conditions so as to support the future growth of the Group.

Since becoming the controlling shareholder of the Company, China Minmetals has been instrumental in setting strategies and directions for the Group's development. Our real estate development project in Changsha, the PRC, is a joint venture with a subsidiary of China Minmetals, Ershisanye Construction Group Co., Ltd. which has also been appointed as the main contractor for the construction of phase I of the Laguna Bay Project in Nanjing, the PRC. In pursuing our objectives as indicated above, we will strive to expand our collaboration with China Minmetals in order to further leverage on the strong financial base and extensive business connections of our controlling shareholder, as well as the Group's role as the Hong Kong-listed platform of China Minmetals in the property development sector. In 2007, China Minmetals recorded RMB155.2 billion in revenue with net profit of RMB6.8 billion. Being one of the largest State-owned conglomerates in the PRC, China Minmetals ranked 13th out of the 500 largest enterprises in the PRC ranked by the National Bureau of Statistics of the PRC and 435th on the Fortune Global 500 list ranked by Fortune Magazine in 2007. As our real estate development business continues to grow, we look forward to more opportunities for collaboration between the Group and our controlling shareholder, who is fully committed to supporting the Group's future growth.

The Group's main strengths are the experience, local knowledge, expertise and judgement of its staff in planning and executing real estate development projects in the PRC and hence, we will continue to devote resources in upgrading the quality of our management team and the Group's overall competitiveness in an effort to further improve operational excellence. In addition, building upon the success of The Grand Panorama Project and the brand position of China Minmetals, the Group will strive to consolidate its brand recognition in order to underpin its future growth in real estate development in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the Group derived its funds mainly from cash flows generated from business operations, realisation of investments as well as borrowings.

During the year ended 31 December 2007, proceeds from disposal of financial assets and pre-sale of properties sold prior to completion of the sale agreements increased cash and bank deposits of the Group to HK$796.8 million (excluding pledged deposits) as at 31 December 2007 (2006: HK$116.1 million), of which 95.3%, 4.6% and 0.1% (2006: 93.0%, 6.5% and 0.5%) were denominated in Renminbi, HK dollar and other currencies respectively. The cash and bank deposits included RMB542.1 million (approximately HK$579.1 million) as at 31 December 2007, designated to finance the construction cost of and relevant taxes on The Grand Panorama Project.

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, increased to HK$566.4 million as at 31 December 2007 (2006: HK$271.5 million). The ratio of total borrowings to total equity of the Group rose from 33.2% as at 31 December 2006 to 52.8% as at 31 December 2007. 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 31 December 2007 (2006:14.5%) since the Group has maintained a high level of cash and bank deposits.

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

	31 December 2007	31 December 2006
	HK$'000	*HK$'000*
Within one year	**361,500**	171,822
In the second year	**204,923**	99,640
	566,423	271,462

At 31 December 2007, borrowings denominated in Renminbi amounted to RMB341.8 million (approximately HK$365.2 million) (2006: RMB197.5 million (approximately HK$196.8 million)), while the remaining balance of HK$201.2 million (2006: HK$74.7 million) was bank borrowings denominated in HK dollar. All of the Group's borrowings were on a floating interest rate basis. Finance costs charged to the consolidated income statement for the year ended 31 December 2007 amounted to HK$1.6 million (2006: HK$0.9 million) after capitalisation of HK$28.6 million (2006: HK$9.5 million) into the cost of properties under development. The unutilised banking facilities of the Group amounted to HK$37.4 million as at 31 December 2007 (2006: HK$103.2 million).

Property development commitments of the Group as at 31 December 2007 amounted to HK$338.3 million (2006: HK$160.5 million). 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 HK dollar and Renminbi, and therefore, the Group is exposed to the movements in value of Renminbi against HK dollar. 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 year ended 31 December 2007. At 31 December 2007, the Group did not have any significant exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

CHARGES ON GROUP ASSETS

At 31 December 2007, the Group pledged leasehold land and buildings and investment properties with carrying amounts of HK$6.6 million (2006: HK$6.7 million) and HK$341.2 million (2006: HK$290.8 million) respectively, properties under development of HK$476.1 million (2006: HK$308.8 million) and fixed bank deposits of HK$17.9 million (2006: HK$37.0 million) as securities for the Group's banking facilities.

CONTINGENT LIABILITIES

At 31 December 2007, the Company had executed corporate guarantees amounting to HK$253.9 million (2006: HK$196.0 million) to various banks in respect of banking facilities extended to subsidiaries. At 31 December 2007, the utilised facilities, under which corporate guarantees from the Company were given, amounted to HK$216.5 million (2006: HK$92.8 million).

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 HK$346.9 million as at 31 December 2007 (2006: Nil).

EMPLOYEES

At 31 December 2007, the Group employed 470 (2006: 466) staff, including the Directors. The total remuneration and benefits of the Directors and staff of the Group during the year ended 31 December 2007 were HK$50.1 million (2006: HK$35.4 million). The Group adopts a remuneration policy in line with market practice.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted on 29 May 2003 and will remain in force for 10 years from that date. The purpose of adopting the Share Option Scheme is to recognise and acknowledge the contributions that the eligible person (as defined in the Share Option Scheme) had made or may from time to time make to the Group, whether in the past or in the future. Details of the Share Option Scheme will be set out in the 2007 annual report of the Company.

As at 31 December 2007, there were no outstanding share options (2006: 14,800,000 share options) granted under the Share Option Scheme.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

An annual general meeting of the shareholders of the Company is convened to be held on Thursday, 15 May 2008 (the "AGM"). Accordingly, the register of members of the Company will be closed from Tuesday, 13 May 2008 to Thursday, 15 May 2008 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the AGM, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 9 May 2008.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices
In the opinion of the Directors, throughout the year ended 31 December 2007, the Company has complied with the code provisions of the Code on Corporate Governance Practices ("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) Under code provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy 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.

    The Company was incorporated in Bermuda under the private company act 1991 whereby the Chairman and the Managing Director of the Company are not subject to retirement by rotation. In this connection, every Director (save for the Chairman and the Managing Director), including those appointed for a specific term, should be subject to retirement by rotation at the annual general meeting at least once every three years and all Directors, whether appointed by the Board or shareholders, to fill a casual vacancy or as an additional Director should be subject to election by shareholders at the first annual general meeting after their appointment.

(ii) Under code provision E.1.2 of the CG Code, the Chairman of the Board and the chairman of all the Board committees are required to attend and answer questions at the annual general meeting. Mr. Zhou Zhongshu, the Chairman of the Board and of the Remuneration Committee, had not attended the Company's annual general meeting for 2007 due to ad hoc business commitment. Accordingly, Mr. Wang Xingdong (previously the Managing Director and a member of the Remuneration Committee) took the chair of the said meeting.

Code for Securities Transactions by Directors

The Company has established a set of guidelines as its own "Rules and Procedures for Directors and Relevant Employees of the Company in respect of Dealings in Securities 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 year ended 31 December 2007.

REVIEW BY AUDIT COMMITEE

The audit committee of the Company comprises three Independent Non-executive Directors namely, Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria. The audit committee has reviewed with the Group's independent auditor, PricewaterhouseCoopers ("PwC"), the audited consolidated financial statements of the Group for the year ended 31 December 2007 and has also discussed auditing, internal control and financial reporting matters including the review of accounting practices and principles adopted by the Group.

The figures in respect of this announcement of the Group's results for the year ended 31 December 2007 have been agreed by PwC to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this announcement.

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 year ended 31 December 2007.

BOARD OF DIRECTORS

As at the date of this announcement, the Board 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, 1 April 2008

The Company's 2007 Annual Report containing, inter alia, the Corporate Governance Report, the Report of the Directors and the Consolidated Financial Statements for the year ended 31 December 2007 will be published on the Company's website at www.minmetalsland.com and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk in due course.

* *For identification purpose only*