



INTERIM
REPORT 2007



五礦建設有限公司*
MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code : 230

* For identification purpose only

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CORPORATE INFORMATION

Chairman & Non-executive Director

ZHOU Zhongshu

Deputy Chairman

QIAN Wenchao

Managing Director

WANG Xingdong

Deputy Managing Directors

YAN Xichuan

YIN Liang

Executive Director

HE Xiaoli

Independent Non-executive Directors

LAM Chun, Daniel

Selwyn MAR

TAM Wai Chu, Maria

Qualified Accountant

YUEN Wai Man, Shirine

Company Secretary

CHUNG Wing Yee, Zoe

Auditor

PricewaterhouseCoopers
22nd Floor, Prince's Building,
Central, Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
China Construction Bank Corporation

Branch Share Registrar

Computershare Hong Kong Investor Services Limited
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Registered Office

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Principal Place of Business in Hong Kong

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Website

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MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2007, the consolidated revenue of Minmetals Land Limited (the “Company”) and its subsidiaries (collectively, the “Group”) amounted to HK\$158,741,000 (30 June 2006: HK\$176,314,000), representing a decrease of 10.0% over the corresponding period of last year. Consolidated profit attributable to equity holders of the Company was HK\$170,023,000, up 259.0% from HK\$47,361,000 for the six months ended 30 June 2006, and earnings per share increased 258.9% to 22.0 HK cents.

Consolidated profit attributable to equity holders of the Company during the period, excluding revaluation gain on investment properties of HK\$38,000,000 (30 June 2006: HK\$42,000,000), increased to HK\$132,023,000 from HK\$5,361,000 for the six months ended 30 June 2006. The increase was mainly attributable to the profit generated from the securities investment and trading activities through the disposal of an investment in January 2007.

The directors of the Company (“Directors”) do not recommend the payment of an interim dividend for the six months ended 30 June 2007 (30 June 2006: Nil).

Revenue by Business Segments

	Six months ended 30 June		2006		Year-on-year
	2007		2006		change
	HK\$'000	%	HK\$'000	%	%
Real estate development and project management	2,432	1.5	5,856	3.3	-58.5
Specialised construction	118,080	74.4	128,692	73.0	-8.2
Property leasing	8,129	5.1	6,834	3.9	+18.9
Manufacturing and trading	30,100	19.0	29,144	16.5	+3.3
Securities investment and trading	–	–	5,788	3.3	-100.0
Total revenue	158,741	100.0	176,314	100.0	-10.0

Real Estate Development and Project Management Business

During the six months ended 30 June 2007, the real estate development and project management business of the Group included two real estate development projects in the People’s Republic of China (the “PRC”) – The Grand Panorama Project in Zhuhai and the Laguna Bay Project in Nanjing, and the provision of project management services with respect to the construction works of Guangzhou Tian He Jin Hai Building (“Jin Hai Building”) in Guangzhou, the PRC.

This business segment recorded revenue of HK\$2,432,000 during the period under review, representing a decrease of 58.5% from HK\$5,856,000 in the corresponding period of last year. Segment loss amounted to HK\$4,927,000 as compared with segment profit of HK\$4,312,000 for the six months ended 30 June 2006. During the period under review and the corresponding period last year, both The Grand Panorama Project and the Laguna Bay Project were in their construction phase and did not generate any revenue. As a result, segment revenue and profit were derived only from the remaining balance of the service fees from the project management contract relating to Jin Hai Building, which were lower in the current period as compared with the corresponding period in 2006. The segment loss was mainly due to the recognition of selling and distribution costs incurred for the pre-sale of The Grand Panorama Project during the period while the revenue and result from sale of the project would be recognised by the Group upon handover of the property units to the buyers, which is expected in 2008.

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

The Directors are pleased with the progress of this project. Since commencement of pre-sale on 20 January 2007 and up to 30 June 2007, the Company had contracted to sell 98.7% (or 379 units) of the total 384 residential units. Following the completion of structural construction work on 18 April 2007, the project had moved into its final stages of construction, which include internal and external decoration works, and electrical and mechanical installation works. Regulatory inspection of the overall construction work of the project is expected to be completed in the first quarter of 2008.

Laguna Bay Project, Nanjing, the PRC

During the period under review, site formation work of phase I of the Laguna Bay Project was completed. In July 2007, the project company had conditionally engaged a main contractor to carry out construction work for phase I of the three phases planned for the project. Phase I will primarily involve the construction of sixteen eight-storey residential blocks, two underground car parks, a two-storey commercial block and a fire service pump station, and will have a total gross floor area of approximately 59,673 square metres in addition to a total basement area of approximately 9,687 square metres.

Judging from current progress, pre-sale of the residential units in phase I of the project is expected to commence in the fourth quarter of 2007 and handover in the fourth quarter of 2008. The Company intends to utilise a substantial portion of the sales proceeds from phase I of the project towards the development of the subsequent phases.

Specialised Construction Business

During the six months ended 30 June 2007, our specialised construction business has been operating through three entities, namely, (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) Enful Holdings Limited and its subsidiaries (collectively, "Enful"), which is engaged in the installation of fire-rated timber doors and fire-proofing plaster projects in the PRC and Hong Kong, and (iii) 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.

This business segment recorded revenue of HK\$118,080,000 for the six months ended 30 June 2007, representing an 8.2% decrease from HK\$128,692,000 during the corresponding period of last year. Although the curtain wall business recorded a profit, fewer new contracts awarded to SJQ and the loss recorded by Enful during the period under review led to a segment loss of HK\$4,574,000 on this business segment as compared with a segment profit of HK\$1,742,000 for the six months ended 30 June 2006. Yet, despite of the management's effort to revive fire-proofing door and plaster business, the continual loss of Enful has made the Group decide to terminate Enful's PRC operations during the period under review.

Curtain Wall Business

During the period under review, SJQ and Condo HK recorded aggregate revenue of HK\$113,364,000, as compared with HK\$124,193,000 in the corresponding period of last year, a decrease of 8.7% year-on-year. 99.2% of the revenue for this period was generated by SJQ in the PRC, with the remaining portion by Condo HK in Hong Kong. For the six months ended 30 June 2007, SJQ experienced delay in commencement and progress of some contracts which resulted from general delays in the commencement and progress of construction of underlying projects. Furthermore, margins on new contracts secured were not particularly high. These were the main factors which led to the decline in segment revenue and profit. In addition, increasing operating costs have further eroded profit margins. Since SJQ's business is project-based, the periodic fluctuation in revenue and profitability would be inevitable. SJQ is committed to strengthening its asset base to better position itself to bid for larger contracts possibly with higher profit margins, and to build up a broader based contract backlog in order to reduce the inherent cyclicity of the curtain wall business.

Fire-proofing Door and Plaster Business

During the period under review, Enful's revenue increased 4.8% year-on-year to HK\$4,716,000 (30 June 2006: HK\$4,499,000), all of which was derived from Hong Kong. Management had been monitoring closely the performance of Enful since the beginning of 2006 and despite the efforts of the Group to revive its business through various measures, Enful had continued to incur losses. During the period under review, the Group has decided to terminate Enful's PRC operations in order to minimise further losses.

Property Leasing Business

During the period under review, our property leasing business encompassed primarily the leasing of office and commercial space in ONFEM Tower located in Central, Hong Kong ("ONFEM Tower"), and four residential units in Hong Kong.

For the six months ended 30 June 2007, revenue of this business segment was HK\$8,129,000 compared to HK\$6,834,000 in the corresponding period of last year, representing a year-on-year increase of 18.9%, while segment profit excluding revaluation gain increased by 21.5% year-on-year to HK\$6,965,000 (30 June 2006: HK\$5,733,000). The satisfactory growth in rental income was mainly due to a higher average occupancy rate and an increase in average rental rate achieved for ONFEM Tower, which had benefited from the robust office rental market in Central District in Hong Kong. Revaluation gain on investment properties of HK\$38,000,000 (30 June 2006: HK\$42,000,000) was thus recorded for the six months ended 30 June 2007. The management is implementing plans for upgrading works which will further enhance the performance and value of ONFEM Tower.

Manufacturing and Trading Business

During the period under review, our manufacturing and trading business has been operating through Jaeger Oil & Chemical Holdings Limited and its subsidiaries (collectively, "Jaeger"), which is engaged in the manufacture and distribution of industrial lubricants in the PRC and Hong Kong. In the first half of 2007, Jaeger recorded revenue of HK\$30,100,000 (30 June 2006: HK\$29,144,000) representing an increase of 3.3% on a year-on-year basis. 88.0% of the revenue was derived from the PRC while the remaining 12.0% was from Hong Kong. For the period under review, Jaeger's segment profit decreased 22.1% to HK\$1,730,000 from HK\$2,221,000 in the corresponding period of last year.

During the period under review, Jaeger had successfully secured a number of new clientele in Yangtze River Delta area in the PRC. However, the resultant increase in sales volume was not enough to compensate for the increase in the cost of raw materials, and selling and general operating costs of Jaeger in the PRC. Jaeger is continuously seeking to further improve production and operational efficiency as well as to expand sales in order to enhance its economy of scale.

Securities Investment and Trading Business

During the first half of 2007, this business segment recorded segment profit of HK\$140,898,000 (30 June 2006: HK\$2,907,000). The significant increase in segment profit was mainly derived from the gain on disposal of the Group's investment in 7,200,000 shares in China Merchants China Direct Investments Limited in January 2007. Following such disposal, the Group has not held any investment in listed shares.

OUTLOOK

The Group's business segments had achieved a mixed performance during the period under review. In the first half of 2007, the PRC economy continued to show rapid growth. The robust economic growth in the PRC, together with the appreciation of the Chinese Renminbi ("RMB"), had continued to contribute to a favourable business environment for the Group's core business of real estate development in the PRC. One of the Group's property development project, The Grand Panorama Project, had achieved pleasing pre-sale results. However, signs of over-heating in the Chinese economy had also brought new challenges, such as rising raw materials and operating costs, especially for our businesses other than real estate development.

Going forward, it is expected that the PRC government will continue to implement monetary and other policies to moderate economic growth and in particular, curb excessive speculation in the property market. Notwithstanding these short-term developments, we remain confident in the PRC's long-term economic growth and hence the growth potential of its real estate development market. In developing our core business of real estate development, we will continue to focus our efforts on the second tier cities and municipalities in the central and south-eastern parts of the PRC, where the property markets tend to have higher growth potential than in the major cities. In line with this defined strategy, the Group entered into conditional agreements in May 2007 to establish a joint venture, which will be owned as to 51% by the Group, to develop two pieces of land (the "Changsha Project") in Changsha, Hunan Province, the PRC. Following the approval of the formation of such joint venture pertinent to the Changsha Project in the special general meeting of the Company held on 20 July 2007, the preparatory work of the project is in progress. The Changsha Project, when fully developed, is expected to comprise residential units with a maximum gross floor area of approximately 1,338,000 square metres. As at the date of this report, the land bank attributable to the Group's equity interest (excluding The Grand Panorama Project) amounted to a total gross floor area of approximately 879,000 square metres. The Group will continue to strengthen its land bank in the PRC in order to sustain the growth momentum of our core business.

In June 2006, the State-owned Assets Supervision and Administration Commission of the State Council in the PRC approved China Minmetals Corporation ("China Minmetals"), the controlling shareholder of the Company, to include property development and operation (房地產開發及經營) as one of its core businesses. We expect that there might be opportunities for closer cooperation with China Minmetals in future expansion of our core business of real estate development in the PRC.

The Group will continue to consolidate its non-real estate development businesses and seek business opportunities in the PRC with good potential by leveraging on the advantage of our being a Hong Kong-listed subsidiary of China Minmetals.

LIQUIDITY AND FINANCIAL RESOURCES

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

During the period under review, proceeds from disposal of financial assets and pre-sale of residential units of The Grand Panorama Project increased cash and bank deposits of the Group to HK\$670,533,000 (excluding pledged deposits) as at 30 June 2007 (31 December 2006: HK\$116,101,000), of which 63.6%, 36.3% and 0.1% (31 December 2006: 93.0%, 6.5% and 0.5%) were denominated in RMB, Hong Kong dollars and other currencies respectively. The cash and bank deposits included RMB302,013,000 (approximately HK\$310,288,000) as at 30 June 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 and a fellow subsidiary of the Company, increased to HK\$400,292,000 as at 30 June 2007 (31 December 2006: HK\$271,462,000). Gearing ratio (total borrowings divided by total equity) of the Group rose from 33.2% as at 31 December 2006 to 45.7%. As a result of the healthy cash position, the Group repaid a bank loan of HK\$200,000,000 in early July 2007, resulting in a decline in the gearing ratio to 22.9%.

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

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Within one year	297,552	171,822
In the second year	102,740	99,640
	400,292	271,462

As at 30 June 2007, borrowings denominated in RMB amounted to RMB192,000,000 (approximately HK\$197,261,000) (31 December 2006: RMB197,500,000 (approximately HK\$196,789,000)), while the remaining balance of HK\$203,031,000 (31 December 2006: HK\$74,673,000) was bank borrowings denominated in Hong Kong dollars. All of the Group's borrowings were on a floating interest rate basis. Finance costs charged to the income statement for the six months ended 30 June 2007 amounted to HK\$488,000 (30 June 2006: HK\$454,000) after capitalisation of HK\$7,787,000 (30 June 2006: HK\$3,721,000) into the cost of properties under development. The unutilised banking facilities of the Group amounted to HK\$35,111,000 as at 30 June 2007 (31 December 2006: HK\$103,224,000).

Capital commitments of the Group as at 30 June 2007 amounted to HK\$315,769,000 (31 December 2006: HK\$160,478,000), of which HK\$199,110,000 was related to the Group's obligation to inject cash to Hunan Jiahe Risheng Property Development Co., Ltd. (湖南嘉和日盛房地產開發有限公司) in relation to the Changsha Project as additional registered capital and HK\$116,659,000 was related to properties under development. These commitments are to be financed by internal funds and borrowings.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

Most of the transactions of the Group were denominated in Hong Kong dollars and RMB, and therefore, the Group is exposed to the movements in value of RMB against Hong Kong dollars. Given that the expected appreciation of RMB would have positive impact on the Group's assets in the PRC and income generated from the PRC, the Group had not implemented hedging or other alternative measures during the six months ended 30 June 2007. As at 30 June 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

As at 30 June 2007, the Group pledged its leasehold land and buildings and investment properties with carrying amounts of HK\$6,645,000 (31 December 2006: HK\$6,737,000) and HK\$328,769,000 (31 December 2006: HK\$290,769,000) respectively, properties under development of HK\$371,156,000 (31 December 2006: HK\$308,836,000) and fixed bank deposits of HK\$37,990,000 (31 December 2006: HK\$36,994,000) as securities for the Group's banking facilities.

EMPLOYEES

As at 30 June 2007, the Group employed 390 (30 June 2006: 464) staffs, including the Directors. The total remuneration and benefits of the Directors and staffs of the Group during the six months ended 30 June 2007 were HK\$18,821,000 (30 June 2006: HK\$17,106,000). The Group adopts a remuneration policy in line with market practice.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 29 May 2003 (the "Scheme") to reward and incentivise eligible persons (as defined in the Scheme). Details of the Scheme and the movement of share options during the six months ended 30 June 2007 are as follows:

Category of participant	Date of grant	Exercise period	Exercise price	Number of options			
				As at 1 January 2007	Lapsed during the period	Exercised during the period	As at 30 June 2007
			HK\$				
(i) Directors							
Qian Wenchao	15 March 2004	16 March 2004 to 15 March 2007	0.83	1,500,000	1,500,000	-	-
Wang Xingdong	15 March 2004	16 March 2004 to 15 March 2007	0.83	3,000,000	3,000,000	-	-
Yan Xichuan	15 March 2004	16 March 2004 to 15 March 2007	0.83	2,000,000	2,000,000	-	-
He Xiaoli	15 March 2004	16 March 2004 to 15 March 2007	0.83	1,500,000	1,500,000	-	-
(ii) Employees of the Group	15 March 2004	17 March 2004 to 26 April 2007 (Note)	0.83	6,800,000	5,150,000	1,650,000	-
				14,800,000	13,150,000	1,650,000	-

Note: The exercise period for the share options granted to each employee of the Group lasts 3 years commencing from the date of acceptance of the share options by each respective employee.

Save as disclosed above, no share options lapsed or were cancelled in accordance with the terms of the Scheme during the six months ended 30 June 2007.

For the summary of the principal terms of the Scheme and its subsequent amendments, please refer to the 2006 annual report and the circular dated 25 April 2007 of the Company.

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

As at 30 June 2007, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), which have been notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO), or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), or as recorded in the register kept by the Company pursuant to section 352 of the SFO, were as follows:

Long Position in Shares of the Company

Name of Director	Nature of interest	Number of shares held	Percentage of total issued shares
He Xiaoli	Personal	20,000	0.0026%

Save as disclosed above, as at 30 June 2007, none of the Directors or the chief executive of the Company or any of their associates had any personal, family, corporate or other interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO).

During the six months ended 30 June 2007, save as disclosed above, none of the Directors or the chief executive of the Company nor their spouses or children under 18 years of age, was granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of the SFO).

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2007, according to the register of interests kept by the Company under section 336 of the SFO, the following entities have interests in the shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long Position in Shares of the Company

Name of shareholder	Number of shares held	Percentage of total issued shares
China Minmetals <i>(Note)</i>	416,585,852	53.83%
China Minmetals H.K. (Holdings) Limited <i>(Note)</i>	416,585,852	53.83%
June Glory International Limited ("June Glory")	416,585,852	53.83%

Note: By virtue of the SFO, these companies are deemed to be interested in the 416,585,852 shares held by June Glory.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

In the opinion of the Directors, throughout the six months ended 30 June 2007, the Company had complied with the code provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to 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 the 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 of Directors 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 the audit committee and the remuneration committee are required to attend and answer questions in the annual general meeting. Mr. Zhou Zhongshu, the Chairman of the board of Directors 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, 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. In this connection, a designated committee comprising two members has been established for receiving notifications from and issuing dated written acknowledgements to Directors and relevant employees (as defined in the Rules for Securities Transactions) of the Company.

Under the Rules for Securities Transactions, Directors and relevant employees of the Company are required to notify any one member of the said designated committee and receive a dated written acknowledgement before dealing in the securities of the Company. In the case of a member of the said designated committee, he or she must notify the other member of the designated committee and receive a dated written acknowledgement before any such dealing.

The Company has made specific enquiry with all Directors who have confirmed in writing that they had complied with the Rules for Securities Transactions throughout the six months ended 30 June 2007.

Audit Committee

The audit committee of the Company comprises three Independent Non-executive Directors namely, Mr. Selwyn Mar, Mr. Lam Chun, Daniel and Ms. Tam Wai Chu, Maria. The audit committee has reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2007, which has also been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2007.

CONTINUING DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

On 16 August 2005, ONFEM Finance Limited ("OFL"), Enful Engineering Limited ("EEL"), Jaeger Oil & Chemical Company Limited ("JOC") and Virtyre Limited ("Virtyre"), all being wholly-owned subsidiaries of the Company, accepted the offers from a bank for the grant of various general banking facilities (the "Facilities") to the extent of an aggregate amount of HK\$156,135,000 pursuant to the facility letters all dated 28 July 2005 issued by the bank to OFL, EEL, JOC and Virtyre respectively (the "Facility Letters"). The Facilities were revised by the bank to an aggregate amount of HK\$216,135,000 pursuant to a facility letter issued by the bank on 16 November 2006 (the "New Facility Letter"). The Facilities have no specific date of expiry.

As one of the conditions of the Facilities, China Minmetals shall, directly or indirectly, maintain its major shareholding (not defined in the Facility Letters and the New Facility Letter) in the Company during the life of the Facilities. A breach of such condition will constitute an event of default and as a result, the Facilities will become immediately due and repayable.

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

By order of the board

Wang Xingdong

Managing Director

Hong Kong, 5 September 2007

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF MINMETALS LAND LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 13 to 29, which comprises the condensed consolidated balance sheet of Minmetals Land Limited (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2007 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 5 September 2007

UNAUDITED INTERIM RESULTS

The board of directors (“Directors”) of Minmetals Land Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2007 together with the comparative figures of the corresponding period in 2006. The condensed consolidated financial information has not been audited, but has been reviewed by the independent auditor of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagement 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

CONDENSED CONSOLIDATED INCOME STATEMENT (Unaudited)

For the six months ended 30 June 2007

		Six months ended 30 June	
	Note	2007	2006
		HK\$'000	HK\$'000
Revenue	5	158,741	176,314
Cost of sales		(130,862)	(142,302)
Gross profit		27,879	34,012
Other income	6	144,976	1,440
Selling and distribution costs		(13,334)	(5,911)
Administrative expenses		(25,258)	(22,360)
Other operating expenses		(1,227)	(1,199)
Revaluation gain on investment properties	11(a)	38,000	42,000
Operating profit		171,036	47,982
Finance costs		(488)	(454)
Profit before tax	7	170,548	47,528
Income tax	8	(525)	(167)
Profit for the period		170,023	47,361
Attributable to:			
Equity holders of the Company		170,023	47,361
Earnings per share for profit attributable to equity holders of the Company during the period <i>(expressed in HK cents per share)</i>			
-basic and diluted	9	22.00	6.13

The notes on pages 18 to 29 are an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)

As at 30 June 2007

	Note	30 June 2007 HK\$'000	31 December 2006 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	16,818	17,545
Investment properties	11	328,769	290,769
Goodwill	11	20,735	20,095
Deferred tax assets		932	932
Retention receivables		15,104	9,866
Other assets		389	197
		382,747	339,404
Current assets			
Inventories	12	563,248	488,607
Trade and other receivables	13	181,487	157,363
Gross amounts due from customers for contract work		4,207	617
Available-for-sale financial assets		–	136,080
Pledged deposits		37,990	36,994
Cash and bank deposits		670,533	116,101
		1,457,465	935,762
Total assets		1,840,212	1,275,166

The notes on pages 18 to 29 are an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited) (Cont'd)

As at 30 June 2007

	Note	30 June 2007 HK\$'000	31 December 2006 HK\$'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	14	77,383	77,218
Reserves	15	799,165	740,611
Total equity		876,548	817,829
LIABILITIES			
Non-current liabilities			
Borrowings	16	102,740	99,640
Other liabilities		5,595	6,226
		108,335	105,866
Current liabilities			
Trade and other payables	17	545,924	168,323
Current tax payable		11,853	11,326
Borrowings	16	297,552	171,822
		855,329	351,471
Total liabilities		963,664	457,337
Total equity and liabilities		1,840,212	1,275,166
Net current assets		602,136	584,291
Total assets less current liabilities		984,883	923,695

The notes on pages 18 to 29 are an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the six months ended 30 June 2007

	Six months ended 30 June	
	2007 HK\$'000	2006 HK\$'000
Balance as at 1 January	817,829	600,034
Revaluation surplus of available-for-sale financial assets	–	26,100
Currency translation adjustments	6,487	2,431
Net income directly recognised in equity	6,487	28,531
Profit for the period	170,023	47,361
Disposal of available-for-sale financial assets	(119,160)	–
Total recognised income for the period	57,350	75,892
Issue of shares on exercise of share options	1,369	–
Balance as at 30 June	876,548	675,926

The notes on pages 18 to 29 are an integral part of this condensed consolidated financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Unaudited)

For the six months ended 30 June 2007

	Six months ended 30 June	
	2007 HK\$'000	2006 HK\$'000
Net cash generated from/(used in) operating activities	269,263	(182,142)
Net cash generated from/(used in) investing activities	161,581	(398)
Net cash generated from financing activities	124,073	135,251
Net increase/(decrease) in cash and cash equivalents	554,917	(47,289)
Cash and cash equivalents at beginning of period	112,585	142,244
Cash and cash equivalents at end of period	667,502	94,955
Analysis of balances of cash and cash equivalents:		
Cash and bank deposits	670,533	95,003
Bank overdrafts	(3,031)	(48)
	667,502	94,955

The notes on pages 18 to 29 are an integral part of this condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Organisation and operations

The Group is principally engaged in real estate development and project management, specialised construction, property leasing, manufacturing and trading, and securities investment and trading businesses. 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 an investment holding company. The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This condensed consolidated financial information is presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated. This condensed consolidated financial information has been approved for issue by the board of Directors of the Company on 5 September 2007.

2. Basis of preparation and accounting policies

This condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2006.

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those set out in the consolidated financial statements for the year ended 31 December 2006.

In 2007, the Group adopted the following new standard, interpretation and amendment, which are relevant to its operation and effective for periods beginning on 1 January 2007.

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

The Group has assessed the impact of adoption of these new standard, interpretation and amendment and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies, whereas the adoption of HKAS 1 (Amendment) and HKFRS 7 requires additional disclosures to be made in the annual consolidated financial statements.

3. Financial risk factors and management

The Group is exposed to foreign exchange, credit, liquidity and interest rate risks arising in its ordinary course of business. These risks are managed by the Group's financial management policies and practices as disclosed in the consolidated financial statements for the year ended 31 December 2006 to minimise potential adverse effects on the Group's financial performance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

4. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except for the change in the estimated value of the investment properties as disclosed in Note 11(a), in preparing this condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2006.

5. Segment information

Primary reporting format-business segments

The Group categorises its businesses into the following segments:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

5. Segment information (Cont'd)

	Six months ended 30 June											
	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	2,432	5,856	118,080	128,692	8,129	6,834	30,100	29,144	-	5,788	158,741	176,314
RESULT												
Segment results	(4,927)	4,312	(4,574)	1,742	44,965 ^(a)	47,733	1,730	2,221	140,898	2,907	178,092	58,915
Unallocated corporate expenses, net											(7,056)	(10,933)
Operating profit											171,036	47,982
Finance costs											(488)	(454)
Income tax											(525)	(167)
Profit for the period											170,023	47,361

(a) Included a revaluation gain on investment properties of HK\$38,000,000 (30 June 2006: HK\$42,000,000) (see Note 11(a)).

6. Other income

	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
Gain on disposal of available-for-sale financial assets (a)	140,911	-
Interest income	3,864	794
Others	201	646
	144,976	1,440

(a) The amount represents the gain on disposal of 7,200,000 ordinary shares in China Merchants China Direct Investments Limited at HK\$22.0 per share for a cash consideration of HK\$158,400,000 in January 2007. Further details of the transaction have been set out in the Company's announcement dated 9 January 2007.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

7. Profit before tax

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

	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
Interest on borrowings	8,275	4,175
Less: amount capitalised into properties under development	(7,787)	(3,721)
	488	454
Depreciation	1,504	1,240
Less: amount capitalised into properties under development	(179)	(73)
	1,325	1,167
Amortisation of land lease premium	3,099	1,050
Less: amount capitalised into properties under development	(3,099)	(1,050)
	-	-
Employee benefit expense, including Directors' emoluments	18,821	17,106
Cost of inventories sold	15,943	15,808
Provision for inventory obsolescence	1,248	106
Provision for impairment of receivables	308	4,691
Net foreign exchange gain	(5,953)	(516)
Other operating expenses arising from investment properties that generated rental income	1,191	1,132

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

8. Income tax

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit for the period (30 June 2006: Nil).

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

	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
Current tax		
Overseas taxation	525	167

9. Earnings per share

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

	Six months ended 30 June	
	2007	2006
Profit attributable to equity holders of the Company (HK\$'000)	170,023	47,361
Weighted average number of ordinary shares in issue ('000)	772,819	772,182
Basic earnings per share (HK cents)	22.00	6.13

There were no dilutive potential shares in existence during the period (30 June 2006: Nil).

10. Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2007 (30 June 2006: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

11. Capital expenditure

	Property, plant and equipment HK\$'000	Investment properties HK\$'000	Goodwill HK\$'000
Opening net book amount as at 1 January 2007	17,545	290,769	20,095
Additions	671	-	-
Revaluation gain (a)	-	38,000	-
Disposals	(3)	-	-
Depreciation	(1,504)	-	-
Exchange differences	109	-	640
Closing net book amount as at 30 June 2007	16,818	328,769	20,735

- (a) The Group has estimated the fair value of investment properties as at 30 June 2007 with reference to the current prices in active market for similar properties in the same location and condition and subject to similar leases and other contracts. A revaluation gain of HK\$38,000,000 was recorded during the period.

12. Inventories

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Manufacturing and trading stocks	7,662	7,100
Properties under development (a)	555,586	481,507
	563,248	488,607

- (a) Properties under development

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Land use rights	296,787	290,284
Construction in progress	258,799	191,223
	555,586	481,507

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

13. Trade and other receivables

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

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
0-30 days	28,353	38,146
31-60 days	13,554	12,978
61-90 days	10,324	8,075
Over 90 days	92,162	63,854
	144,393	123,053
Less: provision for impairment of receivables	(17,809)	(17,809)
	126,584	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.

14. Share capital

	Six months ended 30 June 2007		Year ended 31 December 2006	
	Number of shares ('000)	Amount HK\$'000	Number of shares ('000)	Amount HK\$'000
Authorised (ordinary shares of HK\$0.1 each)				
Balance at beginning and end of period	2,000,000	200,000	2,000,000	200,000
Issued and fully paid (ordinary shares of HK\$0.1 each)				
Balance at beginning of period	772,182	77,218	772,182	77,218
Issue of shares on exercise of share options	1,650	165	–	–
Balance at end of period	773,832	77,383	772,182	77,218

During the period, the Company allotted and issued a total of 1,650,000 ordinary shares of HK\$0.1 each at HK\$0.83 per share as a result of the exercise of share options. All the shares issued during the period ranked pari passu with the existing shares in all respects.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

14. Share capital (Cont'd)

- (a) Share options
Movements in the share options are as follows:

	Number of share options	
	Six months ended 30 June 2007 ('000)	Year ended 31 December 2006 ('000)
Balance at beginning of period	14,800	20,100
Exercised	(1,650)	–
Lapsed	(13,150)	(5,300)
Balance at end of period	–	14,800

15. 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 as 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	–	–	–	26,100	–	–	26,100
Currency translation adjustments	–	–	–	–	2,431	–	2,431
Profit for the period	–	–	–	–	–	47,361	47,361
Balance as at 30 June 2006	409,738	600,412	769	38,520	5,535	(456,266)	598,708
Balance as at 1 January 2007	409,738	600,412	769	119,160	8,314	(397,782)	740,611
Disposal of available-for-sale financial assets	–	–	–	(119,160)	–	–	(119,160)
Issue of shares on exercise of share options	1,204	–	–	–	–	–	1,204
Currency translation adjustments	–	–	–	–	6,487	–	6,487
Profit for the period	–	–	–	–	–	170,023	170,023
Balance as at 30 June 2007	410,942	600,412	769	–	14,801	(227,759)	799,165

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

16. Borrowings

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Non-current		
Bank borrowings, secured (a)	102,740	99,640
Current		
Bank overdrafts, secured	3,031	3,516
Bank term-loans, secured (a)	210,274	86,601
Loans from a fellow subsidiary, secured (a)	84,247	81,705
	297,552	171,822
Total borrowings	400,292	271,462

(a) Movements in secured loans during the period are analysed as follows:

	Non-current	Current	
	Bank borrowings HK\$'000	Bank term-loans HK\$'000	Loans from a fellow subsidiary HK\$'000
Balance as at 1 January 2007	99,640	86,601	81,705
Drawdown	–	201,027	81,705
Repayment	–	(77,835)	(81,705)
Exchange differences	3,100	481	2,542
Balance as at 30 June 2007	102,740	210,274	84,247

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

17. Trade and other payables

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

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
0-30 days	47,771	23,499
31-60 days	9,431	6,773
61-90 days	5,476	4,914
Over 90 days	89,385	71,990
	152,063	107,176

18. Capital commitments

	30 June 2007 HK\$'000	31 December 2006 HK\$'000
Contracted but not provided for in respect of		
– acquisition of a subsidiary (a)	199,110	–
– properties under development	116,659	160,478
	315,769	160,478

- (a) On 30 May 2007, a wholly-owned subsidiary of the Company entered into certain agreements with two fellow subsidiaries of the Company to effectively acquire a 51% interest in a company wholly-owned by these fellow subsidiaries. Pursuant to these agreements, the Group and one of the above fellow subsidiaries will make additional capital contribution to the registered capital of that company in cash equivalent to RMB193,800,000 (approximately HK\$199,110,000) and of RMB176,200,000 (approximately HK\$181,028,000) respectively. Further details of the above transaction have been set out in the Company's announcement dated 30 May 2007.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

19. Related party transactions

The Directors consider the immediate holding company to be June Glory International Limited, a company incorporated in the British Virgin Islands; the intermediate holding company to be China Minmetals H.K. (Holdings) Limited ("Minmetals HK"), a company incorporated in Hong Kong; and the ultimate holding company to be China Minmetals Corporation ("China Minmetals"), a company incorporated in the PRC.

The Group had the following material transactions and balances with related parties, which were carried out in the ordinary and normal course of business of the Group.

(a) Transactions with related parties

	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
Construction project management service revenue from a fellow subsidiary (i)	2,432	5,856
Specialised construction revenue from related companies (ii)	24,027	50,477
Rental expenses and license fees paid to fellow subsidiaries (iii)	801	677
Loan interest expenses to a fellow subsidiary (iv)	2,805	2,267
Loan interest expenses to related companies (ii)	4,928	1,551
Construction costs to a related company for a real estate development project (ii)	32,101	–

(b) Balances with related parties

	30 June	31 December
	2007	2006
	HK\$'000	HK\$'000
Contract receivable from a fellow subsidiary for construction project management services (i)	8,219	9,574
Contract and other receivables from related companies for specialised construction contracts (ii)	14,014	11,623
Contract payable to a related company for a real estate development project (ii)	36,910	35,797
Short-term loans from a fellow subsidiary (iv)	84,247	81,705
Bank borrowings from related companies (ii)	305,771	174,313

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

19. Related party transactions (Cont'd)

(c) Key management compensation

	Six months ended 30 June	
	2007	2006
	HK\$'000	HK\$'000
Salaries and short-term employee benefits	2,976	2,516
Pension costs – defined contribution plans	30	30
Provision for long service payment	15	15
	3,021	2,561

Notes:

- (i) Details of the construction project management agreement dated 29 July 2004 entered into between a subsidiary and a fellow subsidiary of the Company have been published in the Company's announcement dated 29 July 2004.
- (ii) As China Minmetals is a state-owned enterprise, the government of the PRC (the "PRC Government") is considered as the Company's ultimate controlling party. Other state-controlled enterprises and their subsidiaries, in addition to China Minmetals, directly or indirectly controlled by the PRC Government are also considered as related parties of the Group. To balance the cost and benefit in making disclosure, the Group has only disclosed material transactions with such state-controlled enterprises.
- (iii) Rental expenses and license fees were paid to fellow subsidiaries of the Company based on the agreements entered into between the parties involved with reference to market rates.
- (iv) The short-term loans from a fellow subsidiary were made on 10 January 2007 and 19 March 2007, for a term of 1 year bearing interest at the rates of 6.732% and 7.029% per annum respectively. These loans are secured by a corporate guarantee from Minmetals HK. The short-term loans from the fellow subsidiary made on 11 January 2006 and 20 March 2006 bearing interest at the rate of 6.138% per annum were repaid during the period.



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