PREMIUM LAND LIMITED
（上海策略置地有限公司）*

(incorporated in Bermuda with limited liability)

(Stock Code: 164)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2007

RESULTS

The board of directors (the "Board") of Premium Land Limited (the "Company") announced the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31st March, 2007 together with comparative figures for 2006 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2007

	NOTES	**2007** *HK$'000*	2006 *HK$'000*
Turnover	*4*	**361,961**	33,273
Cost of sales		**(351,458)**	(34,243)
Gross profit (loss)		**10,503**	(970)
Other income and gains, net	*4*	**4,866**	51,269
Administrative expenses		**(34,815)**	(15,063)
Loss on disposal of available-for-sale financial assets		–	(70)
Impairment losses on trade and other receivables		**(9,289)**	(1,521)
Impairment losses on available-for-sale financial assets		–	(44,205)
Loss from operations		**(28,735)**	(10,560)
Finance costs	*5*	**(5,136)**	(9,561)
Gain (loss) on disposal of subsidiaries		**18,080**	(2,913)
Loss on deconsolidation of subsidiaries		**(7,194)**	–
Impairment losses on amount due from an associate		**–**	(3,671)
Share of profits less losses of associates		**(8)**	(447)
Loss for the year	*6*	**(22,993)**	(27,152)
Attributable to:			
Equity holders of the Company		**(22,993)**	(26,438)
Minority interests		**–**	(714)
		(22,993)	(27,152)
Basic loss per share attributable to the equity holders of the Company during the year	*8*	**(5.7) cents**	(7.6) cents

* *For identification purposes only*

CONSOLIDATED BALANCE SHEET

AT 31ST MARCH, 2007

	NOTES	**2007** **HK$'000**	2006 HK$'000
Non-current Assets			
Property, plant and equipment		**1,751**	66,472
Investment properties		**–**	15,324
Interests in associates		**–**	2,040
Available-for-sale financial assets		**12,852**	12,153
		14,603	95,989
Current Assets			
Inventories		**6,594**	4,761
Trade and other receivables	*9*	**128,632**	171,725
Other financial assets at fair value through profit or loss		**41,574**	110,987
Cash and cash equivalents		**177,312**	8,517
		354,112	295,990
Current Liabilities			
Trade and other payables	*10*	**20,886**	82,921
Amount due to a minority shareholder of a subsidiary		**5,233**	2,442
Bank and other borrowings		**43,815**	86,231
		69,934	171,594
Net Current Assets		**284,178**	124,396
Net Assets		**298,781**	220,385
Equity			
Capital and reserves attributable to the Company's equity holders:			
Share capital		**5,137**	3,512
Share premium		**584,307**	481,286
Other reserves		**784,004**	777,020
Accumulated losses		**(1,074,667)**	(1,051,674)
		298,781	210,144
Minority interests		**–**	10,241
Total Equity		**298,781**	220,385

Notes:

1. An Extract of Auditor's Report

Basis for qualified opinion

1. Scope limitation – prior year's audit scope limitation affecting comparative figures

The comparative figures in the current year's financial statements are derived from the financial statements for the year ended 31st March, 2006 which contained a disclaimer of opinion. We were unable to carry out audit procedures necessary to obtain adequate assurance on the preceding year's figures. Accordingly, we were unable to express an opinion on the comparative figures appearing in the current year's financial statements. We have not been able to ascertain whether the comparative figures will have any effect on the current year's balance sheet and income statement items.

2. Scope limitation – loss on deconsolidation of subsidiaries

As explained in notes 32 and 41 to the financial statements, the management has been unable to gain access to the books and records of its subsidiary, 杭州恆運交通開發有限公司 ("HZHY") since July 2005 due to the lack of co-operation from management of HZHY and has commenced legal proceedings for the recovery and declaration of its beneficial ownership in 51% of the issued share capital of Gold United International Industries Limited ("Gold United") which has 80% direct interest in HZHY. The directors considered that the Group was unable to exercise its rights as shareholder either to control the assets and operations or to exercise significant influence over the financial and operating policy decisions of both subsidiaries, therefore they were deconsolidated as of 1st April, 2006.

We were unable to obtain sufficient audit evidence or perform alternative audit procedures to satisfy ourselves as to the timing, accuracy and completeness of the deconsolidation and to quantify the effect of the deconsolidation as at 1st April, 2006 and the loss arising from the deconsolidation of approximately HK$7,194,000. We were also unable to satisfy ourselves that the analysis of net assets of approximately HK$17,435,000 of the deconsolidated subsidiaries at the date of deconsolidation, as disclosed in note 32 to the financial statements, is free from material misstatement.

There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the matters above. Any adjustments to the above figures would have a consequential effect on the Group's loss and cash flows for the year ended 31st March, 2007 and the related disclosures thereof in these financial statements.

Qualified opinion arising from limitation of audit scope

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to comparative figures and loss on deconsolidation of subsidiaries, the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March, 2007 and of the loss and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

2. Basis of Preparation of Financial Statements

The consolidated financial statements of the Group have been prepared, except for the deconsolidation of subsidiaries as explained in note 32 to the financial statements, in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which also include Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 6 to the financial statements.

The HKICPA has issued certain new and revised HKFRS that are first effective for the accounting period beginning on or after 1st January, 2006 as follows:

HKAS 19 Amendment	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 Amendment	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
HKAS 27 Amendment	Consolidated and Separate Financial Statements Amendments as a consequence of the Companies (Amendments) Ordinance 2005
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intra-group Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environment Rehabilitation Funds
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies

The adoption of the above new/revised HKFRS, amendments and interpretations did not result in substantial changes to the Group's accounting policies. The impact of adopting the HKFRS is summarised as follows:

(a) HKAS 21 The Effects of Changes in Foreign Exchange Rates

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This is consistent with the current accounting treatment of the Group, thus the management considered that there is no significant impact.

(b) HKAS 39 Financial Instruments: Recognition and Measurement

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue. The adoption of this amendment has had no material impact on these financial statements.

(ii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as at fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on these financial statements.

(iii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

(c) HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease

The Group has adopted this interpretation as of 1st January, 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no material impact on these financial statements.

(d) Other Standards

The adoption of HKAS 19 Amendment, HKAS 27 Amendment, HKFRS 6, HK(IFRIC)-Int 5, HK (IFRIC)-Int 6 and HK(IFRIC)-Int 7 had no material impact on the Group's accounting policies and did not result in any changes to the amounts or disclosures in these financial statements.

3. **Segmental Information**

Business segments

For management purpose, the Group is currently organised into four major operating divisions – securities trading and investment, trading of building materials and renovation services, property development and sales and property rental. In 2007, the operation of toll highway was excluded by deconsolidation of a group of subsidiaries holding the relevant assets.

These divisions are the basis on which the Group reports its primary segment information.

An analysis of the Group's turnover, contribution to operating results and segment assets and liabilities by business segments is presented as follows:

2007

	Continuing operations					Discontinued operation	
	Securities trading and investment	Trading of building materials and renovation services	Property development and sales	Property rental	Unallocated	Operation of toll highway	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007							
REVENUE							
External sales	351,937	9,986	22	16	–	–	361,961
Segment results	11,604	54	(10,949)	11	–	–	720
Unallocated other operating income							66
Unallocated corporate expenses							(29,521)
Loss from operations							(28,735)
Finance costs							(5,136)
Gain on disposal of subsidiaries							18,080
Loss on deconsolidation of subsidiaries							(7,194)
Share of profits less losses of associates							(8)
Loss for the year from continuing operations							(22,993)

	Continuing operations					Discontinued operation	
	Securities trading and investment	Trading of building materials and renovation services	Property development and sales	Property rental	Unallocated	Operation of toll highway	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
BALANCE SHEET AT 31ST MARCH, 2007							
ASSETS							
Segment assets	107,266	5,440	26,960	–	–	–	139,666
Unallocated corporate assets							229,049
Consolidated total assets							368,715
LIABILITIES							
Segment liabilities	–	2,207	12,655	–	–	–	14,862
Unallocated corporate liabilities							55,072
Consolidated total liabilities							69,934
OTHER INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2007							
Capital additions	–	255	–	–	–	–	255
Depreciation and amortisation	–	94	354	–	146	–	594
Net unrealised gain on other financial assets at fair value through profit or loss	4,119	–	–	–	–	–	4,119

2006

	Continuing operations					Discontinued operation	
	Securities trading and investment	Trading of building materials and renovation services	Property development and sales	Property rental	Unallocated	Operation of toll highway	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006							
REVENUE							
External sales	23,543	9,667	22	41	–	–	33,273
Segment results	1,310	(3,373)	(1,853)	(43)	–	–	(3,959)
Unallocated other operating income							2,023
Unallocated corporate expenses							(8,624)
Loss from operations							(10,560)
Finance costs							(9,561)
Loss on disposal of subsidiaries							(2,913)
Impairment losses on amounts due from an associate							(3,671)
Share of profits less losses of associates							(447)
Loss before minority interests							(27,152)
Minority interests							714
Loss for the year from continuing operations							(26,438)

	Continuing operations					Discontinued operation	
	Securities trading and investment	Trading of building materials and renovation services	Property development and sales	Property rental	Unallocated	Operation of toll highway	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
BALANCE SHEET AT 31ST MARCH, 2006							
ASSETS							
Segment assets	115,228	4,872	39,118	15,488	–	75,979	250,685
Interests in associates	–	–	–	2,040	–	–	2,040
Unallocated corporate assets							139,254
Consolidated total assets							391,979
LIABILITIES							
Segment liabilities	15	2,696	11,986	6	–	58,545	73,248
Unallocated corporate liabilities							98,346
Consolidated total liabilities							171,594
OTHER INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2006							
Capital additions	–	53	–	–	62	–	115
Depreciation and amortisation	–	53	352	13	157	–	575
Impairment losses on available-for-sale financial assets	44,205	–	–	–	–	–	44,205
Net unrealised gain on other financial assets at fair value through profit or loss	48,613	–	–	–	–	–	48,613
Write-back of provision on properties held for sale	–	–	160	–	–	–	160
Fair value gains on investment properties	–	–	–	1,666	–	–	1,666

4. Turnover, Other Income and Gains, net

Turnover represents the aggregate of the net amounts received and receivable from third parties, during the year. An analysis of the Group's turnover, other income and gains, net is as follows:

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Securities trading and investment	**351,937**	23,543
Renovation services	**4,042**	5,993
Trading of building materials	**5,944**	3,674
Property rental	**38**	63
	361,961	33,273
Other income		
Interest income	**206**	515
Sundry income	**541**	315
	747	830
Gains, net		
Net unrealised gain on other financial assets at fair value through profit or loss	**4,119**	48,613
Fair value gains on investment properties	**–**	1,666
Write-back of provision on properties held for sale	**–**	160
	4,119	50,439
	366,827	84,542

5. Finance Costs

	2007	2006
	HK$'000	*HK$'000*
Interest on:		
Borrowings wholly repayable within five years		
– bank borrowings	**3,581**	6,144
– other borrowings	**1,555**	1,843
Convertible notes	**–**	1,574
	5,136	9,561

6. Loss for the Year

Loss for the year has been arrived at after charging and crediting the following:

	2007	2006
	HK$'000	*HK$'000*
Charging:		
Staff costs		
– directors' remuneration	**2,132**	725
– basic salaries and other benefits	**2,700**	4,041
– retirement benefits scheme contributions	**101**	281
– share-based payments	**6,796**	–
	11,729	5,047
Auditors' remuneration		
– Current year	**700**	775
– Overprovision in prior years	**(19)**	–
Depreciation and amortisation of property, plant and equipment	**594**	575
Net realised losses on other financial assets at fair value through profit or loss	**–**	3,181
Operating lease payments	**1,642**	1,818
Cost of inventories sold	**6,900**	7,517
and crediting:		
Net rental income from investment properties under operating leases, after deduction of outgoings of approximately HK$1,000 (2006: HK$2,000)	**37**	61
Share of associate's taxation	**–**	7
Net realised gains on other financial assets at fair value through profit or loss	**7,380**	–

7. Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as either the Company and its subsidiaries have no assessable profits for both years or have their profits wholly absorbed by tax losses brought forward.

The taxation on the Group's loss before taxation differs from the theoretical amount that would arise using the domestic taxation rates applicable to losses of the consolidated companies as follows:

	2007	2006
	HK$'000	*HK$'000*
Loss before taxation	**(22,993)**	(27,152)
Tax at the domestic income tax rate of 17.5% (2006: 17.5%)	**(4,024)**	(4,752)
Tax effect of expenses that are not deductible for tax purpose	**5,282**	10,312
Tax effect of income that are not taxable for tax purpose	**(3,103)**	(737)
Tax effect of temporary differences not recognised for the year	**19**	(312)
Tax effect of utilisation of tax losses not previously recognised	**(535)**	(5,587)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,361**	1,076
Taxation charge	**–**	–

8. Basic Loss Per Share

The calculation of the basic loss per share is based on the loss for the year of HK$22,993,000 (2006: HK$26,438,000) and on the weighted average number of 401,304,107 (2006: 347,773,969) ordinary shares in issue during the year.

Diluted loss per share is not presented as the potential shares arising from share options granted during the year ended 31st March, 2007 would have anti-dilutive effect on the basic loss per share.

9. Trade and Other Receivables

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**3,373**	2,965
Retentions receivable	**–**	122
Other receivables and prepayments *(Note a)*	**125,259**	168,638
	128,632	171,725

9. Trade and Other Receivables (continued)

The directors consider that the carrying amounts of trade and other receivables approximate to their fair values.

The Group allows an average credit period of 60 days to 90 days to its trade customers. As at 31st March, 2007 and 31st March, 2006, the ageing analysis of the Group's trade receivables is as follows:

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Up to 30 days	**610**	821
31 to 90 days	**679**	459
91 to 365 days	**1,071**	1,635
Over 365 days	**1,013**	50
	3,373	2,965

Included in trade and other receivables is the following amount denominated in a currency other than the functional currency of the Company to which they relate:

	THE GROUP	
	2007	2006
	'000	*'000*
Renminbi	**7,874**	26,958

Notes:

(a) Included in other receivables and prepayments is an amount of approximately HK$36,081,000 (2006: HK$123,437,000) placed with a company which is an independent third party, for securities trading and other investment purposes.

The amount is secured, interest free and repayable on demand.

(b) As mentioned in note 16 to the financial statements, an amount approximately of HK$10,249,000 has been reclassified from investment properties to other receivables during the year ended 31st March, 2007. In the opinion of the directors, due to the failure to transfer the legal title of the property to the Group after several years, full impairment loss of this receivable has been charged to the income statement in the current year.

10. Trade and Other Payables

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Trade payables	**1,620**	1,834
Retention payables	**28**	179
Other payables and accruals	**19,238**	80,908
	20,886	82,921

The directors consider that the carrying amount of trade payables approximates to their fair value.

As at 31st March, 2007 and 31st March, 2006, the ageing analysis of the Group's trade payables is as follows:

	THE GROUP	
	2007	2006
	HK$'000	*HK$'000*
Up to 30 days	**213**	420
31 to 90 days	**582**	239
Over 90 days	**825**	1,175
	1,620	1,834

Included in trade and other payables is the following amount denominated in a currency other than the functional currency of the Company to which they relate:

	THE GROUP	
	2007	2006
	'000	*'000*
Renminbi	**12,832**	74,762

DIVIDENDS

The Board does not recommend the payment of divided for the year ended 31st March, 2007 (2006: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31st March, 2007, the Group recorded a turnover of HK$361,961,000 (2006: HK$33,273,000), mainly generated from increase of securities trading and investment. Loss attributable to shareholders amounted to HK$22,993,000, representing a decrease of approximately 13% as compared with HK$26,438,000 of previous year. Loss per share was HK5.7 cents. Included in the reported loss was an impairment recognized in relation to loss on receivables of HK$9,289,000, share option expenses of HK$7,658,000 as well as loss on deconsolidation of HK$7,194,000 from toll highway operation.

As at 31st March, 2007, the total assets and net assets of the Group were HK$368,715,000 (2006: HK$391,979,000) and HK$298,781,000 (2006: HK$220,385,000) respectively.

Business Review

The Group is principally engaged in securities trading and investments, property development and sales, trading of building materials and provision of renovation services and property rental.

During the year under review, the Group has been actively reviewing a number of potential property investment and development projects in major cities in the PRC. Subsequent to the year end in June 2007, the Group acquired a call option under which it would be entitled to acquire a 6-storey shopping mall in Shanghai for a total consideration of RMB555,000,000 up to mid June 2008 and it still has a flexibility to invest in other projects when any suitable investment opportunities arise.

Segment Results

For securities trading and investment, segment turnover increased significantly to HK$351,937,000 (2006: HK$23,543,000). Satisfactory profit of HK$11,604,000 (2006: HK$1,310,000) was realized on this segment. The increment is attributable to well-performed local stock market during the year under review.

For trading of building materials and renovation services, segment turnover increased by 3% to HK$9,986,000 (2006: HK$9,667,000), which was benefited from the improved local property market. Segment result recorded profit of HK$54,000 (2006: loss of HK$3,373,000).

For property development and sales, segment turnover amounted to HK$22,000 (2006: HK$22,000) and segment loss amounted to HK$10,949,000 (2006: HK$1,853,000), the loss was mainly due to an impairment recognized in relation to loss on receivables of HK$9,289,000.

The operation of toll highway was excluded by deconsolidation of a group of subsidiaries holding the relevant assets. Loss on deconsolidation of HK$7,194,000 has been charged to the income statement.

Prospect

The Group is confident in the robust economic development in the PRC. With consistent economic growth, quality commercial as well as residential properties are highly demanded in prime locations in the PRC with high population density. The Group will continue to adopt an active but prudent strategy and create value to the shareholders. Property projects with high potential investment value and high rental yield at reasonable price will be the major area of focus. In the long run, we aim to have a balanced portfolio of commercial and residential properties which may include villas, serviced apartments, offices, shopping malls and hotels.

Deconsolidation of a Group of Subsidiaries

As explained in this section under the heading "Litigation" below, the Group has commenced legal proceedings for the recovery and declaration of its beneficial ownership in 51% of the issued share capital of Gold United International Industries Limited ("Gold United"), which has 80% direct interest in 杭州恆運交通開發有限公司 ("HZHY"). The management of HZHY has not provided the Company with any financial information subsequent to the provision of unaudited management accounts for the eleven months ended 28th February, 2005.

Due to the above reasons, the directors of the Company considered that the Group was unable to exercise its rights as major shareholder either to control the assets and operations or to exercise significant influence over the financial and operating policy decisions of the HZHY. As such, the directors considered that they are unable and it is inappropriate to consolidate the financial results of HZHY into the Group. Two of the Group's subsidiaries, Gold United and HZHY, were deconsolidated as of 1st April, 2006.

Capital Investment and Commitments

The Group did not incur or commit any material investment or capital expenditure during the period under review.

Liquidity and Financial Resources

At 31st March, 2007, the Group had cash and cash equivalents of approximately HK$177,312,000 (2006: HK$8,517,000). The increase in cash and cash equivalents was mainly due to proceeds from issue of shares and disposal of subsidiaries. Bank and other borrowings of HK$43,815,000 at 31st March, 2007 were substantially improved as compared to last year of HK$86,231,000. The gearing ratio, being the ratio of total bank loans and other borrowings over shareholders' equity, was 0.15 (2006: 0.41). The liquidity ratio of the Group, being the ratio of current assets over current liabilities, was 506% (2006: 172%).

Taking into account the financial resources available to the Group, the Group has sufficient working capital to meet its present requirements.

Capital Structure

Pursuant to a placing agreement dated 21st August, 2006, the Company issued 70,000,000 new shares of HK$0.01 each to no less than six placees who were independent professional and institutional investors, at the issue price of HK$0.198 per share. Details of which are set out in the announcement of the Company dated 21st August, 2006.

Pursuant to the subscription agreements dated 29th December, 2006, the Company issued and allotted an aggregate of 90,000,000 placing shares to the placees at a price of HK$1.00 per share. Details of the placing are set out in the circular of the Company dated 23rd January, 2007.

2,500,000 new shares of HK$0.01 each were issued and allotted during the year upon exercise of share options granted by the Company.

Save as the above, there was no change in the share capital structure of the Company during the year ended 31st March, 2007.

Material Acquisitions and Disposals of Subsidiaries

On 28th September, 2006, the Company entered into a deed of settlement with Asean Resources Limited (the "Lender") under which, inter alia, the Company and the Lender agreed that the Company shall be entitled to repay the loan together with all interest accrued thereon and all other moneys owing by the Company to the Lender by transferring its legal and beneficial ownership in the entire issued share capital of Huey Tai Holdings Limited ("Huey Tai") and assigning all indebtedness owing by Huey Tai to the Company to the Lender (the "Disposal"). The consideration for the Disposal was approximately HK$28.6 million and was satisfied by way of settlement and discharge of the loan due to the Lender, accrued interest thereon and all other sums and liabilities owing or incurred by the Company. The Disposal was completed on 28th September, 2006. Details of the Disposal are set out in the circular of the Company dated 20th October, 2006.

On 18th December, 2006, the Company and Esmian Group Limited ("Esmian"), a wholly owned subsidiary of the Company, entered into a conditional agreement (the "Share Purchase Agreement") with Major Win Ltd ("Major Win") and Mr. Hong Loi Fuk ("Mr. Hong"), pursuant to which the Group agreed to acquire from Major Win the entire issued share capital of Best Win Ltd ("Best Win") and the shareholder's loan (the "Loan") which was to be due and owing by Best Win. The aggregate consideration for the acquisition was RMB555,000,000. Details of the transaction are set out in the Company's announcement dated 21st December, 2006.

On 27th June, 2007, the parties entered into a termination deed to terminate the Share Purchase Agreement. On the same day, Esmian, Major Win and Mr. Hong entered into a deed of call option (the "Call Option Deed"), pursuant to which Esmian was granted an option at a consideration of HK$1.00 to acquire the entire issued share capital in Best Win and the Loan at a consideration of RMB555,000,000. The option is exercisable by Esmian at its absolute discretion at any time within 1 year from the date of the Call Option Deed. Details of the transaction are set out in the Company's announcement dated 28th June, 2007.

Apart from the above, the Group had no material acquisition and disposal of subsidiaries during the year ended 31st March, 2007.

Litigation

In July 2005, the Company was notified by the Hong Kong Companies Registry that an annual return of Gold United, a non-wholly owned subsidiary of the Company, filed in May 2005 ("May Annual Return") contained information, including information relating to members and directors of Gold United, which are significantly different from the original annual return that was presented by the Group on 29th April, 2005.

On 13th July, 2005, the Company filed a Writ of Summons against four persons (the "Defendants") seeking, amongst others, declarations by the court to the effect that Winsky Management Limited, a wholly owned subsidiary of the Company, is the beneficial owner of 51% of the issued share capital of Gold United. The Defendants were those persons who purportedly filed the false information with the Hong Kong Companies Registry and/or were identified as members and directors in the May Annual Return and other documents. Gold United is an investments holding company holding an 80% direct interest in HZHY, which is engaged in the operation of a highway in the PRC.

The Writ of Summons was amended on 1st February, 2006 and re-amended on 10th October, 2006.

As at 31st March, 2007, the legal action is still proceeding and there is no significant development.

As regards deconsolidation of Gold United and HZHY, please refer to the paragraph with heading "Deconsolidation of a Group of Subsidiaries" in this section.

Exchange Exposure

The Group's transactions are denominated in Hong Kong dollars and Renminbi and the related exchange rates are considered relatively stable, and accordingly, the exposure to fluctuations in exchange rate is minimal, and no foreign exchange and interest rate risk management or related hedges were made.

Staff

As at 31st March, 2007, the Group employed 24 employees (2006: 26). Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are reviewed annually based on performance appraisal and other relevant factors. Staff benefits plans maintained by the Group include medical insurance, hospitalization scheme, mandatory provident fund and share option scheme.

Employees in the PRC are remunerated according to the prevailing market conditions in the locations of their employments.

Change of Auditors

As announced by the Company on 8th June, 2006, the Company appointed Ting Ho Kwan & Chan as its auditors to fill the casual vacancy arising from the resignation of Messrs Deloitte Touche Tohmatsu effective 7th June, 2006. A resolution for the appointment of new auditors was passed at the special general meeting of the Company on 27th June, 2006.

Corporate Governance

The Corporate Governance Report is included in the Group's annual report for the year ended 31st March, 2007.

Good corporate governance has always been recognized as vital to the Group's success and to sustain development of the Group. We commit ourselves to a high standard of corporate governance and have devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has put in place corporate governance practices to meet the code provisions that are considered to be relevant to the Group and has complied with all most of the code provisions save for certain deviations from the code provisions, details of which will be explained in the relevant paragraphs in the Corporate Governance Report. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

Audit Committee

The audit committee has reviewed with the management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting process including the review of the financial statements for the year ended 31st March, 2007.

Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

Purchase, Sale and Redemption of the Company's Listed Securities

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Appreciation

On behalf of the Board, I would like to express my heartfelt gratitude to shareholders, customers, suppliers, bankers and professional advisors for their support of the Company over the past year and to sincerely thank the staff for their ongoing dedication and diligence.

By order of the Board
PREMIUM LAND LIMITED
Ma Kwok Hung, Warren
Director

Hong Kong, 18th July, 2007

As at the date of this announcement, the executive directors of the Company are Mr. Ma Kwok Hung, Warren and Mr. Ho Chi Ho and the independent non-executive directors of the Company are Mr. Wong Hoi Kuen, Edmund, Mr. Pang Haiou, Mr. Zuo Guang, Mr. Chan Chi Yuen and Mr. Chow Siu Ngor.