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 31 MARCH 2009

RESULTS

The board of directors (the "Board") of Premium Land Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Turnover	3	**51,188**	655,960
Cost of sales		**(63,368)**	(680,294)
Gross loss		**(12,180)**	(24,334)
Other income	3	**3,503**	687
Administrative expenses		**(55,378)**	(45,675)
Impairment loss on other receivables		**(4,095)**	(26,512)
Impairment loss on goodwill		**(7,609)**	–
Loss from operations		**(75,759)**	(95,834)
Finance costs	4	**(3,053)**	(3,545)
Loss for the year	5	**(78,812)**	(99,379)
Attributable to:			
Equity holders of the Company		**(78,812)**	(99,379)
Basic loss per share attributable to the equity holders of the Company during the year	7	**(14.8) cents**	(19.0) cents

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Non-current Assets			
Property, plant and equipment		**1,898**	2,934
Goodwill		**–**	7,505
Available-for-sale financial assets		**2,268**	666
Deposits paid for acquisition of subsidiaries		**83,682**	54,020
Investment deposits		**30,000**	–
		117,848	65,125
Current Assets			
Inventories		**6,388**	6,712
Trade and other receivables	8	**54,942**	45,358
Financial assets at fair value through profit or loss		**6,465**	36,082
Cash and cash equivalents		**9,373**	130,905
		77,168	219,057
Current Liabilities			
Trade and other payables	9	**22,768**	25,050
Amount due to a minority shareholder of a subsidiary		**16,242**	12,787
Bank borrowings		**25,601**	37,205
Obligation under a finance lease		**–**	525
		64,611	75,567
Net Current Assets		**12,557**	143,490
Net Assets		**130,405**	208,615
Equity			
Capital and reserves attributable to the Company's equity holders:			
Share capital		**5,344**	5,344
Share premium		**593,840**	593,840
Other reserves		**784,079**	783,477
Accumulated losses		**(1,252,858)**	(1,174,046)
Total Equity		**130,405**	208,615

Notes:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group have been prepared 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 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 HKICPA has issued certain new and revised HKFRS that are first effective or available for early adoption for the current accounting period of the Group.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new and revised HKFRS had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The principal effects of adopting these new and revised HKFRS are summarised as follows:

(a) The HKAS 39, "Financial Instruments: Recognition and Measurement", amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The related amendment to HKFRS 7, "Financial Instruments: Disclosures", introduces disclosure requirements with respect to financial assets reclassified out of the held-for-trading and available-for-sale categories. The amendment is effective prospectively from 1 July 2008. This amendment does not have any impact on the Group's financial statements, as the Group has not reclassified any financial assets.

(b) HK(IFRIC) – Int 12, "Service Concession Arrangements", provides guidance on the accounting by operators for public-to-private services concession agreements. This interpretation does not have any significant impact on the Group's accounting policies and financial statements.

(c) HK(IFRIC) – Int 14, "HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation does not have any impact on the Group's financial statements.

2. SEGMENTAL INFORMATION

Business segments

For management purpose, the Group is currently organised into three major operating divisions – property development and sales, trading of building materials and provision of renovation services, and securities trading and investment.

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:

2009

	Property development and sales *HK$'000*	Trading of building materials and provision of renovation services *HK$'000*	Securities trading and investment *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009					
REVENUE					
External sales	–	3,902	47,286	–	51,188
Segment results	(13,834)	(2,157)	(21,790)	–	(37,781)
Unallocated other operating income					244
Unallocated corporate expenses					(38,222)
Loss from operations					(75,759)
Finance costs					(3,053)
Loss for the year					(78,812)
BALANCE SHEET AT 31 MARCH 2009					
ASSETS					
Segment assets	138,986	3,834	51,038	–	193,858
Unallocated corporate assets					1,158
Consolidated total assets					195,016
LIABILITIES					
Segment liabilities	16,536	3,488	–	–	20,024
Unallocated corporate liabilities					44,587
Consolidated total liabilities					64,611
OTHER INFORMATION FOR THE YEAR ENDED 31 MARCH 2009					
Capital additions	51	31	–	36	118
Depreciation and amortisation	336	83	–	199	618
Allowance for doubtful debts on trade receivables	–	164	–	–	164
Impairment loss on goodwill	7,609	–	–	–	7,609
Impairment loss on other receivables	4,095	–	–	–	4,095
Net unrealised loss on financial assets at fair value through profit or loss	–	–	8,948	–	8,948

2008

	Property development and sales	Trading of building materials and provision of renovation services	Securities trading and investment	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008					
REVENUE					
External sales	–	8,410	647,550	–	655,960
Segment results	(19,996)	(3,980)	(28,503)	–	(52,479)
Unallocated other operating income					405
Unallocated corporate expenses					(43,760)
Loss from operations					(95,834)
Finance costs					(3,545)
Loss for the year					(99,379)
BALANCE SHEET AT 31 MARCH 2008					
ASSETS					
Segment assets	119,908	3,423	49,380	–	172,711
Unallocated corporate assets					111,471
Consolidated total assets					284,182
LIABILITIES					
Segment liabilities	2,635	4,288	15,373	–	22,296
Unallocated corporate liabilities					53,271
Consolidated total liabilities					75,567
OTHER INFORMATION FOR THE YEAR ENDED 31 MARCH 2008					
Addition of goodwill	7,505	–	–	–	7,505
Capital additions	15	6	–	1,562	1,583
Depreciation and amortisation	507	87	–	282	876
Allowance for doubtful debts on trade receivables	–	908	–	–	908
Impairment loss on other receivables	15,412	–	–	11,100	26,512
Net unrealised loss on financial assets at fair value through profit or loss	–	–	3,134	–	3,134

Geographical segments

All of the Group's operations are principally located in Hong Kong and the People's Republic of China (the "PRC"). The Group's administration is carried out in Hong Kong.

An analysis of the Group's turnover by geographical market, irrespective of the origin of the goods and services, is presented below:

	2009	2008
	HK$'000	*HK$'000*
Hong Kong	**51,188**	655,960
The PRC	**–**	–
	51,188	655,960

The following is an analysis of the carrying amount of segment assets, and additions to goodwill and property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		**Additions to goodwill and property, plant and equipment**	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**56,035**	218,308	**67**	1,568
The PRC	**138,981**	65,874	**51**	7,520
	195,016	284,182	**118**	9,088

3. TURNOVER AND OTHER INCOME

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

	2009	2008
	HK$'000	*HK$'000*
Turnover		
Securities trading and investment	**47,286**	647,550
Renovation services	**3,302**	6,338
Trading of building materials	**600**	2,072
	51,188	**655,960**
Other income		
Interest income on financial assets not at fair value through profit or loss	**72**	376
Dividend income from unlisted investment	**2,831**	–
Sundry income	**600**	311
	3,503	687
	54,691	656,647

4. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**3,053**	3,524
Finance lease	**–**	21
Total interest expense on financial liabilities not at fair value through profit or loss	**3,053**	3,545

5. LOSS FOR THE YEAR

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

	2009	2008
	HK$'000	*HK$'000*
Charging:		
Staff costs		
– directors' remuneration	**1,635**	5,244
– basic salaries and other benefits	**8,886**	5,448
– retirement benefits scheme contributions	**149**	140
	10,670	10,832
Auditors' remuneration		
– Current year	**900**	770
– Underprovision in prior years	**109**	–
Allowance for doubtful debts on trade receivables	**164**	908
Depreciation and amortisation of property, plant and equipment		
– Owned assets	**618**	796
– Leased asset	**–**	80
Loss on disposal of property, plant and equipment	**168**	4
Net realised losses on financial assets at fair value through profit or loss	**12,730**	25,420
Net unrealised losses on financial assets at fair value through profit or loss	**8,948**	3,134
Operating lease payments	**2,884**	2,096
Cost of inventories sold	**3,259**	7,324

6. TAXATION

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profits tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/2009.

No provision for Hong Kong Profits Tax or the PRC income tax has been made in the financial statements as the Company and its subsidiaries have no assessable profits for both years.

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:

	2009	2008
	HK$'000	*HK$'000*
Loss before taxation	**(78,812)**	(99,379)
Tax at the domestic income tax rate of 16.5% (2008: 17.5%)	**(13,004)**	(17,391)
Tax effect of expenses that are not deductible for tax purpose	**6,872**	10,326
Tax effect of income that are not taxable for tax purpose	**(489)**	(1,959)
Tax effect of temporary differences not recognised for the year	**29**	(39)
Tax effect of tax losses not recognised for the year	**6,014**	7,489
Effect of different tax rates of subsidiaries operating in other jurisdictions	**578**	1,574
Taxation charge	**–**	–

7. BASIC LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year of HK$78,812,000 (2008: HK$99,379,000) and on the weighted average number of 534,386,298 (2008: 523,405,439) 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 31 March 2009 and 31 March 2008 would have anti-dilutive effect on the basic loss per share.

8. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**4,792**	4,537
Less: allowance for doubtful debts	**3,091**	2,940
Trade receivables, net	**1,701**	1,597
Other receivables and prepayments *(note)*	**53,241**	43,761
	54,942	45,358

In the opinion of the directors, all of the above trade and other receivables are expected to be recovered or recognised as expense within one year.

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. The ageing analysis of the Group's trade receivables, based on the invoice date and net of allowances, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Up to 30 days	**724**	572
31 to 90 days	**120**	348
91 to 365 days	**634**	677
Over 365 days	**223**	–
	1,701	1,597

The movements on the allowance for doubtful debts are as follows:

	2009	2008
	HK$'000	*HK$'000*
At beginning of the year	**2,940**	2,032
Impairment loss recognised	**164**	908
Uncollectible amount written off	**(1)**	–
Unused amounts reversed	**(12)**	–
At end of the year	**3,091**	2,940

At 31 March 2009, trade receivables of HK$3,091,000 (2008: HK$2,940,000) were impaired. The amount of allowance for doubtful debts was HK$3,091,000 as at 31 March 2009 (2008: HK$2,940,000). The individually impaired receivables mainly related to a number of customers that were in financial difficulties and have remained long overdue.

The ageing analysis of the trade receivables that are considered to be impaired is as follows:

	2009	2008
	HK$'000	*HK$'000*
Less than 6 months past due	–	168
6 months to 1 year past due	–	140
1 year to 2 years past due	459	1,196
Over 2 years past due	2,632	1,436
	3,091	2,940

The ageing analysis of the trade receivables that are not considered to be impaired is as follows:

	2009	2008
	HK$'000	*HK$'000*
Not yet past due	680	403
Less than 6 months past due	483	761
6 months to 1 year past due	315	433
1 year to 2 years past due	223	–
	1,701	1,597

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral or other credit enhancements over these balances. All of the other classes within trade and other receivables are neither past due nor impaired with good credit quality.

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:

	2009	2008
	'000	*'000*
Renminbi	**32,625**	26,765

Note:

As at 31 March 2009, other receivables and prepayments included an amount of approximately HK$27,517,000 (2008: HK$24,288,000) mainly paid to a local village committee in Huairou District of Beijing for 1st level of development on certain areas of Huairou District of Beijing ("the Lands"). Such land development works included the removal of the existing buildings situated on the Lands, the relocation of the existing residents, the provision of infrastructure systems including roads, drainage system, water pipes, gas and electricity supply and the construction of public facilities. Subsequent to the balance sheet date, the Group disposed of two subsidiaries engaged in these land development works. The Group, based on the recoverable amount of assets and liabilities of these subsidiaries as at 30 June 2009, recognised an impairment loss of HK$4,095,000 on other receivables during the year.

9. TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade payables	**367**	1,008
Other payables and accruals	**22,401**	24,042
	22,768	25,050

In the opinion of the directors, all of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

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

The ageing analysis of the Group's trade payables is as follows:

	2009	2008
	HK$'000	*HK$'000*
Up to 30 days	**65**	215
31 to 90 days	**32**	608
Over 90 days	**270**	185
	367	1,008

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:

	2009	2008
	'000	*'000*
Renminbi	**14,584**	14,503

DIVIDENDS

The Board does not recommend the payment of dividend for the year ended 31 March 2009 (2008: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 March 2009, the Group recorded a turnover of HK$51,188,000 (2008: HK$655,960,000), mainly generated from securities trading and investment. The decrease in turnover was mainly attributable to the reduction of securities trading activities as a result of the Group's prudent risk management strategy against the weakening stock markets. Loss attributable to shareholders amounted to HK$78,812,000, mainly as a result of the realised and unrealised losses on equity investments held for trading under the adverse stock market conditions, the impairment loss due to the disposal of a property redevelopment project in Huairou District, Beijing, the PRC (announced on 20 July 2009 subsequent to the financial year end) and the operating expenses. The Group has not been involved in the trading of any derivative financial instruments such as equity or currency accumulators.

As at 31 March 2009, the total assets and net assets of the Group were HK$195,016,000 (2008: HK$284,182,000) and HK$130,405,000 (2008: HK$208,615,000) respectively.

Business Review

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

In 2008, the sub prime mortgage crisis in the United States ("US") triggered an unprecedented financial turmoil that shocked the world economy and caused severe economic downturn. The collapse of prominent corporations in the US crumbled the confidence of investors. Financial markets as well as property markets were hardest hit and led to fear of downward spiral. Upon the pronouncement of economic stimulus packages by various governments, signs of recovery have yet to be seen.

Emerged as one of the least affected by the financial crisis when compared with other parts of the world, the PRC however has not been entirely immune. Undergoing a consolidation period after a series of austerity measures and the Sichuan earthquake, the PRC property market suffered a setback from the devastating global crisis. Both transaction volume and selling price reduced. During the financial year, the Group has adopted a prudent risk management approach and meanwhile remained flexible in adjusting its business development and investment strategies amid volatile market environment. From time to time, the Group has been cautiously reviewing and assessing the risks areas, viability and profitability of the existing projects and business.

In April 2008, the Group announced the termination of acquisition of a Beijing villa project on the grounds, amongst other things, that there remained a condition under the relevant agreement unfulfilled by the vendor and that the subject matter under the agreement was frustrated. The Group has also commenced legal proceedings against recovery of, amongst other things, a deposit from the corresponding vendor. In addition, the Group decided not to exercise the call option which would entitle it to acquire a 6-storey shopping mall in Shanghai for a total consideration of RMB555 million after having taken into account the then weak property market sentiment in Shanghai and uncertainties on the part of the relevant vendor to fulfill certain material conditions precedent under the call options, and accordingly such option expired in June 2008. Nevertheless, the justifiable termination of these acquisitions has no adverse material impact on the Group.

In July 2009, the Group announced the disposal of 北京巨鼎源房地產開發有限公司 (Beijing Ju Din Yuen Property Development Company Limited) ("Beijing Ju Din Yuen"), the sole subsidiary of which has been engaged in the 1st level of development (一級開發) project in 北京市懷柔區懷柔鎮楊家園村 (Yang Jia Yuen Village, Huairou Town, Huairou District, Beijing, the PRC), involving, amongst other things, relocation of original village residents. Prolonged reluctance from the remaining village residents on agreeing to relocation scheme led to serious unexpected delay in completion of the redevelopment project. According to the PRC legal opinion, judicial proceedings on enforcing removal are likely required, nevertheless, the outcome being uncertain. Such disposal offers the Group an opportunity to recover a large extent of its investment in the project and to avoid further capital commitment. It will not constitute any material adverse effect on the Group's trading and financial position.

The Group will continue with the development of the residential property project in Yubei District, Chongqing, the PRC. Completion of the acquisition of the project took place in June 2009. The site is located at a prime location within a short distance from Chongqing Jiangbei International Airport and adjacent to one of the largest and most advanced railway stations in Southwest China, namely Chongqing North Railway Station. It is estimated that a saleable area of approximately 35,000 sqm can be built for mainly residential purpose. Chongqing is one of the major developing cities with high population density and the gateway to Western PRC. Accelerated developments in the western regions in recent years have boosted the GDP to outperform most of the rest of the country. The Group believes that with an anticipated high economic growth and urbanization in Chongqing, there will be a continual strong demand for residential properties in future.

Segment Results

For property development and sales, segment loss amounted to HK$13,834,000 (2008: HK$19,996,000). The loss was mainly due to an impairment loss of HK$4,095,000 and of HK$7,609,000 on other receivables and goodwill respectively as a result of a disposal of a property redevelopment project in the Huairou District, Beijing, the PRC subsequent to the year ended 31 March 2009.

For trading of building materials and provision of renovation services, segment turnover decreased by 54% to HK$3,902,000 (2008: HK$8,410,000) and the segment loss amounted to HK$2,157,000 (2008: HK$3,980,000). Repercussion from the global financial crisis has rendered difficult operating conditions for the segment especially when economic uncertainties subdued demand in local property construction market. It is anticipated that this business segment may still have a tough time until recovery of the property construction market in Hong Kong and the PRC.

Intensified financial crisis and indisputably volatile stock market had seriously impacted the performance of the Group's securities trading and investment segment. The carrying value of the Group's listed securities dropped significantly. The turnover of securities trading and investment segment decreased to HK$47,286,000 (2008: HK$647,550,000) due to reduction of securities trading activities as a result of the Group's prudent risk management strategy against the weakening stock markets. Segment loss amounted to HK$21,790,000 (2008: HK$28,503,000) owing to the realised and unrealised losses on equity investments held for trading.

Prospect

Looking forward, it is anticipated that economic stagnation in developed countries will persist for a certain period of time. Return of confidence and re-balance of market regularities are needed to sustain market stabilization. However, the PRC is expected to be one of the first few to recover, assisted by hefty government spending program, credit relaxation by the Ministry of Finance and its commitment to maintain GDP growth of about 8% per annum. The Group is optimistic that remaining as the world economic powerhouse with resilient growth, the PRC will continue to be one of the top fast growing country where plenty business and investment opportunities are ahead and its recovery shall help restore the stock market sentiment in the PRC and Hong Kong favouring securities trading and investment environment. In the coming future, the Group will prudently and actively continue to identify and pursue potential projects with immense development potentials and high returns and yields, primarily in the PRC with a view to creating values for shareholders.

Capital Investment and Commitments

The Group did not incur or commit any material investment or capital expenditure during the year under review (2008: HK$23,629,000).

Liquidity and Financial Resources

As at 31 March 2009, the Group had cash and cash equivalents of approximately HK$9,373,000 (2008: HK$130,905,000). The decrease in cash and cash equivalents was mainly due to the deposit paid for acquisition of subsidiaries and payment for investment deposits. Bank borrowings of HK$25,601,000 at 31 March 2009 were substantially improved as compared to last year of HK$37,205,000. The gearing ratio, being the ratio of total bank loans and other borrowings over shareholders' equity, was 0.20 (2008: 0.18). The liquidity ratio of the Group, being the ratio of current assets over current liabilities, was 119% (2008: 290%).

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

Contingent Liabilities

As at 31 March 2009, the Company had no significant contingent liabilities (2008: nil).

Capital Structure

During the year, there were no movements in either the Company's authorized or issued share capital.

Material Acquisitions and Disposals of Subsidiaries

On 14 December 2007, Unique Gold Investments Limited ("Unique Gold"), a wholly owned subsidiary of the Company, entered into a conditional agreement with Zhuang Xu and Tang Mao (together the "Sunrise Vendors"), pursuant to which Unique Gold conditionally agreed to acquire from the Sunrise Vendors the entire equity interest in 重慶旭日房地產開發有限公司(Chongqing Sunrise Property Development Company Limited), which was owned as to 51% by Zhuang Xu and 49% by Tang Mao (the "Sunrise Acquisition"). The total consideration for the Sunrise Acquisition was RMB45,000,000 which was to be settled in cash. Details of the acquisition are set out in the Company's circular dated 8 January 2008. The transaction was completed on 15 June 2009.

On 14 December 2007, Unique Gold entered into a conditional agreement with Zhang Xue Ping and Zhang Xue Mei (together the "Feng Hong Ji Vendors"), pursuant to which Unique Gold conditionally agreed to acquire from the Feng Hong Ji Vendors the entire equity interest in 重慶鳳弘吉實業有限責任公司 (Chongqing Feng Hong Ji Enterprise Company Limited), which was owned as to 90% by Zhang Xue Ping and 10% by Zhang Xue Mei (the "Feng Hong Ji Acquisition"). The total consideration for the Feng Hong Ji Acquisition was RMB25,000,000 which was to be settled in cash. Details of the acquisition are set out in the Company's circular dated 8 January 2008. The transaction was completed on 15 June 2009.

On 18 July 2009, 北京德邦富策劃咨詢有限公司(Beijing De Bang Fu Strategic Consultancy Company Limited) ("Beijing De Bang Fu"), a wholly-owned subsidiary of the Company, entered into the sales and purchase agreement with 北京晨隆佳地置業有限公司, pursuant to which the Beijing De Bang Fu agreed to dispose of 90% of the entire issued share capital of Beijing Ju Din Yuen and all the shareholder's loan and monies due from Beijing Ju Din Yuen and its subsidiary to Beijing De Bang Fu for a consideration of RMB25,000,000. Details of the transaction are set out in the Company's announcement dated 20 July 2009. The transaction has not yet been completed up to the date of this announcement.

Apart from the above, the Group had no material acquisition and disposal of subsidiaries during the year ended 31 March 2009 and up to the date of this announcement.

Litigations

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

   On 13 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. At the material time, Gold United was holding a 80% direct interest in 杭州恒運交通開發有限公司, which company was engaged in the operation of a highway in the PRC.

The Writ of Summons was amended on 1 February 2006 and re-amended on 10 October 2006 and re-re-amended on 13 July 2008 respectively.

In June 2009, the Group was notified by the Hong Kong Companies Registry that the various statutory returns and forms confirmed by the Group had already been filed under the public record of Gold United and that the documents submitted by the other parties would be returned.

After due consideration of the matter (including but not limited to the fact that the public record of Gold United at the Hong Kong Companies Registry has been rectified), without prejudice to the position and rights of the Group, the Board has decided not to proceed with the legal proceedings at this stage.

b) On 24 October 2007, Silver Wind International Limited ("Silver Wind"), a wholly owned subsidiary of the Company, entered into a conditional agreement (the "Acquisition Agreement") with Stronway Development Limited ("Stronway Development"), pursuant to which Silver Wind agreed to acquire from Stronway Development the entire equity interest in Winmax Asia Investment Limited ("Winmax Asia"). Under the arrangement, Winmax Asia will in turn acquire the entire equity interest in Beijing Jianxing Real Estate Development Co. ("Jianxing") along with Jianxing's standalone villas development project in Beijing known as "新星花園" (the "Project"). The aggregate consideration payable for the acquisition was RMB433,000,000 which was to be settled in cash and two villas. In December 2007, RMB20,000,000 was paid under the Acquisition Agreement to Stronway Development by Silver Wind as deposit (the "Deposit"). Details of the acquisition are set out in the Company's circular dated 14 December 2007.

In April 2008, on the grounds, amongst other things, that the subject matter under the Acquisition Agreement was frustrated, Silver Wind decided to terminate the Acquisition Agreement and, through its legal representative has served a notice of termination to Stronway Development. In order to protect the position of Silver Wind and to recover, amongst other things, the Deposit from Stronway Development legal proceedings were instigated against Stronway Development on this matter in the High Court of Hong Kong on 15 April 2008.

As at the date of this announcement, the legal proceedings against Stronway Development are still pending and there is no significant development.

Exposure to Exchange Rate Risk and Interest Rate Risk

The Group's transactions are denominated in Hong Kong dollars and Renminbi. The Group did not enter into any foreign exchange forward contracts to hedge against exchange rates fluctuations. Foreign exchange risk arising from the normal course of operations is considered to be minimal and the management will closely monitor the fluctuation in the currency and take appropriate actions when condition arises.

In terms of the interest rate risk exposures, the Group does not have any significant interest rate risk as both the borrowings of the Group and the interest rates currently remain at low levels.

Staff

As at 31 March 2009, the Group employed 32 employees (2008: 32). Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are reviewed periodically 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.

CORPORATE GOVERNANCE

The Corporate Governance Report is included in the Company's annual report for the year ended 31 March 2009.

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 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 (the "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 31 March 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2009.

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.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 March 2009 is published on the websites of The Stock Exchange of Hong Kong Limited *(www.hkex.com.hk)* and the Company *(http://finance.thestandard.com.hk/en/0164premiumland)* respectively. The 2009 annual report and notice of the annual general meeting of the Company will be despatched to the shareholders and made available on the above websites on or before 31 July 2009.

By order of the Board
Premium Land Limited
Ho Chi Ho
Executive Director

Hong Kong, 23 July 2009

As at the date of this announcement, the executive director of the Company is Mr. Ho Chi Ho; the non-executive directors of the Company are Mr. Ma Kwok Hung, Warren and Mr. Chow Siu Ngor; and the independent non-executive directors of the Company are Mr. Wong Hoi Kuen, Edmund, Mr. Chan Chi Yuen and Mr. Hung Hing Man.