

I have pleasure to present to shareholders the annual report for the year ended 31st March, 2001 of Sing Pao Media Group Limited (to be renamed as Premium Land Limited) (the "Company") and its subsidiaries (the "Group").

BUSINESS REVIEW

Results

The Group recorded a total turnover of approximately HK\$514.7 million in the financial year ended 31st March, 2001 with a decrease of approximately 26% as compared to that of the last year of approximately HK\$693.9 million. The decrease was mainly attributable to decrease in revenue generated from (i) property development and investment amounting to approximately HK\$115 million; (ii) rental income from investment properties amounting to approximately HK\$20 million; and (iii) securities trading and investments amounting to approximately HK\$68 million.

The Group's loss attributable to shareholders for the year ended 31st March, 2001 was approximately HK\$1,025 million. The significant loss was mainly resulted from as to approximately HK\$864 million arising from the loss on the disposal of subsidiaries including the disposal of an approximately 63.68% interest in the issued capital of Asean Resources Holdings Limited ("Asean Resources") and as to approximately HK\$37 million in connection with the media business, with the balance from the other operations.

Liquidity and financial information

During the year, the Company disposed of its equity interest in Asean Resources and the sale proceeds of approximately HK\$573 million was applied to repay the Company's certain outstanding borrowings of approximately HK\$389 million and the acquisition of the media interests of HK\$110 million. The balance of approximately HK\$74 million was used as general working capital of the Group.

The total of the Group's bank and other borrowings as at 31st March, 2001 amounted to approximately HK\$108 million compared with approximately HK\$1,342 million as at 31st March, 2000. Cash and bank balances and short-term listed investments amounted to approximately HK\$75 million as at 31st March, 2001 compared with approximately HK\$263 million as at 31st March, 2000. Net borrowings amounted to approximately HK\$33 million as at 31st March, 2001 compared with approximately HK\$1,079 million as at 31st March, 2000.

Gearing ratio of the Group which is expressed as a percentage of total borrowings to the shareholders' fund was approximately 51% as at 31st March, 2001 compared with approximately 55% as at 31st March, 2000. Net gearing ratio of the Group which is expressed as a percentage of net borrowings to the shareholders' funds was approximately 16% as at 31st March, 2001 compared with approximately 44% as at 31st March, 2000.

Of the Group's bank and other borrowings as at 31st March, 2001, approximately HK\$101 million would be due within one year and approximately HK\$7 million would be due beyond one year, but not exceeding two years.

The annual revaluation of the Group's investment properties was carried out by RHL Appraisal Limited, an independent property valuer. The total value as at 31st March, 2001 amounted to approximately HK\$85 million compared with approximately HK\$2,039 million as at 31st March, 2000. The decrease was mainly due to the disposal of the Company's equity interest in Asean Resources.

Shareholders' fund of the Group as at 31st March, 2001 was approximately HK\$211 million compared with approximately HK\$2,447 million as at 31st March, 2000.

Review of operations

In January 2001, the Company disposed of its equity interest in Asean Resources at a price of HK\$0.70 per share, details of which have been set out in the Company's circular dated 2nd January, 2001. At the same time, China Strategic Holdings Limited ("China Strategic") and Star East Holdings Limited ("Star East") became the controlling shareholders of the Company while the Company acquired the following media business ("media business") :

- "Sing Pao" name and production facilities

A publication right of a Chinese newspaper in Hong Kong with over 62 years' history under the name of "Sing Pao Daily News" and "成報", together with a data library and related printing machinery and equipment.

– *Magazine and Internet business*

“Wide Angle” magazine, which is a public affairs magazine focused mainly on political and military news since 1972, and a 60% equity interest in a joint venture operating an Internet portal which provides news and information mainly related to China.

In July 2001, a subsidiary of Capital Strategic Investment Limited (“Capital Strategic”) purchased approximately 60% of the entire issued share capital of the Company from China Strategic and Star East where the Group at the same time sold its media business back to China Strategic and Star East, details of which were set out in the circular to the Company’s shareholders dated 18th June, 2001. The gross proceeds of HK\$110 million from the disposal of the media interests are being used as the general working capital for the Group.

Employees and remuneration policy

The Group has 481 employees as at 31st March, 2001. Employees’ remuneration packages are reviewed and determined by reference to the market pay and individual performance. A new share option scheme was adopted on 9th April, 2001 which enhances staff motivation and performance, thereby encouraging them to contribute further to the success of the Group.

Charges on group assets

As at 31st March, 2001, an investment property of HK\$80,000,000 was pledged to a bank to secure banking facilities granted to the Group.

Exposure to fluctuations in exchange rates and any related hedges

The businesses of the Group were mainly conducted in Hong Kong during the year and most transactions were settled in Hong Kong dollars. The exposure to fluctuations in exchange rates was, therefore, insignificant.

OUTLOOK

After the completion of the disposal of media business, the principal assets of the Group continue to be properties and securities. The Group will continue to be engaged in property investment and development and securities trading and investment. Capital Strategic, the controlling shareholder, believes in the positive long-term prospects of the real estate property market throughout Asia and intends to exploit opportunities in strategic land and property investment and development within this region. As the regional economies continue their recovery and market confidence continues to improve, property and land assets are expected to appreciate in both capital and rental values. In view of the recovery of economies in the Asian region, the Group will focus more on the strategic potential real estate projects.

CHANGE OF NAME

Subject to the approval of the Registrar of Companies in Bermuda, the name of the Company will be changed to Premium Land Limited to reflect the principal business of the Group.

APPRECIATION

On behalf of the board, I would like to express my sincerest thanks to my fellow directors for their contribution and all members of management and staff for their dedicated work and effort.

Lee Peng Fei, Allen

Chairman

Hong Kong, 20th July, 2001