

CHAIRMAN'S STATEMENT

Results

The Group recorded a total turnover of approximately HK\$80 million in the financial year ended 31st March, 2002 with a decrease of approximately 84% as compared to that of the last year of approximately HK\$514.7 million.

The Group's loss for the year ended 31st March, 2002 was approximately HK\$151 million. The loss was significantly reduced by 85% as compared to that of the last year of approximately HK\$1,025 million. The loss was mainly resulted from as to approximately HK\$44 million arising from the loss on disposal of subsidiaries, and as to approximately HK\$20 million as provision for decrease in value of associated companies.

Business review and outlook

The decrease in turnover was mainly attributable to the disposal of Asean Resources Holdings Limited in January 2001 which substantially reduced the revenues generated from the business of property developments and investments, and attributable to the disposal of the Actiwater Resources Limited which decreased the revenue generated from the media business in July 2001. The media business of the Group during the year under review and upon the date of disposal included the followings:

- “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 Holdings Limited (“China Strategic”) and Star East Holdings Limited (“Star East”) where the Group at the same time sold its media business back to China Strategic and Star East. The gross proceeds of HK\$110 million from the disposal of the media business interests are being used as the general working capital for the Group.

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After the completion of the disposal of media business, the principal assets of the Group continue to be properties and securities. The Group continue to be engaged in property investment, development and related businesses, and securities trading and investment.

To expand the business in the PRC property market, in January 2002, the Group entered into a conditional sale and purchase agreement to acquire 51% interest in Shanghai Hualong Constructions Stock Co. Limited, a company established in Shanghai, PRC. This company is one of the leading construction companies in Shanghai and is reputable in building high quality properties. This acquisition not only broadened the Group's presence in PRC but also served as our base for further development in the PRC via its existing network.

The joining of WTO is expected to bring in considerable economic growth in the PRC which in turn will lead to increasing demand in property, domestic, industrial and commercial. Having this in mind, the Board has been actively seeking and would continue to seek investment opportunities and strategic partnership in the PRC market.

Liquidity and financial information

The Group's total bank and other borrowings as at 31st March, 2002, amounted to approximately HK\$180 million compared with approximately HK\$108 million as at 31st March, 2001. Cash and bank balances and short-term listed investments amounted to approximately HK\$171 million as at 31st March, 2002 compared with approximately HK\$75 million as at 31st March, 2001.

Net gearing ratio of the Group which is expressed as a percentage of net borrowings to the shareholders' fund was approximately 4% as at 31st March, 2002 compared with approximately 16% as at 31st March, 2001.

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, 2002 amounted to approximately HK\$84 million compared with approximately HK\$85 million as at 31st March, 2001.

At 31st March, 2002, an investment property with a carrying value of approximately HK\$80 million (2001: HK\$80 million) and a bank deposit of approximately HK\$2 million (2001: nil) have been pledged to banks to secure banking facilities granted to the Group.

Shareholders' fund of the Group as at 31st March, 2002 was approximately HK\$224 million compared with approximately HK\$211 million as at 31st March, 2001.

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Employees and remuneration policy

The Group has 13 employees as at 31st March, 2002. Employees' remuneration packages are reviewed and determined by reference to market terms and individual qualification. A new share option scheme was adopted on 24th April, 2002 which enhances staff motivation and performance, thereby encouraging them to contribute further to the success of the Group.

Exposure to fluctuation in exchange rates and any related hedges

The business 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.

Change of Company Name

The Company changed its name from "Sing Pao Media Group Limited (成報傳媒集團有限公司)" to "Premium Land Limited (策略置地有限公司)" in July 2001 and changed its Chinese name from "策略置地有限公司" to "上海策略置地有限公司" in March 2002 respectively.

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.

Dong Bo, Frederic
Chairman

Hong Kong, 29th July, 2002