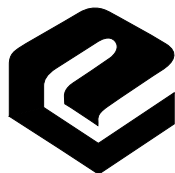


The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.



PREMIUM LAND LIMITED

(上海策略置地有限公司)*

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

RELATING TO AN ACQUISITION OF AN INTEREST IN

GOLD UNITED INTERNATIONAL INDUSTRIES LIMITED

AND PROPOSED ISSUE OF CONSIDERATION SHARES AND

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Directors are pleased to announced that a conditional sale and purchase agreement was signed on 4 October 2002 between the Vendor and the Company as purchaser relating to the proposed acquisition of a 51 per cent. equity interest in Gold United at a consideration of HK\$93,600,000, to be settled by a combination of (a) the allotment and issue by the Company to the Vendor of the Consideration Shares; and (b) payment of the Cash.

Gold United holds 80% interest of the PRC Subsidiary of which the principal business is the operation of a first-class highway in Fuyang, Zhejiang Province, the PRC.

The Acquisition Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

A circular containing, amongst other things, the details of the Acquisition Agreement will be dispatched to the Shareholders as soon as practicable.

The Directors are also pleased to announce that the Company has conditionally agreed to place, through the Placing Agent, 292,210,000 new Placing Shares to not fewer than 6 independent investors at a price of HK\$0.25 per Share. The Placing Shares represent approximately 9% of the existing issued share capital of the Company of 3,239,235,970 Shares and approximately 7.7% of the Company's issued share capital as enlarged by the Placing Shares and the Consideration Shares. The net proceeds from the Placing of approximately HK\$72 million will be used to finance the Acquisition and other potential investments should suitable opportunities arise.

The Placing is conditional upon, among other matters, the Stock Exchange granting listing of and permission to deal in the Placing Shares. Further announcement will be made to inform Shareholders if the Placing is terminated in accordance with the terms of the Placing Agreement, including without limitation, force majeure events.

The Directors also wish to clarify that there was an inadvertent mistake in note 42 to the financial statements as stated in the Annual Report in relation to the segmental information.

The Placing Agreement and the Acquisition Agreement are not inter-conditional.

As completion of the Acquisition Agreement and the Placing Agreement are subject to the fulfillment of a number of conditions, and hence may or may not take place, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

At the request of the Company, trading in the Company's securities has been suspended with effect from 9:30 a.m. on Monday 7 October 2002. Application has been made to the Stock Exchange for resumption of trading from 9:30 a.m. on 10 October 2002.

THE ACQUISITION AGREEMENT

Date: 4 October 2002

Parties:

Purchaser: the Company

Vendor: Li Jin Fang

Each of the Vendor and Gold United and their respective associates is an independent third party not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

The Acquisition Agreement

Under the Acquisition Agreement, the Company agreed to purchase and the Vendor agreed to sell the 51% of the entire interest in Gold United at a consideration of HK\$93,600,000 to be settled by a combination of (a) the allotment and issue by the Company to the Vendor the Consideration Shares and (b) payment of the Cash. Based on the unaudited management accounts of the Gold United as at 31 August 2002, the unaudited net asset value of Gold United amounts to approximately HK\$134,725,994. Gold United was newly incorporated on 17 April 2002. As at 31 December 2000, 31 December 2001 and 31 August 2002, the unaudited net asset value of the PRC Subsidiary amounted to approximately RMB37 million, RMB37 million and RMB124 million respectively. The Company does not have the intention to acquire the remaining 49% of Gold United as at the date hereof.

Consideration

Consideration: HK\$93,600,000

Subject to the Conditions being fulfilled, the consideration under the Acquisition Agreement will be settled by:

- (a) the allotment and issue by the Company to the Vendor the Consideration Shares, which represent approximately 7.4%, 6.9% and 6.4% of the existing issued share capital of the Company, the enlarged issued share capital of the Company after Completion but before the

completion of the Placing and the enlarged share capital of the Company after Completion and the completion of the Placing respectively; and

- (b) the payment of the Cash by the Company to the Vendor.

The consideration is reached by the parties to the Acquisition Agreement after an arms length negotiation with reference to the net asset value of Gold United and the prospects of the highway operated by the PRC Subsidiary. The unaudited net asset value of Gold United amounts to approximately HK\$134,725,994. Based on a PRC feasibility report provided by the Vendor, the Directors further believed that the daily traffic flow of the highway operated by the PRC Subsidiary would be used by a minimum of approximately 5,000 vehicles. The business licence of the PRC Subsidiary was granted for 20 years from 1999. Taking into account that 51% of the net asset value of Gold United amounts to approximately HK\$69 million and that the prospects of the highway operated by the PRC Subsidiary believed by the Directors, the Directors consider the consideration of the Acquisition to be fair and reasonable. Further information would be disclosed in the circular.

Cash

As part of the consideration for the Acquisition Agreement, HK\$30,000,000 would be payable by the Company to the Vendor. The Cash would be sourced from the net proceeds from the Placing. In the event that the Placing shall be terminated, the Cash would be sourced from the general working capital of the Company.

Consideration Shares

An aggregate of 240,000,000 Shares (representing approximately 7.4% of the existing issued share capital of the Company, 6.9% of the enlarged issued share capital of the Company after Completion but before the completion of the Placing and 6.4% of the enlarged issued share capital of the Company after Completion and the completion of the Placing) at the price of HK\$0.265 per Share will be issued and allotted to the Vendor as part of the consideration under the Acquisition Agreement. The Consideration Shares will be issued pursuant to the General Mandate.

The Consideration Shares shall be issued and allotted and the Cash shall be payable upon Completion. The issue price of the Consideration Shares is proposed to be at a price of HK\$0.265, and is at a premium of approximately 1.9% and 11.8% as compared to the closing price of HK\$0.26 of the Shares as at 4 October 2002, the latest trading day immediately preceding the date hereof and the average closing price of approximately HK\$0.237 of the Shares for the last five trading days immediately preceding the date hereof.

Conditions of the Acquisition Agreement

The Acquisition Agreement is conditional upon, amongst other things:

- (a) the warranties made by the Vendor under the Acquisition Agreement remaining true and accurate from its signing until Completion;
- (b) the conducting of due diligence of not less than 30 days on Gold United to the full satisfaction of the Purchaser;
- (c) the Listing Committee of the Stock Exchange approving the listing of, and the permission to deal in, the Consideration Shares; and
- (d) the Bermuda Monetary Authority approving the issuance of and the transfer of the Consideration Shares.

Completion

Completion will take place on or before the seventh Business Day upon the satisfaction of the Conditions. The Completion will lapse if the Conditions are not satisfied on 3 November 2002 or any other later date as agreed by the parties.

Upon Completion, the board of directors of Gold United will comprise five persons, of which three directors will be nominated by the Company and two directors will be nominated by the Vendor. The chairman of the board of Gold United will be nominated by the Company and the managing director will be nominated by the Vendor.

In addition, the parties to the Acquisition Agreement have agreed to procure that the board of directors of the PRC Subsidiary will comprise six persons of which four directors will be nominated by Gold United.

Details of Gold United

Gold United is a company incorporated in Hong Kong on 17 April 2002 with limited liability and has an authorized share capital HK\$10,000 divided into 10,000 shares of HK\$1.00 each, all of which 10,000 shares has been issued and is fully paid or credited as fully paid. The shares of Gold United are owned legally and beneficially as to 8,000 shares by the Vendor and 2,000 by Mei Bing Fang, both of whom are independent third parties not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates. Since the incorporation of Gold United, it has not conducted any business except the acquisition of the 80% interest in the PRC Subsidiary in Hangzhou in August 2002. Upon Completion, the Vendor and Mei Bing Fang will hold 29% and 20% interest in Gold United respectively.

Details of the PRC Subsidiary

The PRC Subsidiary is a sino-foreign equity joint venture established in the PRC on 22 October 1999 for a period of 20 years. The registered capital of the PRC Subsidiary is RMB37.45 million which has been fully paid. The approved total investment of the PRC Subsidiary is RMB107 million. Gold United holds 80% interest of the PRC Subsidiary and the remaining 20% interest is owned by 浙江省富陽富春灣公路開發有限公司 (unofficial translation: Zhejiang Province, Fuyang Fu Chun Wan Highway Development Company Limited), a PRC company, in which it and its respective associates are independent third parties not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates. The approved business scope of the PRC Subsidiary is the operation of a 20.5 kilometer section of a first-class highway from the northern end of Fuchunjiang No. 1 Bridge at the Yuanpu Road junction in Fuyang, Zhejiang Province, the PRC. As at the date hereof, the first-class highway has not yet commenced operation. As at 31 December 2000, 31 December 2001 and 31 August 2002, the unaudited net asset value of the PRC Subsidiary amounted to approximately RMB37 million, RMB37 million and RMB124 million respectively.

Reasons for the acquisition of Gold United

The Group principally engaged in property investment, development and related businesses in Hong Kong and the PRC. Gold United holds 80% interest of the PRC Subsidiary, the principal business is the operation of a first-class highway in Fuyang, Zhejiang Province, the PRC. The Directors believe that the acquisition of a 51% interest in Gold United will give the Group the opportunity to better develop its business in the PRC property market and broaden the Group's presence in the PRC and that the acquisition will contribute positively to the future growth of the Group. The Group does not intend to change its principal business.

General

The Acquisition Agreement constitutes a discloseable transaction for the Company under the Listing Rules. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. A circular containing, amongst other things, the terms of Acquisition Agreement and the details of the Acquisition Agreement will be dispatched to the Shareholders as soon as possible.

PLACING AGREEMENT DATED 7 OCTOBER 2002**Placing**

Kingston Securities Limited has entered into the Placing Agreement with the Company under which it has agreed to place or procure the placing of the 292,210,000 new Placing Shares, on a fully underwritten basis, with the placees.

Placing Agent

The Placing Agent will receive a placement commission of 1.5% on the gross proceeds of the Placing. The Placing Agent is independent of and not connected with the Company nor with the directors, chief executive or substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

Placees

There will be not fewer than 6 placees (which are required to be independent individual, corporate and/or institutional investors) who are independent of and not connected with the Company, or the directors, chief executive or substantial shareholders of the Company, any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

Placing price

The placing price is HK\$0.25 per Placing Share. This price was agreed after arm's length negotiations and represents (i) a discount of approximately 3.8% to the closing price of HK\$0.26 per Share quoted on the Stock Exchange on 4 October 2002; and (ii) a premium of approximately 6.4% to the average closing price per Share of approximately HK\$0.235 per Share as quoted on the Stock Exchange from 20 September 2002 to 4 October 2002 both dates inclusive, being the last ten trading days of the Shares immediately preceding the date hereof.

The net proceeds of the Placing is required to be paid to the Company at completion of Placing.

Rights

The Placing Shares will, on issue, rank equally with the existing Shares.

Number of Shares to be placed

292,210,000 new Placing Shares are to be placed, representing approximately 9% of the existing issued share capital of the Company of 3,239,235,970 Shares and approximately 7.7% of the issued capital of the Company as enlarged by the Placing Shares and the Consideration Shares.

General Mandate

The Placing Shares will be issued pursuant to the General Mandate. The General Mandate has not been utilized prior to entering into the Placing Agreement.

Use of Proceeds

The new proceeds from the Placing of approximately HK\$72 million, of which HK\$30 million will be used to finance the Acquisition and the remaining of approximately HK\$42 million will be used for possible further capital investment in relation to the Acquisition or other potential investments when the Directors think appropriate. However, up to the date of this announcement, the Company has not identified any investment opportunity which is suitable to the Group.

Conditions of the Placing

The Placing is conditional upon (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares by 10:00 a.m. on the Long Stop Date, (b) all consents and approvals being obtained, including without limitation, approval from the Bermuda Monetary Authority for the new issue of the Placing Shares and (c) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated thereunder.

In addition, the Placing Agent has reserved the right to terminate the Placing prior to 10:00 a.m. on the Long Stop Date if, in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events, including:

- (a) the introduction of any new law or regulation which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (b) the occurrence of any local, national or international event or change of a political, military, financial, economic, currency or other nature or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing; or
- (d) any change in the circumstances of any members of the Group which may adversely affect the prospects of the Group.

The Placing Agreement also provides that if, at or prior to 10:00 a.m. on the Completion Date:

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than five consecutive trading days save for the clearing of the announcement and circulars relating to the Acquisition Agreement and the Placing Agreement; or
- (c) the Placing Agent becomes aware of the fact that any of the representations or warranties contained in the Placing Agreement was untrue or inaccurate or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent shall by notice in writing to the Company elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Completion

The Placing is to be completed at 10:00 a.m. on or before the third business day after fulfilment of the conditions of the Placing. The Placing Agreement will lapse if the conditions of the Placing is not satisfied by 10:00 a.m. on the Long Stop Date unless the parties agree otherwise.

Application for listing

Application will be made by the Company to the Stock Exchange for the grant of the listing of and permission to deal in the Placing Shares.

General

The Directors consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

Further announcement will be made to inform shareholders if the Placing is terminated in accordance with the Placing Agreement.

Reason for the Placing

The Placing is effected principally for the purpose of strengthening the working capital of the Group. The Company considers that it is appropriate and in the Company's interest to raise new funds whenever market conditions are appropriate and to maintain a higher working capital level whenever possible under the current economic environment.

Uses of proceeds from the fund raising exercises conducted by the Company in the past six months

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement	Remaining amount
10 Apr 2002	Placing of 65,900,000 existing shares and subscription of 89,946,000 new shares	HK\$71 million	HK\$51 million for working capital and HK\$20 million for repayment of loan	Approximately HK\$5 million for working capital and Approximately HK\$10 million for repayment of loan	Approximately HK\$56 million currently held as listed securities investment (Note 2)
08 May 2002	Private placing of up to 539,840,000 warrants	HK\$26 million	General working capital or reduction of the Group's liabilities or other suitable projects when opportunities are identified as the Directors think appropriate	Approximately HK\$10 million for investment in PRC (Note 1)	Approximately HK\$16 million currently held as listed securities investment (Note 2)
31 Jul 2002	Subscription of 539,870,000 new shares	HK\$116 million	HK\$58 million for repayment of the Group's bank loan if the Directors think necessary, HK\$35 million for investment and/or development projects in the PRC and HK\$23 million for general working capital	Approximately HK\$35 million for investment in PRC (Note 1)	Approximately HK\$71 million currently held as deposits in licensed financial institutions in Hong Kong and approximately HK\$10 million currently held as listed securities investment (Note 2)

Note 1: The aggregate amount of HK\$45 million was used to invest in 上海華龍建設股份有限公司 (unofficial translation: Shanghai Hualong Construction Stock Co. Ltd.), a 51% owned subsidiary acquired by the Company in August 2002. The acquisition was disclosed in the circular of the Company dated 1 March 2002.

Note 2: The aggregate unaudited value of this investment securities of the Company as at 30 September 2002 is approximately HK\$49 million

Change in Shareholding of the Company

The following tables shows the changes in the approximate percentage of shareholding of the Company immediately upon the Completion and the completion of the Placing.

	Existing	Immediately upon the Completion but before the completion of the Placing	Immediately after the completion of the Placing
United Jumbo Limited (<i>Note 1</i>)	26.72% (865,520,350 Shares)	24.88% (865,520,350 Shares)	22.95% (865,520,350 Shares)
Great Huge Investment Limited (<i>Note 2</i>)	11.57% (374,900,000 Shares)	10.78% (374,900,000 Shares)	9.94% (374,900,000 Shares)
Vendor	0% (0 Shares)	6.9% (240,000,000 Shares)	6.36% (240,000,000 Shares)
New placees	0% (0 Shares)	0% (0 Shares)	7.75% (292,210,000 Shares)
Public	61.71% (1,998,815,620 Shares)	57.45% (1,998,815,620 Shares)	53% (1,998,815,620 Shares)
Total	100% (3,239,235,970 Shares)	100% (3,479,235,970 Shares)	100% (3,771,445,970 Shares)

Note 1: United Jumbo Limited is a company incorporated in British Virgin Islands and is wholly-owned by Mr. Dong Bo, Frederic, an executive director of the Company.

Note 2: Great Huge Investment Limited is a company incorporated in British Virgin Islands and is wholly-owned by Mr. Chen Long.

Clarification regarding an error in the Annual Report

The Directors referred to the Annual Report and wish to clarify that the securities trading and investment operation of the Group was not discontinued. According to note 10 to the financial statement as stated in page 41 of the Annual Report, the Group only ceased its operations in the publishing of newspaper and magazine and advertising income and operations in software development. According to note 42 to the financial statement as stated in pages 74 and 75 of the Annual Report in relation to the segmental information, the securities trading and investment operation was a continuing operation. However, the Directors noted that there were inadvertent mistakes in note 42 to the financial statement as stated in pages 72 and 73 of the Annual Report in relation to the segmental information. The securities trading and investment operation put under the discontinued operations section therein should be put under the continuing operations section instead. The amendment is consistent with note 10 and note 42 in pages 74 and 75 and the rest of the content of the Annual Report. Apart from the above, there is no change in the content of the Annual report.

As completion of the Acquisition Agreement and the Placing Agreement are subject to the fulfillment of a number of conditions, and hence may or may not take place, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

Suspension and Resumption

At the request of the Company, trading in the Company's securities has been suspended with effect from 9:30 a.m. on Monday 7 October 2002. Application has been made to the Stock Exchange for resumption of trading from 9:30 a.m. on 10 October 2002.

“Acquisition”	the Acquisition of the 51% of the entire interests in Gold United by the Company on the terms and conditions as stated in the Agreement
“Acquisition Agreement”	a conditional sale and purchase agreement signed on 4 October 2002 between the Vendor and the Company as purchaser relating to the Acquisition
“Annual Report”	both the Chinese and English version of the Annual Report of the Company for the year ended 31 March 2002
“associates”	has the meaning ascribed thereto in the Listing Rules
“Business Day”	A day, other than Saturday, Sunday and public holiday, on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Cash”	HK\$30,000,000 being the sum to be payable by the Company to the Vendor as part of the consideration under the Acquisition Agreement
“Company”	Premium Land Limited, a company incorporated in Bermuda, the securities of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition Agreement
“Conditions”	the conditions precedent of the Acquisition Agreement as set out above
“Consideration Shares”	An aggregate of 240,000,000 Shares (representing approximately 7.4%, 6.9% and 6.4% of the existing issued share capital of the Company, the enlarged issued share capital of the Company after Completion but before the completion of the Placing, and the enlarged issued share capital of the Company after Completion and the completion of the Placing respectively) at the price of HK\$0.265 per Share to be issued and allotted to the Vendor as part of the consideration under the Acquisition Agreement
“Directors”	the directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the Company's annual general meeting held on 30 August 2002
“Gold United”	Gold United International Industries Limited, a limited company incorporated in Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 November 2002, or such other date as may be agreed between the Placing Agent and the Company

“Placing”	Placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a registered securities dealer under Securities Ordinance (Cap 333 of the Laws of Hong Kong)
“Placing Agreement”	placing agreement dated 7 October 2002 entered into between the Placing Agent and the Company
“Placing Shares”	292,210,000 new Shares
“PRC”	People’s Republic of China
“PRC Subsidiary”	杭州恒運交通開發有限公司, a Sino-foreign equity joint venture established in the PRC and an 80% subsidiary of Gold United
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	shares of par value HK\$0.01 each in the share capital of the Company
“Shareholders”	The registered holder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Li Jin Fang, who is not a connected person (as defined by the Listing Rules) of the Company

By Order of the Board
Premium Land Limited
Dong Bo, Frederic
Chairman

Hong Kong, 9 October 2002

** for identification purposes only*

“Please also refer to the published version of this announcement in The Standard”.