

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Premium Land Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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PREMIUM LAND LIMITED
(上海策略置地有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SHARES,
AMENDMENT TO BYE-LAWS,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of Premium Land Limited (the "Company") to be held at 2/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Wednesday, 31st August, 2005 at 10:00 a.m. at which the above proposals will be considered is set out in Appendix II to this circular.

A form of proxy for the annual general meeting is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrars in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

* For identification purposes only

30th July, 2005

LETTER FROM THE BOARD



PREMIUM LAND LIMITED **(上海策略置地有限公司)***

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

Executive Directors:

Dong Bo, Frederic (Chairman)

Lau Man Tak

Wong Cho Fai, Nicholas

Cheung Yu Shum, Jenkin

Registered Office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

Independent Non-Executive Directors:

Kan Kwok Shu

Shum Ka Hei

Pang Haiou

Zuo Guang

Principal Place of Business

in Hong Kong:

Room 2906-8

Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

30th July, 2005

To the shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SHARES,
AMENDMENT TO BYE-LAWS,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2005 annual general meeting of the Company to be held on 31st August, 2005 (the "AGM"), as required by the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). These include (i) ordinary resolutions relating to the granting to the directors of the Company (the "Directors") general mandates for the repurchase of the Company's shares of HK\$0.01 each (the "Shares") and the issue of its Shares; (ii) special resolution relating to the amendment to the bye-laws of the Company (the "Bye-laws"); and (iii) ordinary resolutions relating to the re-election of the retiring Directors.

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LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution (the “Repurchase Mandate”).

GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to issue, allot and deal with Shares up to a maximum of 20 per cent. of the issued share capital of the Company (70,237,259 Shares on the basis that no further Shares are issued or repurchased before the AGM) as at the date of passing of the relevant resolution (the “Issue Mandate”).

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless they are renewed at such meeting or until revoked or varied by ordinary resolutions of the shareholders of the Company (the “Shareholders”) in a general meeting held prior to the next annual general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

AMENDMENT TO BYE-LAWS

In view of the implementation of the Code on Corporate Governance Practices of the Listing Rules regarding the rotation of directors, the Directors propose to amend the Bye-laws to the effect that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The proposed amendment to the Bye-laws is subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM. Shareholders should refer to the special resolution as set out in the notice of the AGM as Appendix II to this circular for the details of the proposed amendment.

RE-ELECTION OF RETIRING DIRECTORS

In relation to item no. 2 as set out in the notice of the AGM, Mr. Shum Ka Hei will retire from the office of independent non-executive director and Messrs. Cheung Yu Shum, Jenkin and Wong Cho Fai, Nicholas will retire from the office of executive directors at the AGM and being eligible, will offer themselves for re-election pursuant to the Bye-laws.

LETTER FROM THE BOARD

Details of the above directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix III to this circular.

NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix II to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange (www.hkex.com.hk). Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's Branch Share Registrars in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a meeting of the Shareholders shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:–

- (a) the chairman of such meeting; or
- (b) at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) a Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue Shares, the amendment to the Bye-laws and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,
For and on behalf of the Board
Dong Bo, Frederic
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at 26th July, 2005, being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), there was a total of 351,186,298 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 35,118,629 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda. Under the laws of Bermuda, the repurchased shares will be cancelled and the Company’s issued share capital will be reduced by the nominal value of those repurchased shares accordingly. However, the aggregate amount of the Company’s authorised capital will not be reduced.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31st March, 2005) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date:–

Month	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
2004		
July	0.68	0.54
August	0.60	0.46
September	0.48	0.40
October	0.46	0.40
November	0.82	0.40
December	0.84	0.58
2005		
January	1.66	0.94
February	1.04	0.82
March	0.88	0.44
April	0.48	0.38
May	0.38	0.30
June	0.32	0.26
July (up to the Latest Practicable Date)	0.255	0.17

5. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda, and in accordance with the regulations set out in the Bye-laws.

The Company has not been notified by any connected person (as defined in the Listing Rules) that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, in the event that the Company is authorised to make purchase of Shares.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the Company's largest holder of shares, Peakhill Investments Limited, owned 54,000,000 Shares, representing approximately 15.38 per cent. of the issued share capital of the Company. Based on such shareholding and in the event that the Directors exercised in full the power to repurchase Shares under the Repurchase Mandate, (if the present shareholding otherwise remained the same) the shareholding of Peakhill Investments Limited would be increased to approximately 17.08 per cent. of the reduced issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code nor reduce the amount of Shares held by the public to less than 25 per cent. of the issued capital of the Company.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Code as a result of any purchase made under the Repurchase Mandate.

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.



PREMIUM LAND LIMITED
(上海策略置地有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

NOTICE OF 2005 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2005 annual general meeting (the “Meeting”) of Premium Land Limited (the “Company”) will be held at 2/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Wednesday, 31st August, 2005 at 10:00 a.m. for the following purposes:–

1. To adopt the audited financial statements and the reports of the Directors and auditors for the year ended 31st March, 2005.
2. To re-elect the retiring Directors and to authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint auditors and to authorise the board of Directors to fix their remuneration.

As special business, to consider and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:–

4. **“THAT**

- (a) the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers and authority of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with paragraph (b) of this Resolution, all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
- (b) the aggregate nominal amount of the shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per

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cent. of the aggregate nominal share capital of the Company in issue as at the date of passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the approval and authority given to the Directors by this Resolution.”

5. **“THAT**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to: –
 - (i) a rights issue where shares are offered to shareholders of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as

appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in, or in any territory outside, Hong Kong);

- (ii) any share option scheme or similar arrangement established by the Company and approved by The Stock Exchange of Hong Kong Limited;
- (iii) any issue of shares in the Company upon the exercise of subscription rights or conversion rights attaching to any warrants, bonds, debentures, notes and other securities of the Company; or
- (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the bye-laws of the Company;

shall not exceed 20 per cent. of the aggregate of the nominal amount of the issued share capital of the Company as at the date of passing of this Resolution; and

- (d) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the approval and authority given to the Directors by this Resolution.”

- 6. **“THAT** conditional upon Resolutions Number 4 and 5 as set out in the notice convening this Meeting being passed, the general mandate granted to the directors of the Company (the “Directors”) to exercise the powers of the Company to allot shares pursuant to Resolution Number 5 set out in the notice convening this Meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution Number 4 set out in the notice convening this Meeting provided that such amount shall not exceed 10 per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of passing of this Resolution.”

APPENDIX II NOTICE OF 2005 ANNUAL GENERAL MEETING

As **special business**, to consider and if thought fit, pass, with or without amendments, the following resolution as a Special Resolution:-

7. “**THAT** the bye-laws of the Company be and are hereby amended by deleting the existing bye-law 87. (2) in its entirety and substituting therefor the following new bye-law 87. (2):-

‘87. (2) Unless and until the Company in a general meeting shall otherwise determine, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as Chairman or Managing Director) shall be subject to retirement by rotation at least once every three years or within such other period as the Designated Stock Exchange may from time to time prescribe.’”

On behalf of the Board
Dong Bo, Frederic
Chairman

Hong Kong
30th July, 2005

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint one or more than one proxy, if holding two or more shares, to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) In order to be valid, the form of proxy must be deposited with the Company’s Branch Share Registrars in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjournment thereof.
- (3) The directors of the Company as at the date of this notice are Mr. Dong Bo, Frederic, Chairman, Mr. Lau Man Tak, Mr. Wong Cho Fai, Nicholas and Mr. Cheung Yu Shum, Jenkin being the Executive Directors, and Mr. Kan Kwok Shu, Mr. Shum Ka Hei, Mr. Pang Haiou and Mr. Zuo Guang being the Independent Non-Executive Directors.

The following directors are proposed to be re-elected at the 2005 annual general meeting of the Company:–

1. Mr. Shum Ka Hei, *Independent Non-Executive Director*

Mr. Shum Ka Hei, aged 40, is a holder of bachelor degree in social science. He was called to the bar of England and Wales in 1996 and is now a practicing barrister in Hong Kong. Mr. Shum was appointed an independent non-executive director of the Company in October 2001.

Mr. Shum does not hold any position with the Company or other members of the Company's group, nor has he held any directorship in other listed public companies in Hong Kong in the last three years. He has no relationship with any directors, senior management or substantial or controlling shareholders of the Company nor any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into with the Company in respect of his appointment as independent non-executive director. There is no fixed term of service with the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company. He is entitled to receive director's emoluments at HK\$240,000 per annum which is determined by the board of Directors with reference to the remuneration benchmark in the market for independent non-executive directors.

Save as disclosed above, there is no other matters in relation to Mr. Shum that need to be brought to the attention of the shareholders of the Company.

2. Mr. Cheung Yu Shum, *Jenkin, Executive Director*

Mr. Cheung Yu Shum, Jenkin, aged 45, is a qualified accountant with over 10 years of experience in financial and corporate management.

Mr. Cheung does not hold any position with the Company or other members of the Company's group. He is an executive director of Golden Resorts Group Limited, the shares of which are listed on the main board of the Stock Exchange of Hong Kong Limited.

As at the Latest Practicable Date, Mr. Cheung has a deemed interest of 21,450,000 shares of the Company through his wholly owned company, Interpool Holdings Limited, a substantial shareholder of the Company, representing approximately 6.11% of the existing issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Cheung does not have any relationships with any directors, senior management, substantial or controlling shareholders (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) of the Company.

No service contract was entered into between the Company and Mr. Cheung. There is no fixed term of service with the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company. No director's emoluments will be paid to Mr. Cheung.

Save as disclosed above, there is no other matters in relation to Mr. Cheung that need to be brought to the attention of the shareholders of the Company.

3. Mr. Wong Cho Fai, Nicholas, *Executive Director*

Mr. Wong Cho Fai, Nicholas, aged 37, holds a Bachelor degree in Computer Science from London University, the United Kingdom.

Mr. Wong has extensive experience in the international capital markets for over 16 years which has been gained from different sizeable international investment banks. Before joining the Company, he had worked in the United Kingdom with a Japanese financial institution, Okasan Securities Co., Ltd., followed by positions at the Hong Kong office of Baring Securities (HK) Ltd. and Swiss Bank Corporation which is now part of the UBS AG after the merging with Union Bank of Switzerland in 1998. This position also included time spent in Chicago and Tokyo.

Mr. Wong does not hold any position with the Company or other members of the Company's group, nor has he held any directorship in other listed public companies in Hong Kong in the last three years.

As at the Latest Practicable Date, Mr. Wong has a deemed interest of 26,500,000 shares of the Company through his wholly owned company, Willplus Assets Limited, a substantial shareholder of the Company, representing approximately 7.55% of the existing issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Wong does not have any relationships with any directors, senior management, substantial or controlling shareholders (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) of the Company.

No service contract was entered into between the Company and Mr. Wong. There is no fixed term of service with the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company. No director's emoluments will be paid to Mr. Wong.

Save as disclosed above, there is no other matters in relation to Mr. Wong that need to be brought to the attention of the shareholders of the Company.