
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, 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 to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.



PREMIUM LAND LIMITED (上海策略置地有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 164)

CONNECTED TRANSACTION

PLACING OF NEW SHARES

Independent financial adviser to the Independent Board Committee

AmCap
Ample Capital Limited
豐盛融資有限公司

A letter from the board of the directors of Premium Land Limited (the “**Company**”) is set out on pages 5 to 14 of this circular.

A notice dated 23 January 2007 convening the special general meeting of the Company (the “**SGM**”) to be held at Training Room A, Joint Professional Centre, Unit 1, Ground Floor, The Center, 99 Queen’s Road Central, Hong Kong, at 10:00 a.m. on Thursday, 8 February 2007 is set out at the end of this circular. Whether or not you are able to attend the SGM, you are strongly urged to complete and sign the enclosed form of proxy, in accordance with the instructions printed thereon, and to lodge them with the branch share registrar of the Company in Hong Kong, Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible but in an event not later than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	15
Letter from Ample Capital	16
Appendix – General Information	28
Notice of Special General Meeting	34

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Ample Capital”	Ample Capital Limited, a licensed corporation permitted to engage in types 4, 6 and 9 (advising on securities, advising on corporate finance and asset management respectively) under the SFO
“Announcement”	the announcement of the Company dated 21 December 2006
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday or Sunday) on which banks generally are open for business in Hong Kong
“Company”	Premium Land Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing
“Completion Date”	the third Business Day following the day on which all Conditions are satisfied (or such later date as the parties to the respective Subscription Agreements may agree in writing)
“Conditions”	the conditions set out in the section headed “Conditions of the Placing” of this circular
“Consideration Shares”	the issuance and allotment of 100,000,000 new Shares at the issue price of HK\$1.00 per Share for the partial settlement of the consideration for the sale and purchase of the shares in and assignment of the loan due by Best Win Properties Ltd.
“Director(s)”	the director(s) of the Company
“Faith Times”	Faith Times Limited, a company incorporated in the British Virgin Islands with limited liability

DEFINITIONS

“Faith Times Placing”	the placing of the Faith Times Placing Shares to Faith Times pursuant to the Subscription Agreement (I)
“Faith Times Placing Shares”	an aggregate of 20,000,000 new Shares to be subscribed by Faith Times pursuant to the Subscription Agreement (I)
“Grand Mount Group”	Grand Mount Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Grand Mount Group Placing”	the placing of the Grand Mount Group Placing Shares to Grand Mount Group pursuant to the Subscription Agreement (II)
“Grand Mount Group Placing Shares”	an aggregate of 20,000,000 new Shares to be subscribed by Grand Mount Group pursuant to the Subscription Agreement (II)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising Messrs. Wong Hoi Kuen, Edmund, Chan Chi Yuen and Chow Siu Ngor, appointed to advise the Independent Shareholders in respect of the Mega Market Placing
“Independent Shareholders”	the Shareholders other than Mega Market and its associates
“Last Trading Day”	28 December 2006, being the last trading day of the Shares prior to the date of the announcement dated 29 December 2006
“Latest Practicable Date”	19 January 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contain herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mega Market”	Mega Market Assets Limited, a company incorporated in the British Virgin Islands with limited liability
“Mega Market Placing”	the placing of the Mega Market Placing Shares to Mega Market pursuant to the Subscription Agreement (IV)
“Mega Market Placing Shares”	an aggregate of 30,000,000 new Shares to be subscribed by Mega Market pursuant to the Subscription Agreement (IV)
“Placees”	Faith Times, Grand Mount Group, Precious Victory and Mega Market
“Placing”	the Faith Times Placing, the Grand Mount Group Placing, the Precious Victory Placing and the Mega Market Placing
“Placing Price”	HK\$1.00 per Placing Share
“Placing Shares”	an aggregate of 90,000,000 new Shares to be subscribed by the Placees pursuant to the Subscription Agreements
“Precious Victory”	Precious Victory Limited, a company incorporated in the British Virgin Islands with limited liability
“Precious Victory Placing”	the placing of the Precious Victory Placing Shares to Precious Victory pursuant to the Subscription Agreement (III)
“Precious Victory Placing Shares”	an aggregate of 20,000,000 new Shares to be subscribed by Precious Victory pursuant to the Subscription Agreement (III)
“PRC”	People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between Major Win Ltd., Esmian Group Limited, the Company and Mr. Hong Loi Fuk dated 18 December 2006 in relation to the acquisition by Esmian Group Limited of 100% equity interest in Best Win Properties Ltd. and the shareholder’s loan due and owing by Best Win Properties Ltd. to Major Win Ltd., details of which are set out in the Announcement

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Training Room A, Joint Professional Centre, Unit 1, Ground Floor, The Center, 99 Queen’s Road Central, Hong Kong at 10:00 a.m. on Thursday, 8 February 2007 to approve the Placing, a notice of which is set out on pages 34 to 38
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement (I)”	the subscription agreement dated 29 December 2006 entered into between the Company and Faith Times in relation to the Faith Times Placing
“Subscription Agreement (II)”	the subscription agreement dated 29 December 2006 entered into between the Company and Grand Mount Group in relation to the Grand Mount Group Placing
“Subscription Agreement (III)”	the subscription agreement dated 29 December 2006 entered into between the Company and Precious Victory in relation to the Precious Victory Placing
“Subscription Agreement (IV)”	the subscription agreement dated 29 December 2006 entered into between the Company and Mega Market in relation to the Mega Market Placing
“Subscription Agreements”	the Subscription Agreement (I), the Subscription Agreement (II), the Subscription Agreement (III) and the Subscription Agreement (IV)
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“%”	per cent.

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:

Ma Kwok Hung, Warren
Gao Feng

Independent non-executive Directors:

Wong Hoi Kuen, Edmund
Pang Haiou
Zuo Guang
Chan Chi Yuen
Chow Siu Ngor

Registered office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

*Head office and Principal place of
business in Hong Kong:*

Unit 2203, 22/F
Sino Plaza
255-257 Gloucester Road
Causeway Bay
Hong Kong

23 January 2007

CONNECTED TRANSACTION

PLACING OF NEW SHARES

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

Reference is made to the announcement issued by the Company dated 29 December 2006 in relation to the Placing.

It was announced that on 29 December 2006, the Company entered into the Subscription Agreements with the Placees, pursuant to which the Company agreed conditionally to issue and allot an aggregate of 90,000,000 Placing Shares to the Placees at a price of HK\$1.00 per Placing Share. Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

* For identification only

LETTER FROM THE BOARD

The Placing Shares represent 21.24% of the Company's existing issued share capital and approximately 17.52% of the Company's issued share capital as enlarged by the Placing Shares.

The net proceeds from the Placing are estimated to be about HK\$89,500,000, which will be used as general working capital and for future investment, including financing the acquisition of the shares in and shareholder's loan due by Best Win Properties Ltd., details of which are set out in the Announcement. The exact proportion to be used as general working capital or for future investment shall depend on the actual needs of the Company from time to time.

Each of Faith Times, Grand Mount Group, Precious Victory and its beneficial owner is not a connected person (as defined in the Listing Rules) and is independent of and not connected with the Directors, substantial shareholders and chief executives of the Company or any of its subsidiaries, or any of their respective associates (as defined in the Listing Rules).

Since Mega Market is a substantial shareholder of the Company, Mega Market is a connected person of the Company and the Mega Market Placing constitutes a connected transaction of the Company. The Mega Market Placing is therefore subject to, among other things, the approval of the Independent Shareholders and Mega Market and its associates will abstain from voting in relation to the Mega Market Placing. Furthermore, the Faith Times Placing, the Grand Mount Group Placing and the Precious Victory Placing is subject to, among other things, the approval of the Shareholders.

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the Mega Market Placing. Ample Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Mega Market Placing.

The purpose of this circular is to provide you with further information in relation to the Placing and to seek your approval of the resolutions set out in the notice of SGM. The recommendation of the Independent Board Committee to the Independent Shareholders regarding the Mega Market Placing is set out on page 15 of this circular. A copy of the letter from Ample Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 27, which follows the letter from the Independent Board Committee in this circular.

LETTER FROM THE BOARD

THE SUBSCRIPTION AGREEMENTS DATED 29 DECEMBER 2006

Parties to the Subscription Agreements

(1) *The Subscription Agreement (I)*

Issuer: The Company

Placee: Faith Times Limited, which together with its beneficial owner are not connected persons (as defined in the Listing Rules) and are independent of and not connected with the Directors, substantial shareholders and chief executives of the Company or any of its subsidiaries, or any of their respective associates (as defined in the Listing Rules). Faith Times and its beneficial owner in their capacities as professional investors constantly seek investment opportunities. Faith Times and its beneficial owner approached the Company on their own for this transaction.

As at the Latest Practicable Date, Faith Times and its beneficial owner do not have any interest in the Shares.

Guarantor: The director of Faith Times guaranteeing the due and punctual performance and observance by Faith Times of all its obligations under the Subscription Agreement (I).

Number of Shares
to be placed: 20,000,000 Shares

(2) *The Subscription Agreement (II)*

Issuer: The Company

Placee: Grand Mount Group Limited, which together with its beneficial owner are not connected persons (as defined in the Listing Rules) and are independent of and not connected with the Directors, substantial shareholders and chief executives of the Company or any of its subsidiaries, or any of their respective associates (as defined in the Listing Rules). Grand Mount Group and its beneficial owner in their capacities as professional investors constantly seek investment opportunities. Grand Mount Group and its beneficial owner approached the Company on their own for this transaction.

As at the Latest Practicable Date, Grand Mount Group and its beneficial owner do not have any interest in the Shares.

LETTER FROM THE BOARD

Guarantor: The director of Grand Mount Group guaranteeing the due and punctual performance and observance by Grand Mount Group of all its obligations under the Subscription Agreement (II).

Number of Shares
to be placed: 20,000,000 Shares

(3) ***The Subscription Agreement (III)***

Issuer: The Company

Placee: Precious Victory Limited, which together with its beneficial owner are not connected persons (as defined in the Listing Rules) and are independent of and not connected with the Directors, substantial shareholders and chief executives of the Company or any of its subsidiaries, or any of their respective associates (as defined in the Listing Rules). Precious Victory and its beneficial owner in their capacities as professional investors constantly seek investment opportunities. Precious Victory and its beneficial owner approached the Company on their own for this transaction.

As at the Latest Practicable Date, Precious Victory and its beneficial owner do not have any interest in the Shares.

Guarantor: The director of Precious Victory guaranteeing the due and punctual performance and observance by Precious Victory of all its obligations under the Subscription Agreement (III).

Number of Shares
to be placed: 20,000,000 Shares

LETTER FROM THE BOARD

(4) *The Subscription Agreement (IV)*

Issuer: The Company

Placee: Mega Market Assets Limited, which is a substantial shareholder and connected person of the Company. Mega Market is an investment holding company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Mega Market is interested in 84,649,517 Shares, representing approximately 19.98% in the issued share capital of the Company prior to the Mega Market Placing.

Number of Shares
to be placed: 30,000,000 Shares

Number of Placing Shares under the Subscription Agreements

An aggregate of 90,000,000 Shares, representing 21.24% of the Company's existing issued share capital and approximately 17.52% of the Company's issued share capital as enlarged by the Placing Shares. The Placing Shares will be issued pursuant to the specific mandate to be granted by the Shareholders to the Board at the SGM.

Placing Price

The net placing price per Placing Share is approximately HK\$0.99 per Placing Share and the actual placing price is HK\$1.00 per Placing Share, the latter:

- (i) represents a premium of approximately 12.36% to the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) represents a premium of approximately 13.12% to the average closing price of HK\$0.884 per Share for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) represents a premium of approximately 15.07% to the average closing price of HK\$0.869 per Share for the last 10 consecutive trading days up to and including the Last Trading Day; and
- (iv) represents a premium of approximately 23.46% to the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE BOARD

The aggregate Placing Price for the Placing Shares of HK\$90,000,000 will be paid to the Company upon Completion.

The terms of the Subscription Agreements, including the Placing Price, were determined after arm's length negotiations between the Company and the Placees. The Board (including the independent non-executive Directors) considers that the terms of the Subscription Agreements, including the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders or Independent Shareholders, as the case may be, at a special general meeting by way of a poll (if required) to approve the Subscription Agreements and the transactions contemplated therein including but not limited to the allotment of the Placing Shares;
- (b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal, in the Placing Shares; and
- (c) if so required, the Bermuda Monetary Authority shall have approved the issue of the Placing Shares.

In the event that the Conditions are not fulfilled by 28 February 2007 (or such later date as may be agreed by the parties to the respective Subscription Agreements in writing), the Subscription Agreements will be terminated and the Placees' obligations to subscribe for the Placing Shares shall cease to be of any effect and no party to the Subscription Agreements shall have any rights or liabilities in respect thereof to the other party to the Subscription Agreements save for any claim which may have arisen prior to such termination.

Each of the Subscription Agreements is not inter-conditional with and is independent from one and other. Each of the Faith Times Placing, the Grand Mount Group Placing and the Precious Victory Placing will be subject to separate approval of the Shareholders and the Mega Market Placing will be subject to approval of the Independent Shareholders.

Completion

Completion of the Placing will take place on or before 10:00 a.m. on the Completion Date.

LETTER FROM THE BOARD

Rights of the Placing Shares

The Placing Shares, when fully paid and issued, will rank pari passu in all respects amongst themselves and with the existing Shares in issue and be entitled to receive all dividends and other distributions thereafter declared, made or paid.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

SHAREHOLDING OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the table below sets out the Company's existing shareholding structure, the shareholding structure after Completion and the shareholding structure after Completion and the issuance of the Consideration Shares:

Shareholders	As at the		Upon the issue and		Upon the issue and	
	Latest Practicable Date		allotment of		allotment of the	
	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Mega Market Assets						
Limited (<i>Note</i>)	84,649,517	19.98	114,649,517	22.32	114,649,517	18.68
Major Win Ltd.	–	–	–	–	100,000,000	16.30
Faith Times Limited	–	–	20,000,000	3.89	20,000,000	3.26
Grand Mount Group						
Limited	–	–	20,000,000	3.89	20,000,000	3.26
Precious Victory						
Limited	–	–	20,000,000	3.89	20,000,000	3.26
Other public						
Shareholders	339,036,781	80.02	339,036,781	66.01	339,036,781	55.24
Total	423,686,298	100.00	513,686,298	100.00	613,686,298	100.00

Note:

Mega Market Assets Limited become a substantial shareholder (as defined in the Listing Rules) of the Company on 7 November 2006 and its entire issued share capital is wholly and beneficially owned by Mr. Chan How Chung, Victor.

LETTER FROM THE BOARD

REASONS FOR THE PLACING AND USE OF NET PROCEEDS

The estimated net proceeds from the Placing are estimated to be about HK\$89,500,000, which will be used as general working capital and for future investment, including financing the acquisition of the shares in and shareholder's loan due by Best Win Properties Ltd., details of which are set out in the Announcement. The exact proportion to be used as general working capital or for future investment shall depend on the actual needs of the Company from time to time.

The Board is of the view that the Placing represents a good opportunity to raise additional funds for the Group's business development purpose and at the same time broaden the Company's shareholder base and strengthen its capital base.

FUND RAISING IN THE PAST TWELVE MONTHS

The Company carried out a placing at the placing price of HK\$0.198 per Share on 21 August 2006. Details of such placing are set out in the announcement of the Company dated 21 August 2006. The net proceeds from such placing were approximately HK\$13.5 million and were used for general working capital of the Group.

Save as disclosed above, during the twelve months prior to the Latest Practicable Date, the Company had not carried out any fund raising exercise.

APPROVAL BY THE INDEPENDENT SHAREHOLDERS

Since Mega Market is a substantial shareholder of the Company, Mega Market is a connected person of the Company and the Mega Market Placing constitutes a connected transaction of the Company. The Mega Market Placing is therefore subject to, among other things, the approval of the Independent Shareholders. Furthermore, each of the Faith Times Placing, the Grand Mount Group Placing and the Precious Victory Placing is subject to, among other things, the approval of the Shareholders.

In view of the interests of Mega Market and its associates in the Mega Market Placing, the Independent Board Committee has been established to advise the Independent Shareholders on whether or not the terms of the Subscription Agreement (IV) is in the interests of the Company and are fair and reasonable so far as the Independent Shareholders are concerned. Ample Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Mega Market Placing.

LETTER FROM THE BOARD

SGM

SGM will be convened at which ordinary resolutions will be proposed to approve, amongst other things, the Placing contemplated in the Subscription Agreements. There is set out on pages 34 to 38 of this circular a notice convening the SGM to be held at Training Room A, Joint Professional Centre, Unit 1, Ground Floor, The Center, 99 Queen's Road Central, Hong Kong on 8 February 2007 at 10:00 a.m., at which resolutions will be proposed to the Shareholders to approve, among other things, the Placing.

Mega Market and its associates will abstain from voting at the SGM in respect of the resolution in relation to the Mega Market Placing.

There was no (i) voting trust or other agreements or arrangement or understanding entered into by or binding upon any Shareholders; or (ii) obligation or entitlement whereby any Shareholders had or might have temporarily or permanently passed control over the exercise of the voting rights in respect of their Shares to a third party, either generally or on a case-by-case basis as at the Latest Practicable Date.

To the extent the Company is aware having made all reasonable enquiries, there is no discrepancy between the beneficial shareholding interest of any Shareholders in the Company as disclosed in this circular and the numbers of Shares in respect of which they will control or will be entitled to exercise control over the voting rights at the SGM.

A form of proxy for use at the SGM is enclosed. Whether or not the Shareholders are able to attend the SGM in person, they are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Secretaries Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time for holding of the SGM or any adjournment thereof. Return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM should they wish.

PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND A POLL AT THE SGM

Pursuant to Bye-law 66 of the Bye-laws of the Company, 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

LETTER FROM THE BOARD

- (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.

RECOMMENDATIONS

Ample Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Mega Market Placing. Ample Capital considers that the terms of the Subscription Agreement (IV) on the whole are fair and reasonable so far as the Independent Shareholders are concerned and the Mega Market Placing is in the interests of the Company and the Shareholders as a whole. The text of the letter from Ample Capital containing its recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Mega Market Placing and the principal factors and reasons considered by Ample Capital in arriving at its recommendation is set out on pages 16 to 27 of this circular.

The Independent Board Committee, having taken into account the advice of Ample Capital, considers that the terms of the Subscription Agreement (IV) on the whole are fair and reasonable so far as the Independent Shareholders are concerned and the Mega Market Placing is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Mega Market Placing. The text of the letter from the Independent Board Committee is set out on page 15 of this circular.

The Directors believe that the terms of the Subscription Agreements on the whole are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Placing.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

By order of the Board
Premium Land Limited
Ma Kwok Hung, Warren
Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



PREMIUM LAND LIMITED (上海策略置地有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 164)

23 January 2007

Dear Independent Shareholders,

CONNECTED TRANSACTION PLACING OF NEW SHARES TO MEGA MARKET

We refer to the circular issued by the Company on 23 January 2007, of which this letter forms a part. Terms defined in this circular shall have the same meanings when used herein.

We have been appointed by the Board as the Independent Board Committee, established to consider the Mega Market Placing and to advise you as to whether the terms of the Subscription Agreement (IV) are fair and reasonable and whether the Mega Market Placing is in the interests of the Company and the Shareholders as a whole.

Ample Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders regarding the Mega Market Placing. Details of the advice of Ample Capital, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out in its letter. Your attention is also drawn to the letter from the Board and the additional information set out in the appendix to this circular.

The Independent Board Committee considers that the terms of the Subscription Agreement (IV) on the whole are fair and reasonable so far as the Independent Shareholders are concerned and the Mega Market Placing is in the interests of the Company and the Shareholders as a whole and has been so advised by Ample Capital, the independent financial adviser. The Independent Board Committee recommends you to vote in favour of the resolution to approve the Mega Market Placing. You are therefore strongly urged to complete your proxy form and vote in favour of the Mega Market Placing.

Yours faithfully,

Wong Hoi Kuen, Edmund

Chan Chi Yuen

Chow Siu Ngor

* For identification only

LETTER FROM AMPLE CAPITAL

The following is the full text of the letter to the Independent Board Committee and the Independent Shareholders from Ample Capital dated 23 January 2007 prepared for incorporation in this circular.

AmCap
Ample Capital Limited
豐盛融資有限公司

Ample Capital Limited
Unit A, 14th Floor
Two Chinachem Plaza
135 Des Voeux Road Central
Hong Kong

23 January 2007

*To the Independent Board Committee and
the Independent Shareholders of
Premium Land Limited*

Dear Sirs,

CONNECTED TRANSACTION PLACING OF NEW SHARES TO MEGA MARKET

INTRODUCTION

We refer to our engagement by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Mega Market Placing by the Company, the particulars of which have been set out in a circular to the Shareholders dated 23 January 2007 (the “Circular”) and in which this letter is reproduced. Unless the context requires otherwise, terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

Ample Capital Limited has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders to give our recommendation as to whether the terms of the Subscription Agreement (IV) are fair and reasonable so far as the Independent Shareholders are concerned. Details of the reasons for the proposed Mega Market Placing are set out in the section headed “Letter from the Board” in the Circular (the “Board Letter”).

LETTER FROM AMPLE CAPITAL

On 29 December 2006, the Company announced that it has entered into Subscription Agreements with Faith Times, Grand Mount Group, Precious Victory and Mega Market in relation to the subscription of an aggregate of 90,000,000 new Shares, representing 21.24% of the Company's existing issued share capital and approximately 17.52% of the Company's issued share capital as enlarged by the issue of the Placing Shares. The Placing Shares are placed to the Placees at a placing price of HK\$1.00 per Placing Share.

Under the Mega Market Placing, 30,000,000 Placing Shares are to be placed to Mega Market, a substantial Shareholder interested in 84,649,517 Shares, representing approximately 19.98% of the Company's issued share capital as at the Latest Practicable Date. The Shares to be placed under the Mega Market Placing represent approximately 33.3% of all of the entire 90,000,000 Placing Shares.

Since Mega Market is a substantial Shareholder, Mega Market is a connected person of the Company and the Mega Market Placing contemplated under the Subscription Agreement (IV) constitutes a connected transaction of the Company. The Mega Market Placing is therefore subject to, among other things, the approval of the Independent Shareholders.

The Company is an investment holding company incorporated in Bermuda with limited liability. Its subsidiaries are principally engaged in the business of securities trading and investment, property development and sales, trading of building materials and provision of renovation services and operations of toll highways.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and the information and representations provided to us by the Directors and management of the Group and have assumed that all information and representations made by the Group and the Directors were true, accurate and complete at the time they were made and continue to be so as at the date of the Circular. We consider that we have obtained from the Company all of the necessary information on which to form a reasonable basis for our opinion. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have not, however, conducted an independent in-depth investigation into the affairs of the Group nor have we carried out any independent verification of the information supplied.

LETTER FROM AMPLE CAPITAL

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in relation to the Agreement, we have taken into consideration the following factors:

1. Background information

As mentioned earlier, the Group is principally engaged in the business of securities trading and investment, property development and sales, trading of building materials and provision of renovation services and operations of toll highways. Upon a review of the Company's annual report for the year ended 31 March 2006 (the "Annual Report"), we note that the Group recorded an audited consolidated turnover of approximately HK\$33,273,000 for the year ended 31 March 2006, representing an approximately 65.11% decrease when compared with the audited consolidated turnover of approximately HK\$95,364,000 recorded during the prior year. Furthermore, the Group also experienced a significant decrease to its audited loss attributable to equity holders of the Company from approximately HK\$121,158,000 during the year ended 31 March 2005 to approximately HK\$26,438,000 recorded during the year ended 31 March 2006, representing an approximately 78.18% decrease. As stated in the Annual Report, the Directors attribute the decrease in the loss attributable to Shareholders to the net unrealized gain on other financial assets through profit and loss of around HK\$48,613,000. As at 31 March 2006, the Company had audited consolidated total assets, total liabilities and net assets of approximately HK\$391,979,000, HK\$171,594,000 and HK\$220,385,000 respectively.

As stated in the Company's interim report for the six months ended 30 September 2006 (the "Interim Report"), the Group recorded unaudited turnover and loss attributable to equity holders of the Company of approximately HK\$118,265,000 and HK\$15,459,000 respectively during the six months ended 30 September 2006. Furthermore, the Group had unaudited total assets, total liabilities and net assets of approximately HK\$280,517,000, HK\$70,502,000 and HK\$210,015,000 respectively as at 30 September 2006.

We would like to draw your attention to auditor's report contained in the Annual Report where the Company's auditors gave a "disclaimer of opinion" in respect of the Company's financial statements for the year ended 31 March 2006 as a result of (i) scope limitation – prior year's audit scope limitation affecting opening balance and (ii) scope limitation – absence of financial statements of 杭州恆運交通開發有限公司 ("HZHY") for the year ended 31 March 2006. As stated in the Company's announcement dated 13 July 2005 (the "HZHY Announcement"), HZHY was 80% held by Gold United International Industries Limited ("Gold United") which was indirectly held by the Company as to 51%. In the HZHY Announcement, it was further disclosed that on 13 July 2005, the Company has filed a writ of summons against four persons seeking, amongst others, declarations by the

LETTER FROM AMPLE CAPITAL

court to effect Winsky Management Limited, a wholly owned subsidiary of the Company, be the beneficial owner of 51% of the issued share capital of Gold United. It was disclosed in the Interim Report that the legal action is still proceeding and there is no significant development as at 30 September 2006. As stated in the auditor's report contained in the Annual Report, due to uncooperative management of HZHY, the Company was unable to obtain the financial statements of HZHY for the Company's audit. The aforementioned auditor's report further states that the Directors were unable to satisfy themselves that various items related to HZHY were free from material misstatements. Accordingly, the Independent Shareholders are advised to exercise due caution when interpreting the Company's financial statements for the year ended 31 March 2006. However, the Independent Shareholder should note that it is stated in the Interim Report that the Directors have decided not to consolidate the financial statements of Gold United and HZHY into the Company's unaudited financial statements for the six months ended 30 September 2006.

2. Reasons for the Placing

2.1 The Placing

As mentioned in the Board Letter, the Placing is estimated to generate net proceeds of approximately HK\$89,500,000 which will be applied as general working capital and for future investment, including financing the acquisition of the shares in and shareholder's loan due by Best Win Properties Ltd. (the "Best Win Acquisition"), the details of which are set out in the Announcement. The Mega Market Placing involves the issue and allotment of 30,000,000 Placing Shares at the Placing Price of HK\$1.00 per Share to Mega Market and is expected to generate gross proceeds of HK\$30,000,000.

The Board Letter further states that the Board is of the view that the Placing represents a good opportunity to raise additional funds for the Group's business development purpose and at the same time broaden the Company's shareholder base and strengthen its capital.

As described in the Announcement, the consideration payable by the Group under the Best Win Acquisition is RMB555,000,000 (equivalent to approximately HK\$551,393,000 using an exchange rate of RMB100 = HK\$99.35) of which RMB454,346,000 (approximately HK\$451,393,000) shall be satisfied in cash. In our discussions with the Company's management, we have learnt that the Company intends to satisfy the cash consideration of the Best Win Acquisition by utilizing: (i) internal resources including fund generated through the realization of short-term investments and on-demand accounts receivable, (ii) part of the net proceeds of HK\$89,500,000 to be generated under the Placing and (iii) bank borrowings for the remaining balance of the cash consideration payable under the Best Win Acquisition.

LETTER FROM AMPLE CAPITAL

2.2 Other alternative modes of fund raising

We set out below the advantages and disadvantages of other methods of fund raising.

2.2.1 Bank financing alternative

In general, it is cost-wise better for a company to attempt to minimize the use of bank loans to finance its operations since any bank loans will inevitably incur additional interest expense. In addition, the borrower will be required to repay any such loan obtained from its bankers upon the maturity of the loan. With the Placing, the Company is able to raise interest free capital which does not require any repayment in the future.

2.2.2 Other forms of equity fund raising

Other forms of equity fund raising such as conducting a rights issue or open offer may also incur substantial costs to the Company. A typical rights issue or open offer is underwritten by one or a syndicate of securities houses. Given with the historical financial position of the Company, we believe that it may be unfavourable for the Company to secure an underwriter with terms of underwriting acceptable to the Company and to the benefit of the Shareholders as a whole. In addition, the unpredictable nature of a rights issue or open offer may incur substantial costs in the form of underwriting commission payable to the underwriter when conducting a rights issue or open offer. Lastly, the Independent Shareholders are reminded that underwriting commission does not represent all of the costs (such as legal, financial advisory, publication, etc.) associated with a rights issue or open offer.

2.2.3 Conclusion regarding other financing alternatives

During our discussions with the Company's management, we have learnt that subsequent to the announcement of the Best Win Acquisition, the Placees (excluding Mega Market) approached the Company to explore possible investment opportunities in the Company. Following arm's length negotiation with the Placees, the terms of the Placing were determined. Having taken into account the funding requirements of the Group mentioned earlier in this letter, we consider that it is beneficial for the Group to conduct the Placing in order to raise interest free capital which does not require repayment at a future date and does not involve the payment of any underwriting commission or placing fee.

LETTER FROM AMPLE CAPITAL

3. Terms of the Subscription Agreement (IV)

3.1 *The Placing Price*

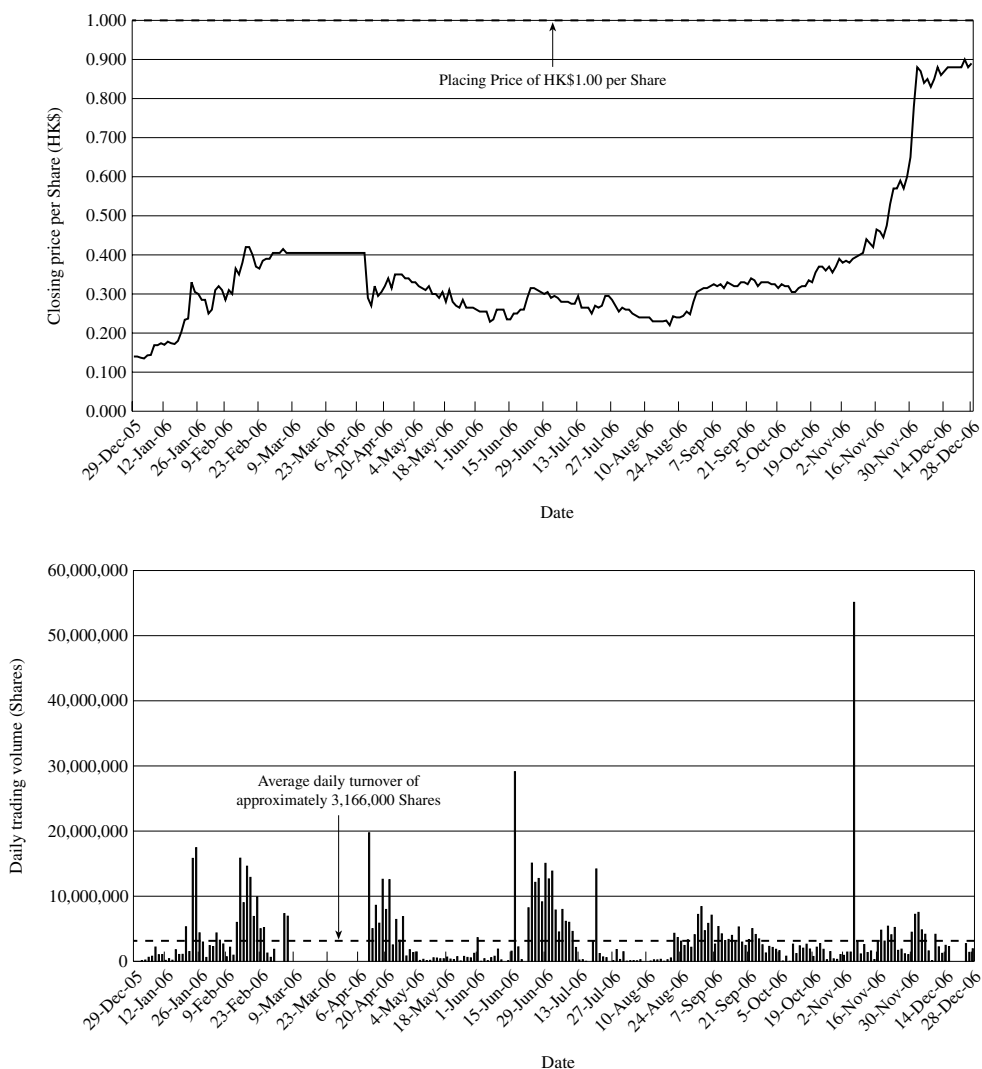
The net placing price per Placing Share is approximately HK\$0.99 per Placing Share and the actual placing price is HK\$1.00 per Placing Share, the latter:

- (i) represents a premium of approximately 12.36% to the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) represents a premium of approximately 13.12% to the average closing price of HK\$0.884 per Share for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) represents a premium of approximately 15.07% to the average closing price of HK\$0.869 per Share for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) represents a premium of approximately 23.46% to the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) represents a premium of approximately 100.40% to the unaudited net asset of approximately HK\$0.499 per Share as at 30 September 2006.

As stated in the Board Letter, the terms of the Subscription Agreements, including the Placing Price, were determined after arm's length negotiations between the Company and the Placees. The Board (including the independent non-executive Directors) considers that the terms of the Subscription Agreements, including the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We note from the Announcement that the consideration shares to be issued to the vendor (an independent third party) of the Best Win Acquisition will also be issued at HK\$1.00 per Share.

We set out below the historical closing price per Share and the daily trading volume of the Shares on the Stock Exchange during the 12-month period prior to the Last Trading Day.

LETTER FROM AMPLE CAPITAL



Source: Bloomberg

As demonstrated above, the Shares traded within a range that was between HK\$0.135 per Share and HK\$0.90 per Share during the 12-month period prior to the Last Trading Day. As such, the Shares have always traded below the Placing Price of HK\$1.00 per Placing Share during the aforesaid period with the average daily trading volume being approximately 3,166,000 Shares. Having considered the historical closing price of the Shares, we believe that now is an appropriate time to conduct a placing of new Shares to take advantage of the relatively high price of the Shares.

LETTER FROM AMPLE CAPITAL

For the purpose of comparison, we set out below certain information related to 19 placings/subscriptions of shares conducted by listed issuers in Hong Kong (the “Comparables”) during the month of December 2006. The Comparables were identified through the “Placing Statistics” issued by the Stock Exchange on its website and contains all of the placings/subscriptions for the month of December 2006 which are within that list. The “Placing Statistics” used by us is the latest available as at the Latest Practicable Date.

Name of listed company (stock code)	Date of announcement	Placing/ subscription price per share <i>HK\$</i>	Approximate premium/ (discount) to closing price immediately prior to the release of the relevant announcement %
The Company	29 December 2006	1.00	12.36
Foundation Group Limited (1182)	27 December 2006	0.01	(98.41)
China Oil and Gas Group Limited (603)	27 December 2006	0.29	(12.12)
Tak Shun Technology Group Limited (1228)	22 December 2006	0.215	(14.68)
Matsunichi Communication Holdings Limited (283)	21 December 2006	2.75	(11.29)
New Times Group Limited (166)	21 December 2006	0.35	(6.67)
Mayer Holdings Limited (1116)	20 December 2006	0.50	25.0
China Water Affairs Group Limited (855)	20 December 2006	2.73	(5.86)
Sino Gas Group Limited (260)	19 December 2006	0.55	0.00
DVN (Holdings) Limited (500)	14 December 2006	2.85	(6.86)
Yanion International Holdings Limited (82)	13 December 2006	0.70	(43.1)
Baoye Group Company Limited (2355)	13 December 2006	10.88	(9.33)
Deson Development International Holdings Limited (262)	12 December 2006	0.50	(10.71)
Wing Hong (Holdings) Limited (745)	7 December 2006	0.041	(14.58)

LETTER FROM AMPLE CAPITAL

Name of listed company (stock code)	Date of announcement	Placing/ subscription price per share HK\$	Approximate premium/ (discount) to closing price immediately prior to the release of the relevant announcement %
China Insurance International Holdings Company Limited (966)	5 December 2006	8.25	(4.84)
Shanghai Real Estate Limited (1207)	5 December 2006	2.42	(3.97)
Cheuk Nang (Holdings) Limited (131)	5 December 2006	4.00	(4.76)
EPI (Holdings) Limited (689)	5 December 2006	0.295	(7.81)
Northern International Holdings Limited (736)	1 December 2006	0.38	(8.4)
Beijing Development (Hong Kong) Limited (154)	1 December 2006	1.10	(12.7)
		Mean:	(13.22)

Source: <http://www.hkex.com.hk>

As demonstrated in the table above, the placing/subscription price of the Comparables range from a discount of approximately 98.41% to a premium of 25.0% to the closing price on their respective last trading day, with the mean being a discount of approximately 13.22%. In view that (i) the Placing Price of HK\$1.00 per Placing Share represents a premium of approximately 12.36% to the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Trading Day and (ii) the variance of the Placing Price from the closing price of the Shares on the Last Trading Day is within the range of the Comparables, we consider that the Placing Price is fair and reasonable and is in the interests of the Group and the Independent Shareholders as a whole.

LETTER FROM AMPLE CAPITAL

3.2 *Dilution on shareholding of the existing Independent Shareholders*

We set out below a table depicting the Company's shareholding structure (i) as at the Latest Practicable Date, (ii) upon the issue of the 30,000,000 Placing Shares to Mega Market and (iii) upon the issue of all of the 90,000,000 Placing Shares.

Name of Shareholder	As at the Latest Practicable Date		Upon the issue and allotment of 30,000,000 Placing Shares to Mega Market		Upon the issue and allotment of the entire 90,000,000 Placing Shares	
	Shares	%	Shares	%	Shares	%
Mega Market	84,649,517	19.98	114,649,517	25.27	114,649,517	22.32
Faith Times	–	–	–	–	20,000,000	3.89
Grand Mount Group	–	–	–	–	20,000,000	3.89
Precious Victory	–	–	–	–	20,000,000	3.89
Other public Shareholders	339,036,781	80.02	339,036,781	74.73	339,036,781	66.01
Total	<u>423,686,298</u>	<u>100.00</u>	<u>453,686,298</u>	<u>100.00</u>	<u>513,868,298</u>	<u>100.00</u>

As demonstrated above, the shareholding of the other public Shareholders (i.e. the existing Independent Shareholders) will decrease from approximately 80.02% to approximately 74.73% upon the issue and allotment of the 30,000,000 Placing Shares to be issued to Mega Market pursuant to the Subscription Agreement (IV). Such decrease in the shareholding of the existing Independent Shareholders represents a dilution of approximately 6.61%. Having taken into account the factors discussed in this letter including the potential benefits associated with the Mega Market Placing, we are of the view that the dilution to the shareholding of the existing Independent Shareholders is justifiable and is fair and reasonable and is in the interests of the Group and the Independent Shareholders as a whole.

3.3 *Conclusion regarding the terms of the Subscription Agreement (IV)*

As discussed earlier in this letter, the Placing Price represents approximately 12.36% and 100.40% premium to the closing price of the Shares on the Last Trading Day and the unaudited net asset per Share as at 30 September 2006 respectively. Furthermore, the Mega Market Placing will result in a dilution of the shareholding of the existing Independent Shareholders of approximately 6.61%. Having considered the factors discussed in this letter, we consider the terms of the Subscription Agreement (IV) to be fair and reasonable and is in the interests of the Group and the Independent Shareholders as a whole.

LETTER FROM AMPLE CAPITAL

4. Financial effects of the Subscription Agreement (IV)

4.1 *Net asset*

As stated in the Interim Report, the unaudited consolidated net assets of the Group was approximately HK\$210,015,000 as at 30 September 2006. With 421,186,298 Shares in issue as at 30 September 2006, the unaudited net asset per Share was approximately HK\$0.50. The Mega Market Placing is expected to increase the Group's total assets with no effect on the Group's liabilities. Accordingly, the Mega Market Placing is expected to enhance the Group's net asset value. Since the Placing Price of HK\$1.00 per Share is higher than the Group's unaudited net asset per Share mentioned above, the Mega Market Placing is also expected to have a positive effect on the Group's net asset value per Share as well.

4.2 *Gearing*

The Group had unaudited consolidated total equity of approximately HK\$210,015,000 and unaudited total debts of approximately HK\$45,851,000 as at 30 September 2006, translating into a debt-to-equity ratio (total debts/total equity x 100%) of approximately 21.83%. As stated earlier, the Mega Market Placing is not expected to have any effect on the Group's liabilities. With the injection of the estimated net proceeds to be raised under the Mega Market Placing, the total equity of the Group is expected to increase. Accordingly, the Mega Market Placing is expected to improve the Group's debt-to-equity ratio.

4.3 *Liquidity*

The Group had unaudited current assets and unaudited current liabilities of approximately HK\$256,593,000 and HK\$70,502,000 respectively as at 30 September 2006, translating into a current ratio (current assets/current liabilities) of approximately 3.64. With the injection of the net proceeds to be raised under the Mega Market Placing, it is expected that the Mega Market Placing will result in a positive effect on the Group's current ratio.

LETTER FROM AMPLE CAPITAL

CONCLUSION

Having considered the above principal factors, we are of the opinion that the Mega Market Placing is on normal commercial terms and in the interests of the Group and the Shareholders so far as the Independent Shareholders as a whole are concerned and the terms of the Subscription Agreement (IV) are fair and reasonable. Accordingly, we would recommend (1) the Independent Board Committee to advise the Independent Shareholders and (2) the Independent Shareholders, to vote in favour of the ordinary resolution to approve the Subscription Agreement (IV) at the SGM.

Yours faithfully,
For and on behalf of
Ample Capital Limited
Andrew Cheng
Director

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were as follows:

		Par Value per Share	
		<i>(HK\$)</i>	<i>HK\$</i>
<i>Authorised:</i>			
15,000,000,000	Shares authorised as at the Latest Practicable Date	0.01	<u>150,000,000.00</u>
<i>Issued and fully paid:</i>			
423,686,298	Shares issued as at the Latest Practicable Date	0.01	4,236,862.98
90,000,000	Shares to be allotted and issued as the Placing Shares	0.01	<u>900,000.00</u>
<u>513,686,298</u>	Shares		<u>5,136,862.98</u>

DIRECTORS' DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, none of the directors and the chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest and short position which he/she was taken or deemed to have under such provisions of the SFO); or are required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.
- (b) As at the Latest Practicable Date, none of the Directors or proposed Directors had any interest in any assets which have been, since 31 March 2006 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant to the business of the Group.
- (d) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company (excluding contracts expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation)).

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or any of his / her associates (as such term is defined in the Listing Rules) had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Company required to be disclosed pursuant to Rule 8.10 of the Listing Rules other than those business to which the Directors were appointed to represent the interests of the Company.

INTERESTS OF SHAREHOLDERS

Substantial shareholders

Interests in the Company

So far as is known to the Directors, as at the Latest Practicable Date, each of the following persons, other than a director or chief executive of the Company, had an interest and/or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

Name of shareholder	Nature of interests	Number of Shares interested under the Sale and Purchase Agreement	Number of Shares interested under the Subscription Agreements	Number of Shares held	Approximate percentage of the issued share capital of the Company
Major Win Ltd. <i>(Note 1)</i>	Beneficial Owner	100,000,000	–	–	23.60%
Mega Market Assets Limited <i>(Note 2)</i>	Beneficial Owner	–	30,000,000	84,649,517	27.06%
Hu Dei Fei	Beneficial Owner	–	–	22,276,500	5.26%

Notes:

1. Major Win Ltd., which directly owns 100,000,000 Shares, is wholly owned by Mr. Hong Loi Fuk.
2. Mega Market Assets Limited, which directly owns 114,649,517 Shares, is wholly owned by Mr. Chan How Chung, Victor.

Interests in the subsidiaries

Name of subsidiaries	Name of shareholder	Approximate percentage of issued share capital
Gold United International Industries Limited (<i>Note 1</i>)	Li Jinfang	29%
Gold United International Industries Limited (<i>Note 1</i>)	Mei Bingfang	20%
杭州恆運交通開發有限公司 (<i>Note 2</i>)	浙江省富陽富春灣公路開發有限公司	20%
Prosper City International Limited (<i>Note 3</i>)	Lee Yuen Kee	49%

Notes:

1. Gold United International Industries Limited is indirectly owned as to 51% by the Company.
2. 杭州恆運交通開發有限公司 is directly owned as to 80% by Gold United International Industries Limited.
3. Prosper City International Limited is indirectly owned as to 51% by the Company.

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, no other person has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2006, the date to which the latest published consolidated audited accounts of the Group had been made up.

LITIGATION

On 4 July 2005, the Company was notified by the Hong Kong Companies Registry that an annual return of Gold United International Industries Limited (“Gold United”), a non-wholly owned subsidiary of the Company, filed in May 2005 (“May Annual Return”) contained information, including information relating to members and directors of Gold United, which are significantly different from the original annual return that was presented by Gold United 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. Gold United is an investment holding company holding 80% direct interest in 杭州恆運交通開發有限公司, which is engaged in the operation of a highway in the PRC.

The Writ of Summons was amended on 1 February 2006 and the validity of the Amended Writ of Summons was extended for a period of 12 months from 13 July 2006. The Writ of Summons was re-amended on 10 October 2006. The Company has attempted to serve the Re-Amended Writ of Summons on the Defendants in Hong Kong and through the judicial authorities in the PRC. As at the Latest Practicable Date, the Company is still seeking to effect service of proceedings on certain Defendants in Hong Kong and the PRC.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

EXPERT STATEMENTS

The following are the names and qualifications of the experts who have given opinions which are contained in this circular:

Name	Qualification
Ample Capital Limited	a licensed corporation to carry out types 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management)

Ample Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Ample Capital was not interested beneficially or otherwise in any Shares or shares in any member of the Group and did not have any right, whether legally enforceable or not, or option to subscribe for or to nominate persons to subscribe for any Shares or shares in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 March 2006, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by leased to any member of the Group.

GENERAL

- (i) The English language text of this document shall prevail over the Chinese language text.
- (ii) The Secretary of the Company is Ma Kwok Hung, Warren. Mr. Ma has over 20 years of accounting experience and 7 years as an executive director and company secretary of a Hong Kong listed company. He is an associate member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He is currently an executive director of the Company.
- (iii) The qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Cheung Yu Shum, Jenkin. Mr. Cheung is a member of the American Institute of Certified Public Accountants.
- (iv) The Company's branch share registrar and transfer office in Hong Kong is Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at Baker & McKenzie, 14/F, Hutchison House, 10 Harcourt Road, Hong Kong for a period of 14 days (excluding Saturdays) from the date of this circular:

- (i) the Subscription Agreements; and
- (ii) the letter of advice from Ample Capital to the Independent Board Committee and the Independent Shareholders set out on pages 16 to 27 of this circular.

NOTICE OF SPECIAL GENERAL MEETING



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

(incorporated in Bermuda with limited liability)

(Stock Code: 164)

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**Meeting**”) of Premium Land Limited (the “**Company**”) will be held at Training Room A, Joint Professional Centre, Unit 1, Ground Floor, The Center, 99 Queen’s Road Central, Hong Kong, at 10:00 a.m. on Thursday, 8 February 2007 to consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the execution of the subscription agreement dated 29 December 2006 (the “**Faith Times Subscription Agreement**”), entered into between, inter alios, the Company and Faith Times Limited (“**Faith Times**”) in relation to the subscription of 20,000,000 shares of HK\$0.01 each in the share capital of the Company (the “**Faith Times Placing Shares**”) by Faith Times (the “**Faith Times Placing**”), a copy of the Faith Times Subscription Agreement has been produced to the meeting marked “A” and initialled by the chairman of the meeting for identification purpose and the Faith Times Placing and the performance by the Company thereof and the transactions contemplated thereby be and are hereby confirmed, ratified and approved; and that any one or more directors of the Company be and are hereby authorised to sign, seal, execute, perfect or do all such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things, matters and take all such actions as he or they may in his or their discretion consider necessary or desirable for the purpose of or in connection with giving effect to the Faith Times Subscription Agreement and the exercise or enforcement of any of the Company’s rights under the Faith Times Subscription Agreement including, inter alios, upon the Faith Times Subscription Agreement becoming unconditional, the authority to complete the transactions contemplated by the Faith Times Subscription Agreement or to procure completion of the same and to make and agree with such changes in the terms of the Faith Times Subscription Agreement as any such director(s) may in his or their discretion consider necessary, desirable or expedient and in the interest of the Company; and

* *For identification only*

NOTICE OF SPECIAL GENERAL MEETING

- (b) the directors of the Company be and are hereby authorised to allot and issue the Faith Times Placing Shares to Faith Times (or to such other person or persons as it may nominate) upon completion of the Faith Times Placing, credited as fully paid pursuant to the terms of the Faith Times Subscription Agreement, such Faith Times Placing Shares shall rank *pari passu* in all respects with the existing shares of the Company in issue at the date of allotment of the Faith Times Placing Shares.”
2. **“THAT**
- (a) the execution of the subscription agreement dated 29 December 2006 (the **“Grand Mount Group Subscription Agreement”**), entered into between, *inter alios*, the Company and Grand Mount Group Limited (**“Grand Mount Group”**) in relation to the subscription of 20,000,000 shares of HK\$0.01 each in the share capital of the Company (the **“Grand Mount Group Placing Shares”**) by Grand Mount Group (the **“Grand Mount Group Placing”**), a copy of the Grand Mount Group Subscription Agreement has been produced to the meeting marked “B” and initialled by the chairman of the meeting for identification purpose and the Grand Mount Group Placing and the performance by the Company thereof and the transactions contemplated thereby be and are hereby confirmed, ratified and approved; and that any one or more directors of the Company be and are hereby authorised to sign, seal, execute, perfect or do all such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things, matters and take all such actions as he or they may in his or their discretion consider necessary or desirable for the purpose of or in connection with giving effect to the Grand Mount Group Subscription Agreement and the exercise or enforcement of any of the Company’s rights under the Grand Mount Group Subscription Agreement including, *inter alia*, upon the Grand Mount Group Subscription Agreement becoming unconditional, the authority to complete the transactions contemplated by the Grand Mount Group Subscription Agreement or to procure completion of the same and to make and agree with such changes in the terms of the Grand Mount Group Subscription Agreement as any such director(s) may in his or their discretion consider necessary, desirable or expedient and in the interest of the Company; and

NOTICE OF SPECIAL GENERAL MEETING

- (b) the directors of the Company be and are hereby authorised to allot and issue the Grand Mount Group Placing Shares to Grand Mount Group (or to such other person or persons as it may nominate) upon completion of the Grand Mount Group Placing, credited as fully paid pursuant to the terms of the Grand Mount Group Subscription Agreement, such Grand Mount Group Placing Shares shall rank *pari passu* in all respects with the existing shares of the Company in issue at the date of allotment of the Grand Mount Group Placing Shares.”
3. **“THAT**
- (a) the execution of the subscription agreement dated 29 December 2006 (the **“Precious Victory Subscription Agreement”**), entered into between, *inter alios*, the Company and Precious Victory Limited (**“Precious Victory”**) in relation to the subscription of 20,000,000 shares of HK\$0.01 each in the share capital of the Company (the **“Precious Victory Placing Shares”**) by Precious Victory (the **“Precious Victory Placing”**), a copy of the Precious Victory Subscription Agreement has been produced to the meeting marked “C” and initialled by the chairman of the meeting for identification purpose and the Precious Victory Placing and the performance by the Company thereof and the transactions contemplated thereby be and are hereby confirmed, ratified and approved; and that any one or more directors of the Company be and are hereby authorised to sign, seal, execute, perfect or do all such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things, matters and take all such actions as he or they may in his or their discretion consider necessary or desirable for the purpose of or in connection with giving effect to the Precious Victory Subscription Agreement and the exercise or enforcement of any of the Company’s rights under the Precious Victory Subscription Agreement including, *inter alias*, upon the Precious Victory Subscription Agreement becoming unconditional, the authority to complete the transactions contemplated by the Precious Victory Subscription Agreement or to procure completion of the same and to make and agree with such changes in the terms of the Precious Victory Subscription Agreement as any such director(s) may in his or their discretion consider necessary, desirable or expedient and in the interest of the Company; and

NOTICE OF SPECIAL GENERAL MEETING

- (b) the directors of the Company be and are hereby authorised to allot and issue the Precious Victory Placing Shares to Precious Victory (or to such other person or persons as it may nominate) upon completion of the Precious Victory Placing, credited as fully paid pursuant to the terms of the Precious Victory Subscription Agreement, such Precious Victory Placing Shares shall rank pari passu in all respects with the existing shares of the Company in issue at the date of allotment of the Precious Victory Placing Shares.”
4. **“THAT**
- (a) the execution of the subscription agreement dated 29 December 2006 (the **“Mega Market Subscription Agreement”**), entered into between, inter alios, the Company and Mega Market Assets Limited (**“Mega Market”**) in relation to the subscription of 30,000,000 shares of HK\$0.01 each in the share capital of the Company (the **“Mega Market Placing Shares”**) by Mega Market (the **“Mega Market Placing”**), a copy of the Mega Market Subscription Agreement has been produced to the meeting marked “D” and initialled by the chairman of the meeting for identification purpose and the Mega Market Placing and the performance by the Company thereof and the transactions contemplated thereby be and are hereby confirmed, ratified and approved; and that any one or more directors of the Company be and are hereby authorised to sign, seal, execute, perfect or do all such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things, matters and take all such actions as he or they may in his or their discretion consider necessary or desirable for the purpose of or in connection with giving effect to the Mega Market Subscription Agreement and the exercise or enforcement of any of the Company’s rights under the Mega Market Subscription Agreement including, inter alios, upon the Mega Market Subscription Agreement becoming unconditional, the authority to complete the transactions contemplated by the Mega Market Subscription Agreement or to procure completion of the same and to make and agree with such changes in the terms of the Mega Market Subscription Agreement as any such director(s) may in his or their discretion consider necessary, desirable or expedient and in the interest of the Company; and

NOTICE OF SPECIAL GENERAL MEETING

- (b) the directors of the Company be and are hereby authorised to allot and issue the Mega Market Placing Shares to Mega Market (or to such other person or persons as it may nominate) upon completion of the Mega Market Placing, credited as fully paid pursuant to the terms of the Mega Market Subscription Agreement, such Mega Market Placing Shares shall rank pari passu in all respects with the existing shares of the Company in issue at the date of allotment of the Mega Market Placing Shares.”

By order of the Board
Premium Land Limited
Ma Kwok Hung, Warren
Director

Hong Kong, 23 January 2007

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint one or more 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 registrar in Hong Kong, Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, 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. Ma Kwok Hung, Warren, and Mr. Gao Feng (Executive Directors); Mr. Wong Hoi Kuen, Edmund, Mr. Pang Haiou, Mr. Zuo Guang, Mr. Chan Chi Yuen and Mr. Chow Siu Ngor (Independent Non-executive Directors).