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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)

RULE 13.09(1) ANNOUNCEMENT
LETTER OF INTENT
IN RELATION TO THE PROPOSED INVESTMENT
RESUMPTION OF TRADING

LETTER OF INTENT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to announce that on 1 September 2007, the Company signed a Letter of Intent with the Vendors in respect of a proposed acquisition of the entire interest in both Xu Ri and Feng Hong Ji which, according to the Vendors, are principally interested in existing properties with a gross floor area of approximately 9,500 square metres mainly for commercial use and car park slots, and a land parcel of approximately 7,000 square metres located at Yubei District, Chongqing, PRC, on which a gross floor area of approximately 43,000 square metres can be built for mainly residential purpose. Such information is still subject to verification under due diligence by the Company.

The Board wishes to emphasize that no formal agreement in relation to the Proposed Investment has been entered into as at the date of this Announcement. As the Proposed Investment may or may not proceed, public investors and shareholders of the Company are urged to exercise caution when dealing in the Shares.

The Proposed Investment may or may not constitute notifiable transaction under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to such possible notifiable transaction.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended from 9:30 a.m. on 3 September 2007 pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 4 September 2007.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

LETTER OF INTENT

Date of the Letter of Intent

1 September 2007

Parties to the Letter of Intent

- (a) the Company; and
- (b) the Vendors. The Directors confirmed that to the best of their knowledge, information and belief having made all reasonable enquiries, the Vendors are individuals and Independent Third Parties, and are principally engaged in property development in the PRC.

Summary of the terms of the Letter of Intent

The Proposed Investment

Under the Letter of Intent, it is proposed that the Company will acquire 100% equity interest in both Xu Ri and Feng Hong Ji (the “**Proposed Investment**”). According to the Vendors, Xu Ri and Feng Hong Ji are both established in the PRC and are principally interested in existing properties with a gross floor area of approximately 9,500 square metres mainly for commercial use and car park slots, and a land parcel of approximately 7,000 square metres located at Yubei District, Chongqing, PRC, on which a gross floor area of approximately 43,000 square metres can be built for mainly residential purpose. Such information is still subject to verification under due diligence by the Company.

Exclusivity

Under the Letter of Intent, the Vendors have agreed that they will not within 30 days from the date of the Letter of Intent, negotiate with any third party for the transfer of any equity interests in Xu Ri and Feng Hong Ji.

BENEFITS OF THE PROPOSED INVESTMENT

The Group is mainly engaged in securities trading and investments, property development and sales, trading of building materials and provision of renovation services and property rental.

As set out in the 2007 annual report of the Company, the Group has been actively identifying potential property investment and development opportunities in major cities in the PRC. The Directors are of the view that Chongqing, as one of the main developing cities with high population density and the main door to the western PRC, is expected to have a high growth in its economy in the coming years. The Directors believe that the Proposed Investment is in line with the long term business development of the Group in the property development and investment in the PRC and, if realised, will enable the Group to capitalise the benefits of the robust economic development in the PRC. The Group intends to develop the land to be acquired under the Proposed Investment and proceed with the sale of the properties thereon.

GENERAL

The Letter of Intent does not constitute the Parties' legally binding commitments as to the Proposed Investment. The Company will commence its due diligence review of Xu Ri and Feng Hong Ji as soon as practicable and, if considered as appropriate by the Company, will proceed with the signing of a formal agreement in relation to the Proposed Investment. Further announcement(s) will be made by the Company once formal agreement in relation to the Proposed Investment is entered into.

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DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	Premium Land Limited (Stock code: 164), a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Feng Hong Ji”	重慶鳳弘吉實業有限責任公司 (Chongqing Feng Hong Ji Industrial Company Limited)**, a company established in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Third Parties”	such persons who are independent of and not connected nor acting in concert with the Directors, chief executive, management shareholders or substantial shareholders of the Company or its subsidiaries, or any of their respective associates
“Letter of Intent”	a letter of intent dated 1 September 2007 entered into between the Vendors and the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Parties”	the Company and the Vendors

“Shares”	Shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	individuals and Independent Third Parties who entered into the Letter of Intent with the Company
“Xu Ri”	重慶旭日房地產開發有限公司 (Chongqing Xu Ri Property Development Company Limited)**, a company established in the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board
PREMIUM LAND LIMITED
HO, Chi Ho
Director

Hong Kong, 3 September 2007

As at the date hereof, the executive Directors are Mr Ma Kwok Hung, Warren and Mr Ho Chi Ho; and the independent non-executive directors of the Company are Mr Wong Hoi Kuen, Edmund, Mr Chan Chi Yuen and Mr Chow Siu Ngor.

* *For identification purposes only*

** *The unofficial English transliterations or translations are for identification purposes only*