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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)

TERMINATION OF THE AGREEMENT

ACQUISITION OF CALL OPTION

AND

RESUMPTION OF TRADING

TERMINATION OF THE AGREEMENT AND ACQUISITION OF CALL OPTION

Given that after having made reasonable enquiries, the Company understood from the Vendor that the completion of the establishment and registration of the WFOE by the Vendor has been further delayed due to some unforeseen complications, on 27 June 2007, the Vendor, the Purchaser, the Company and the Warrantor entered into the Termination Deed to terminate the Agreement.

On the same date, the Vendor, the Purchaser, and the Warrantor entered into the Call Option Deed pursuant to which the Purchaser was granted an option at a consideration of HK\$1 to acquire the Option Share and the Option Loan from the Vendor at the price of RMB555,000,000 which is the same as the Consideration under the Agreement. The Option is exercisable by the Purchaser at its absolute discretion at any time during the period commencing on the date of the Call Option Deed being 27 June 2007 and ending on the first anniversary of such date (or such later date as the parties may agree in writing).

The Company will comply with the applicable requirements of the Listing Rules if and when the Option is exercised.

RESUMPTION OF TRADING

* For identification purposes only

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 28 June 2007 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Friday, 29 June 2007.

Reference is made to (a) the announcement of the Company dated 21 December 2006 (the "Announcement") in relation to an agreement dated 18 December 2006 (the "Agreement") for a very substantial acquisition involving a proposed acquisition of the entire issued share capital of Best Win and a shareholder's loan of not less than RMB236,500,000; (b) the announcement dated 15 January 2007 in respect of delay in despatch of the circular; and (c) the subsequent announcement 7 March 2007 in respect of further delay in despatch of the circular and extension of long stop date. Unless the context herein otherwise requires, terms used in this announcement shall have the same meaning as defined in the Announcement.

THE TERMINATION DEED AND THE CALL OPTION DEED

Termination of the Agreement

As disclosed in the Announcement, one of the conditions precedent to the completion of the Agreement is the due establishment and registration of WFOE. After having made reasonable enquiries, the Company understood from the Vendor that the completion of the establishment and registration of the WFOE made by the Vendor has been further delayed due to some unforeseen complications and it is still not certain as to the exact time for such completion to take place. Accordingly, on 27 June 2007, the Vendor, the Purchaser, the Company and the Warrantor entered into a Termination Deed (the "Termination Deed") to terminate the Agreement. All parties to the Agreement are released and discharged from their respective rights, benefits, interests, duties, obligations and liabilities conferred or imposed under or by virtue of the Agreement.

Acquisition of a call option from the Vendor

The Vendor, the Purchaser and the Warrantor entered into a deed of call option on 27 June 2007 (the "Call Option Deed"), pursuant to which the Purchaser was granted an option (the "Option") at a consideration of HK\$1 to acquire the 1 share of HK\$1.00 in the share capital of Best Win (the "Option Share") and a shareholder's loan of not less than RMB236,500,000 to be due and owing by Best Win to the Vendor (the "Option Loan") from the Vendor at the price of RMB555,000,000 which is the same as the Consideration under the Agreement.

The Option is exercisable by the Purchaser at its absolute discretion at any time during the period commencing on the date of the Call Option Deed being 27 June 2007 and ending on the first anniversary of such date (or such later date as the parties may agree in writing) (the "Option Period"). The Company will comply with the applicable requirements of the Listing Rules if and when the Option is exercised. If the Option is not exercised during the Option Period, the Option shall lapse.

Reasons for entering into the Termination Deed and the Call Option Deed

The Directors are of the view that by terminating the Agreement the Group can unlock its capital commitment in a project, where completion of such is currently not ascertainable, and free up its existing financial resources for other investment opportunities whilst at the same time, by acquiring the Call Option granted by the Vendor, the Group will retain a right to proceed with the acquisition of the Property from the Vendor at the same price at any time up to the first anniversary of the signing of the Call Option Deed as and when the Group considers appropriate.

As at the date of this announcement, the Group has only incurred an immaterial amount of expenses in connection with the transaction contemplated under the Agreement. In addition, the Group will be able to unlock its capital commitment after the termination of the Agreement thereby allowing the Group to have flexibility in utilizing the existing financial resources to invest in other projects when any suitable investment opportunities arise. Accordingly, the Board considers that the termination of the Agreement and the acquisition of the Option have no material adverse impact on the trading prospect and financial position of the Group.

The Board considers that the terms of the Termination Deed and the Call Option Deed are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP

The Company is an investment holding company. 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 highway.

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

Hong Kong, 28 June 2007

As at the date of this announcement, the members of the Board of Directors comprise Mr. Ma Kwok Hung, Warren, and Mr. Ho Chi Ho (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).