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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)

ANNOUNCEMENT

The Board announces that further to the notice of demand served by the Vendor, through its PRC lawyers, to the Purchaser on 30 September 2009 requesting the Purchaser to settle the Remaining Consideration and the Compensation by 31 October 2009, the Vendor has not yet received the respective payments from the Purchaser as scheduled under the Purchaser's previous postponement requests up to the date of this announcement and meanwhile, the Purchaser has made further requests to the Vendor for allowing it more time to settle the payment of the Remaining Consideration and the Compensation. Under this circumstance, the Vendor, having discussed with its PRC lawyers, has instructed its PRC lawyers to serve a final notice of demand to the Purchaser to demand payment of the Remaining Consideration together with the Compensation by 17 November 2009, beyond which the Vendor shall exercise its rights to terminate the Sale and Purchase Agreement and its rights thereunder, including but not limited to forfeiting the Deposit already paid by the Purchaser.

Shareholders and investors are reminded to exercise cautions when dealing in the shares of the Company.

Reference is made to the announcements of the Company dated 20 July 2009, 23 July 2009, 31 July 2009, 25 August 2009, 5 September 2009 and 30 September 2009 (collectively, the "Announcements") in relation to, inter alia, a discloseable transaction of the Company involving the disposal of the Sale Shares and the Sale Loan. Terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

Pursuant to the Sale and Purchase Agreement, the Consideration is RMB25,000,000 (equivalent to approximately HK\$ 28,345,000) payable by the Purchaser in two tranches. The first tranche of payment amounting to RMB2,500,000 (equivalent to approximately HK\$2,835,000) (the "Deposit") has been received by the Vendor. The remaining balance of the Consideration of RMB22,500,000 (equivalent to approximately HK\$25,510,000) (the "Remaining Consideration") was payable by the Purchaser to the Vendor on or before 31 July 2009 pursuant to the Sale and Purchase Agreement. As additional time was required by the Purchaser to arrange for the relevant payment, the Purchaser made requests on 31 July 2009, 25 August 2009, 5 September 2009 and 30 September 2009 that the time for payment of the

Remaining Consideration by the Purchaser to the Vendor be extended to a date falling on or before 31 October 2009 and the Purchaser further undertook to pay to the Vendor a compensation equivalent to 0.1% of the Remaining Consideration per day after 25 August 2009 (the “Compensation”), where all the other terms and conditions in the Sale and Purchase Agreement remain unchanged.

The Board announces that further to the notice of demand served by the Vendor, through its PRC lawyers, to the Purchaser on 30 September 2009 requesting the Purchaser to settle the Remaining Consideration and the Compensation by 31 October 2009, the Vendor has not yet received the respective payments from the Purchaser as scheduled under the Purchaser’s previous postponement requests up to the date of this announcement and meanwhile, the Purchaser has made further requests to the Vendor for allowing it more time to settle the payment of the Remaining Consideration and the Compensation. Under this circumstance, the Vendor, having discussed with its PRC lawyers, has instructed its PRC lawyers to serve a final notice of demand to the Purchaser to demand payment of the Remaining Consideration together with the Compensation by 17 November 2009, beyond which the Vendor shall exercise its rights to terminate the Sale and Purchase Agreement and its rights thereunder, including but not limited to forfeiting the Deposit already paid by the Purchaser.

The Disposal may or may not be completed. The Directors consider that the delay in payment by the Purchaser for the Remaining Consideration or possible non-completion of the Disposal will not have any material adverse impact on the trading and financial position of the Group. **Shareholders and investors are reminded to exercise cautions when dealing in the shares of the Company.**

Further announcement(s) will be made if and when appropriate in accordance with the Listing Rules.

By order of the Board
PREMIUM LAND LIMITED
Ho Chi Ho
Executive Director

Hong Kong, 2 November 2009

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

** For identification purposes only*