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China Gamma Group Limited

中國伽瑪集團有限公司

(formerly known as Premium Land Limited 上海策略置地有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 164)

TERMINATION OF DISPOSAL OF ENTIRE INTERESTS IN A SUBSIDIARY

Reference is made to the announcements of the Company dated 20 July 2009 and 23 July 2009 in relation to, inter alia, a discloseable transaction of the Company involving the disposal of the Sale Shares and the Sale Loan, and further announcements dated 31 July 2009, 25 August 2009, 5 September 2009, 30 September 2009 and 2 November 2009 in connection with the extension of time for settling the payment of the Remaining Consideration and the Compensation by the Purchaser.

The Board announces that further to the two notices of demand served by the Vendor, through its PRC lawyers, to the Purchaser on 30 September 2009 and 2 November 2009 respectively requesting the Purchaser to settle the Remaining Consideration and the Compensation by 17 November 2009, the Vendor has not yet received the respective payments from the Purchaser up to the Latest Time for Payment Settlement. Therefore, the Vendor, having taken advice from its PRC lawyers, decided to terminate the Sale and Purchase Agreement and instructed its PRC lawyers to serve relevant notice of termination on the Purchaser upon the expiry of the Latest Time for Payment Settlement. Furthermore, pursuant to the Sale and Purchase Agreement, the Deposit already paid by the Purchaser had been forfeited.

Reference is made to the announcements of the Company dated 20 July 2009 and 23 July 2009 in relation to, inter alia, a discloseable transaction of the Company involving the proposed disposal of the 90% of the entire issued share capital of Beijing Ju Din Yuen and the Sale Loan, and the further announcements dated 31 July 2009, 25 August 2009, 5 September 2009, 30 September 2009 and 2 November 2009 in connection with the extension of time for settling of payment of the Remaining Consideration and the Compensation by the Purchaser (collectively, the "Announcements"). 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. Notwithstanding that i) the Purchaser made requests in the past few months to the Vendor for allowing additional time to arrange for payment of the Remaining Consideration and a compensation equivalent to 0.1% of the Remaining Consideration per day after 25 August 2009 (the “Compensation”) as undertaken by the Purchaser to the Vendor; and ii) further to the two notices of demand served by the Vendor, through its PRC lawyers, to the Purchaser on 30 September 2009 and 2 November 2009 respectively requesting the Purchaser to settle the Remaining Consideration and the Compensation by 17 November 2009, the Vendor has not yet received the respective payments from the Purchaser up to 5:30 p.m. on 17 November 2009, the latest time set out in the final notice of demand served on the Purchaser by the Vendor through its PRC lawyers (the “Latest Time for Payment Settlement”). Therefore, the Vendor, having taken advice from its PRC lawyers, decided to terminate the Sale and Purchase Agreement and instructed its PRC lawyers to serve relevant notice of termination on the Purchaser upon the expiry of the Latest Time for Payment Settlement. Furthermore, pursuant to the Sale and Purchase Agreement, the Deposit already paid by the Purchaser had been forfeited. In the meantime, the Vendor will consider taking further legal actions against the Purchaser if appropriate.

After the termination of the Sale and Purchase Agreement, the Vendor remains the owner of 90% of the entire issued share capital of Beijing Ju Din Yuen. The Board considers that the termination of the Sale and Purchase Agreement does not have any material adverse effect on the overall trading and financial position of the Group.

By order of the Board
China Gamma Group Limited
Ho Chi Ho
Executive Director

Hong Kong, 17 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*