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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)

**DISCLOSEABLE TRANSACTION
IN RESPECT OF THE ACQUISITION OF
ENTIRE EQUITY INTEREST
IN COMPANIES WHICH HELD PROPERTIES AND
A LAND PARCEL IN CHONGQING, THE PRC**

THE ACQUISITIONS

The Board is pleased to announce that on 14 December 2007, Unique Gold, a wholly owned subsidiary of the Company, respectively entered into (i) the Acquisition Agreement I for acquiring the entire equity interest in Sunrise from Sunrise Vendors at a cash consideration of RMB45 million (equivalent to approximately HK\$47.37 million); and (ii) the Acquisition Agreement II for acquiring the entire equity interest in Feng Hong Ji from Feng Hong Ji Vendors at a cash consideration of RMB25 million (equivalent to approximately HK\$26.32 million). The principal asset of Sunrise and Feng Hong Ji are existing properties with gross floor area of approximately 9,700 sqm mainly for commercial use and car park slots, and a land parcel of approximately 7,000 sqm located at Yubei District, Chongqing, PRC, respectively.

* *for identification purposes only*

Sunrise Vendors and Feng Hong Ji Vendors are parties together engaged in the project of Town of Phoenix. Accordingly, Acquisition I and Acquisition II are taken into account in aggregate pursuant to Rule 14.22 of the Listing Rules and constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details of the Acquisitions will be despatched to the Shareholders as soon as possible in accordance with the Listing Rules.

Reference is made to the announcement of the Company dated 3 September 2007 in respect of the potential acquisition of Sunrise and Feng Hong Ji.

ACQUISITION AGREEMENT I

Date : 14 December 2007

Vendors : Sunrise Vendors, namely Zhuang Xu (莊旭) and Tang Mao (唐茂)

Purchaser : Unique Gold, a wholly owned subsidiary of the Company

Guarantor : the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Sunrise Vendors is Independent Third Party.

Assets to be acquired

Pursuant to the Acquisition Agreement I, Unique Gold conditionally agreed to acquire and Sunrise Vendors conditionally agreed to sell the entire equity interest in Sunrise, which was owned as to 51% by Zhuang Xu (莊旭) and 49% by Tang Mao (唐茂). The principal assets of Sunrise are the Properties. Details of the Properties has been set out under the section headed "Information on the Sunrise, Feng Hong Ji and Town of Phoenix" below.

Consideration

The total consideration for the Acquisition I is RMB45 million (equivalent to approximately HK\$47.37 million) in cash payable within 3 business days upon fulfillment of all conditions to the Acquisition Agreement I. The Sunrise Vendors are required to repay all the outstanding liabilities of Sunrise which amount to approximately RMB42.85 million.

The consideration for the Acquisition I was determined after arm's length negotiation between the parties to the Acquisition Agreement I with reference to, among others, the prospect of the project of Town of Phoenix having taken into account, among others, the likely asset appreciation as a result of the fast growing economy of Chongqing which is one of the main developing cities with high population density and the main door to the western PRC. The cash consideration will be financed by internal resources of the Group and banking facilities.

Conditions

Completion of the Acquisition Agreement I is conditional upon the fulfillment of the following conditions:

- (a) Sunrise Vendors having provided Unique Gold with a complete list of the total liabilities of Sunrise which shall be acknowledged by Unique Gold;
- (b) the Company having acquired all the necessary approvals in accordance with the Listing Rules in connection with the Acquisition Agreement I; and
- (c) the obtaining of relevant approvals from the relevant PRC government departments for the Acquisition Agreement I.

In the event that the above conditions are not fulfilled or waived within 6 months from the date of the Acquisition Agreement I or such other later date as may be agreed between Unique Gold and Sunrise Vendors, the Acquisition Agreement I shall forthwith be of no further effect.

ACQUISITION AGREEMENT II

Date : 14 December 2007

Vendors : Feng Hong Ji Vendors, namely Zhang Xue Ping (張雪萍) and Zhang Xue Mei (張雪梅)

Purchaser : Unique Gold, a wholly owned subsidiary of the Company

Guarantor : the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Feng Hong Ji Vendors is Independent Third Party.

Assets to be acquired

Pursuant to the Acquisition Agreement II, Unique Gold conditionally agreed to acquire and Feng Hong Ji Vendors conditionally agreed to sell the entire equity interest in Feng Hong Ji, which was owned as to 90% by Zhang Xue Ping (張雪萍) and 10% by Zhang Xue Mei (張雪梅). The principal asset of Feng Hong Ji is the Land. Details of the Land has been set out under the section headed “Information on Sunrise, Feng Hong Ji and Town of Phoenix” below.

Consideration

The total consideration for the Acquisition II is RMB25 million (equivalent to approximately HK\$26.32 million) in cash payable within 3 business days upon fulfillment of all the conditions to the Acquisition Agreement II. The consideration for the Acquisition II was determined after arm’s length negotiation between the parties to the Acquisition Agreement II with reference to, among others, the prospect of the project of Town of Phoenix having taken into account, among others, the likely asset appreciation as a result of the fast growing economy of Chongqing which is one of the main developing cities with high population density and the main door to the western PRC. The cash consideration will be financed by internal resources of the Group and banking facilities.

Conditions

Completion of the Acquisition Agreement II is conditional upon the fulfillment of the following conditions:

- (a) the Company having acquired all the necessary approvals in accordance with the Listing Rules in connection with the Acquisition Agreement II; and
- (b) the obtaining of relevant approvals from the relevant PRC government departments for the Acquisition Agreement II.

In the event that the above conditions are not fulfilled or waived within 6 months from the date of the Acquisition Agreement II or such other later date as may be agreed between Unique Gold and the Feng Hong Ji Vendors, the Acquisition Agreement II shall forthwith be of no further effect.

INFORMATION ON SUNRISE, FENG HONG JI AND TOWN OF PHOENIX

Information on Sunrise

Sunrise is an investment holding company incorporated in the PRC with limited liability, and is owned as to 51% by Zhuang Xu (莊旭) and 49% by Tang Mao (唐茂). The principal assets of Sunrise are the Properties.

Sunrise has recorded audited net loss before and after tax of (i) approximately RMB1.18 million and RMB1.33 million respectively for the year ended 31 December 2005; (ii) approximately RMB2.21 million and RMB2.26 million respectively for the year ended 31 December 2006; and (iii) approximately RMB2.54 million for the eight months ended 31 August 2007. The audited net liabilities of Sunrise was approximately RMB4.5 million as at 31 August 2007.

Information on Feng Hong Ji

Feng Hong Ji is an investment holding company incorporated in the PRC with limited liability, and is owned as to 90% by Zhang Xue Ping (張雪萍) and 10% by Zhang Xue Mei (張雪梅). The principal asset of Feng Hong Ji is the Land.

Feng Hong Ji has recorded audited net loss before and after tax of (i) approximately RMB0.03 million for the year ended 31 December 2005; (ii) approximately RMB0.84 million for the year ended 31 December 2006; and (iii) approximately RMB1.11 million for the eight months ended 31 August 2007. The audited net asset value of Feng Hong Ji was approximately RMB8.02 million as at 31 August 2007.

Information on Town of Phoenix

Town of Phoenix (in three phases) is a residential property development project in Yubei District, Chongqing, the PRC. It is located at a prime location in Yubei District with a distance of approximately 15 kilometres to the 重慶江北國際機場(Chongqing Jiangbei International Airport**) and approximately 6 kilometres to the Chongqing railway station. Town of Phoenix is also opposite to a rail transit station, which is expected to be in full operation in year 2010. Nearby Town of Phoenix, there are around 60 committee bureaus and municipal administration units. The project of Town of Phoenix developed by Sunrise and Feng Hong Ji in Yubei District is in parallel with the overall policy of the local district government on improving the functionality of the city and promoting the city development.

Phase I and Phase II

Phase I and Phase II were developed into middle to high-class residential properties and all the residential apartments were sold. In year 2005, Town of Phoenix was awarded by 中華人民共和國建設部 (Ministry of Construction of the People's Republic of China**) as 中國住宅創新奪標社區規劃示範樓盤 (Innovative Real Estate Development Project for Residential City Planning in China**), 全國人居經典樓盤 (National Classic Residential Real Estate Development Project**), and 重慶市十佳住宅小區 (Top Ten Residential Communities in Chongqing City**).

Through Acquisition I, the Company will acquire the Properties, being the remaining commercial properties which are mainly shops in Town of Phoenix and car park lots with a gross floor area of approximately 9,700 sqm. As at the date of this announcement, some of the Properties are being held for rental purpose. Based on the preliminary valuation carried out under direct comparison approach by the professional valuer, RHL Appraisal Ltd., a third party independent of the Company and its connected persons (as defined under the Listing Rules) appointed by the Company, the market value of the Properties is approximately RMB36.9 million as at 1 September 2007.

Phase III

Phase III is a land parcel of approximately 7,000 sqm, on which an above-ground gross floor area of approximately 35,000 sqm can be built for mainly residential purpose. The Land can be developed into residential properties with ancillary commercial shops, recreational facilities and car park lots.

Based on the preliminary valuation carried out under direct comparison approach by the professional valuer, RHL Appraisal Ltd., a third party independent of the Company and its connected persons (as defined under the Listing Rules) appointed by the Company, the market value of the Land is approximately RMB41.4 million as at 1 September 2007.

REASONS FOR THE ACQUISITIONS

The Group is mainly engaged in property development and sales, securities trading and investments, 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. In the second half of year 2007, the Group has already announced acquisition of property development projects in the capital, Beijing, the PRC. The Group will also continue to explore more business development opportunities in other fast growing 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 continuous high growth in its economy in the coming years. According to 重慶市國土資源和房屋管理信息網 (the website of Land Resources and Housing Administration Bureau of Chongqing City**) (www.cqgtfw.gov.cn), it is expected that the property price in Chongqing will be increased by about not more than 10% for the year 2007. The Directors believe that the Acquisitions are 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 one of the fast growing cities in the PRC.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisitions are normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Sunrise Vendors and Feng Hong Ji Vendors are parties together engaged in the project of Town of Phoenix. Accordingly, Acquisition I and Acquisition II are taken into account in aggregate pursuant to Rule 14.22 of the Listing Rules and constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

GENERAL

A circular containing, among other things, further details of the Acquisitions will be despatched to the Shareholders as soon as possible in accordance with the Listing Rules.

DEFINITIONS

“Acquisitions”	Acquisition I and Acquisition II
“Acquisition I”	the acquisition of Sunrise pursuant to the Acquisition Agreement I
“Acquisition II”	the acquisition of Feng Hong Ji pursuant to the Acquisition Agreement II
“Acquisition Agreement I”	the agreement dated 14 December 2007 entered into between the Sunrise Vendors, Unique Gold and the Company in relation to the Acquisition I
“Acquisition Agreement II”	the agreement dated 14 December 2007 entered into between the Feng Hong Ji Vendors, Unique Gold and the Company in relation to the Acquisition II
“Board”	the board of Directors
“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
“Director(s)”	the director(s) of the Company
“Feng Hong Ji”	重慶鳳弘吉實業有限責任公司 (Chongqing Feng Hong Ji Enterprise Company Limited)**, a company established in the PRC
“Feng Hong Ji Vendors”	Zhang Xue Ping (張雪萍) and Zhang Xue Mei (張雪梅), the vendors to the Acquisition Agreement II
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and connected persons of the Company
“Land”	a land parcel of approximately 7,000 sqm in Phase III located at Yubei District, Chongqing, PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Phase I”	Phase I of Town of Phoenix
“Phase II”	Phase II of Town of Phoenix
“Phase III”	Phase III of Town of Phoenix
“Properties”	properties in Phase I and Phase II with a gross floor area of approximately 9,700 sqm mainly for commercial use and car park lots located at Yubei District, Chongqing, PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunrise”	重慶旭日房地產開發有限公司 (Chongqing Sunrise Property Development Company Limited)**, a company established in the PRC
“Sunrise Vendors”	Zhuang Xu (莊旭) and Tang Mao (唐茂), the vendors to the Acquisition Agreement I
“Town of Phoenix”	Town of Phoenix (旭日•鳳凰城), comprising Phase I and Phase II and Phase III in Yubei District, Chongqing, PRC

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.
“sqm”	square metre

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

Hong Kong, 18 December 2007

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

As at the date of this announcement, the executive Directors are Mr. Ma Kwok Hung, Warren and Mr. Ho Chi Ho; the non-executive Director of the Company is 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. Tsang Kwong Chiu, Kevin.

For the purpose of this circular, unless otherwise specified, conversion of RMB into HK\$ is based on the approximate exchange rate of HK\$1.00 to RMB0.95. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been or could have been or may be exchanged at this or any other rates at all.