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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)

(I) MAJOR TRANSACTION
AND
(II) RESUMPTION OF TRADING

THE ACQUISITION

The Board is pleased to announce that on 24 October 2007, the Purchaser, the Company's wholly-owned subsidiary, entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire from the Vendor the entire equity interest in Winmax Asia at a total consideration of RMB433 million in cash and two Consideration Villas.

The principal asset of Winmax Asia will be the entire interest in JXRE which is the developer of a villa project in Beijing, the PRC.

IMPLICATIONS FROM THE LISTING RULES

The Acquisition constitutes a major transaction of the Company under the Listing Rules. The Company will, in compliance with the Listing Rules, convene the SGM to seek the approval of the Shareholders on the Acquisition. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any interest in the Acquisition and therefore no Shareholders are required to abstain from voting for the approval of the Acquisition at the SGM. A circular containing, amongst other things, further details of the Acquisition will be despatched to the Shareholders as soon as practicable.

** for identification purposes only*

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 25 October 2007 at the request of the Company pending the issue and publication 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 7 November 2007.

THE ACQUISITION AGREEMENT

Date 24 October 2007

Parties

Purchaser: Silver Wind International Limited, a wholly-owned subsidiary of the Company

Vendor: Stronway Development Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). The Vendor is an investment holding company and its ultimate beneficial owner is principally engaged in property development in Beijing, the PRC.

Subject asset

The entire equity interest in Winmax Asia which upon completion of the Transfer, being one of the conditions of the Acquisition Agreement, will hold the entire equity interest in JXRE, being the developer of the Beijing Villa Project.

Conditions

The Acquisition Agreement is subject to the following conditions:

- (i) the passing of relevant resolution at the SGM by the Shareholders for approving the Acquisition Agreement no later than 31 December 2007 (or such other dates as agreed by the Purchaser and the Vendor) subject to the Vendor having provided all the necessary information to the Purchaser in order for the Company to comply with the relevant disclosure requirements under the Listing Rules and to convene the SGM within the said timeframe;

- (ii) the Purchaser having been satisfied with its due diligence review on, amongst other things, Winmax Asia, JXRE and the Beijing Villa Project;
- (iii) the completion of the Transfer by the Vendor; and
- (iv) the articles of association of JXRE be amended to the effect that the members of the board of directors of JXRE to be appointed by Winmax Asia constituting such proportion of the board of JXRE that entitle Winmax Asia to have an effective control over all the material events (except where it is required under the PRC Laws that certain events need to be passed by all the board members).

All the conditions above (other than holding of the SGM for the passing, if thought fit, the Acquisition Agreement as required under the Listing Rules) can only be waived subject to a mutual agreement between the Vendor and the Purchaser.

In the event that conditions (iii) and (iv) above are not fulfilled by the end of three months after the Purchaser notifying the Vendor that condition (ii) has become unconditional which is expected to take place by mid November 2007 (or such other later date as may be agreed between the Purchaser and the Vendor), the Acquisition Agreement shall forthwith be of no further effect.

Consideration

The consideration for the Acquisition will be RMB433 million in cash and the two Consideration Villas.

The consideration was determined after arm's length negotiations between the Company and the Vendor with reference to the prospect of the Beijing Villa Project having taken into account, amongst other things, the prime location of site of the Beijing Villa Project, the scarcity of villa projects in the PRC property market and the profitability to be generated from the Beijing Villa Project in the coming anticipated prosperous years of the PRC (Please also refer to the section headed "Reasons for the Acquisition" in this announcement). The cash consideration will be financed by internal resources of the Group and bank financing. The Company may also consider conducting fund raising exercise to finance part of the cash consideration.

Cash Consideration

The cash consideration in the amount of RMB433 million shall be satisfied as to:

- (1) RMB20 million to be paid as earnest deposit (the “Deposit”) where RMB5 million thereof was paid to the Vendor on the business day after the date of the Acquisition Agreement and RMB15 million thereof have been escrowed with the escrow agent (the “Escrow Agent”) within the five business days after the date of the Acquisition Agreement and will be released to the Vendor upon condition (ii) of the Acquisition Agreement above has been fulfilled and applied by the Vendor for the sole purpose of settling part of the Liabilities which amount to approximately RMB260 million in total (subject to verification under the due diligence exercise conducted by the Purchaser);
- (2) RMB240 million to be paid upon fulfillment of all the conditions of the Acquisition Agreement for the sole purpose of settling the remaining balance of the Liabilities; and
- (3) RMB173 million to be paid to the Vendor after the Liabilities have been settled in full. In the event that the Liabilities exceed RMB260 million, then such balance of RMB173 million payable to the Vendor will be deducted dollar by dollar.

In respect of the procedures of the RMB240 million payment mentioned in (2) above, RMB173 million (the “Partial Payment”) out of the RMB240 million will firstly be arranged as a loan to JXRE for partially settling the Liabilities and the Purchaser will firstly take up 55% shareholding interest of Winmax Asia from the Vendor for such Partial Payment such that the Purchaser will obtain a controlling interest in the Beijing Villa Project to ensure that such Partial Payment be appropriately used for settling the Liabilities. Thereafter, the Vendor will procure Winmax Asia to apply for increase in its registered capital from relevant authority in PRC. The Purchaser will arrange the payment to the Vendor for further settling the remaining balance of the Liabilities of RMB67 million after the approval on the increase in registered capital of Winmax Asia has been procured.

In the event that the increase in registered capital of JXRE to be applied by the Vendor is not approved, it is at the sole discretion of the Purchaser on whether the Acquisition should be proceeded or terminated. In the event that the Purchaser determines to terminate the Acquisition, the Purchaser has a right to demand the Vendor to procure repayment of the Partial Payment within 3 months and the Deposit within 5 months, and where the Vendor fails to repay the Partial Payment within 3 months, then the Purchaser has a right to take up the balance of the 45% shareholding interest of Winmax Asia under the Acquisition Agreement and/or by

exercising the Purchaser's Call Option (at its sole discretion) granted to the Purchaser by the Vendor such that the Purchaser can procure sale of the entire interest of Winmax Asia by way of an auction (details of the arrangement to be agreed between the Vendor and the Purchaser) in 2 months, the proceeds of which will firstly be applied for repayment of the Partial Payment to the Purchaser and where the proceeds thereof is not sufficient for repayment of the Partial Payment, the Vendor is liable to repay the shortfall immediately. The Purchaser's Call Option serves to be an additional mechanism under which the Purchaser can acquire the rest of the 45% shareholding interest of Winmax Asia from the Vendor under the aforesaid circumstances, and such mechanism is exactly the same as the terms set out under the Acquisition Agreement.

In the event that the increase in the registered capital has been approved but the Purchaser does not fulfill its remaining payment obligations after taking up the 55% of the shareholding interest in Winmax Asia, then the Vendor has a right to take back the 55% shareholding interest of Winmax Asia from the Purchaser under the Acquisition Agreement and/or by exercising the Vendor's Call Option (at its sole discretion) notwithstanding that the Vendor is still obliged to repay the Partial Payment. The Vendor's Call Option serves to be an additional mechanism under which the Vendor can acquire back the 55% shareholding interest of Winmax Asia from the Purchaser under the aforesaid circumstances, and such mechanism is exactly the same as the terms set out under the Acquisition Agreement. For avoidance of doubt, the Vendor remains to be obliged to repay the Partial Payment.

Further announcements will be made upon the occurrence of either of the two above-mentioned circumstances including but not limited to the exercise of the Purchaser's Call Option or the Vendor's Call Option.

Consideration Villas

The Purchaser shall hand over two Consideration Villas (with a total gross floor area of 946 sqm and each of the Consideration Villas situated on a land of not less than 1.5 mu but without interior decoration) to the Vendor by 31 December 2009. Upon delivery of the two Consideration Villas, the Purchaser shall also provide the Vendor with a decoration compensation of RMB1 million for each of the Consideration Villas. 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 fair value of the Consideration Villas is approximately RMB23 million. The Consideration Villas will be built in Phase III of New Star Garden Villa, details of which has been set out in the sub-section headed "Beijing Villa Project" in this announcement.

INFORMATION ON WINMAX ASIA, JXRE AND THE BEIJING VILLA PROJECT

Winmax Asia

Winmax Asia, a company incorporated in Hong Kong on 14 June 2007 with limited liability, is wholly owned by the Vendor. Winmax Asia has no assets, save for HK\$1, being its issued share capital and does not have any operation as at the date of this announcement. Upon completion of the Transfer, Winmax Asia will hold the entire shareholding interest in JXRE.

JXRE

JXRE, a sino-foreign co-operative joint venture incorporated in Beijing, the PRC in 1993, has a registered capital of approximately US\$14.3 million and its entire equity interest is held by the foreign joint venture partner which together with the sino joint venture partner including their respective ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). JXRE is principally engaged in property development in the PRC and is being the developer of the Beijing Villa Project.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the sino joint venture partner of JXRE is principally engaged in property development and the foreign joint venture partner of JXRE is an investment holding company. The ultimate beneficial owner of the Vendor is the chairman of the foreign joint venture partner and save for being the sino joint venture partner of JXRE, the sino joint venture partner has no other relationship with the Vendor.

Based on its audited consolidated financial results, JXRE made a net loss of approximately RMB2.25 million before and after tax for the year ended 31 December 2006 and a net loss of approximately RMB5.55 million before tax and net loss of approximately RMB5.56 million after tax for the year ended 31 December 2005. As at 31 December 2006, JXRE has an audited net asset value of approximately RMB29.04 million.

Beijing Villa Project

JXRE has been engaged in the Beijing Villa Project which involves the development of residential villas, namely 新星花園別墅 (New Star Garden Villa**), in a total land area of approximately 121,700 sqm (with an additional greenbelt of approximately 480,000 sqm surrounding the site) with a total gross floor area of approximately 52,338 sqm.

The New Star Garden Villa is located at a prime location right off the Dong Wei Road Exit (5th) of the Beijing Capital Airport Expressway, in the midway between the Third Ring Road (approximately 9 km distance) and Beijing Capital Airport (approximately 11 km distance), in Beijing, the PRC, hence ones residing in the villa can reach the airport in about 10 minutes and the central business district in about 20 minutes.

The Beijing Villa Project comprises three phases (Phase I, Phase II and Phase III) and the Purchaser is effectively acquiring the Phase II and Phase III with a total gross floor area of 38,373 sqm (including clubhouse/community centre of approximately 5,311 sqm).

Phase I

The construction under the Phase I of the Beijing Villa Project was completed and the villas thereon with a total gross floor area of approximately 13,965 sqm were all sold in about 1998.

Phase II and Phase III

The principal construction under the Phase II of the Beijing Villa Project has almost been completed. The total gross floor area is approximately 12,359 sqm. There are 68 villas constructed thereon, of which approximately 67 villas have been registered as sold under provisional sale and purchase contracts. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, JXRE has failed to deliver the villas to the registered villa buyers in accordance to such provisional sale and purchase contracts and accordingly, it has resulted in liabilities of approximately RMB132 million (subject to verification under the due diligence review being performed by the Purchaser).

In order to proceed with the Acquisition, the Vendor has to procure the land and properties of Phase II and Phase III to be registered under the name of JXRE. The Vendor and JXRE are procuring the signing of the cancellation agreements from registered villa buyers of Phase II and up to the date of this announcement, more than 80% of them have already signed the cancellation agreements (subject to verification under the due diligence review being performed

by the Purchaser). In the event that all the cancellation agreements have not been procured by the end of the due diligence conducted by the Purchaser, one of the conditions of the Acquisition in respect of the satisfactory due diligence review will not be fulfilled. The liabilities relating to the reversal of the provisional sale and purchase contracts of approximately RMB132 million (subject to verification under the due diligence review being performed by the Purchaser) form part of the RMB260 million Liabilities and shall be settled out of the Cash Consideration. Up to the date of this announcement, the due diligence conducted by the Purchaser has not discovered any contingent liabilities arising as a result of such cancellation agreements.

The Phase III comprises a total gross floor area of approximately 20,415 sqm and remains undeveloped.

As at the date of the announcement, all the properties and land of both Phase II and Phase III are attached (查封) by the court in the PRC due to the incapability of JXRE on repaying liabilities. The Liabilities amount to approximately RMB260 million (subject to verification under the due diligence review being performed by the Purchaser) which shall be settled out of the Cash Consideration, and upon settlement of which all the properties and land of both Phase II and Phase III will be detached (解封). In normal practice, detachment (解封) will usually take place in about 3 months after full settlement of the Liabilities, subject to the procedures of the court in the PRC. It is one of the conditions of the Acquisition Agreement that the Purchaser has been satisfied with the due diligence results, which include but is not limited to verifying the amount of the Liabilities and the way of settlement of the Liabilities such that there will be no more liabilities after completion of the Acquisition and that all the properties and land of both Phase II and Phase III will be detached after settlement of the Liabilities. Preliminary results of the due diligence exercise being conducted by the professionals of the Purchaser including PRC lawyers and accountants will be highlighted in the shareholders' circular to be despatched. Apart from the Liabilities amounting to approximately RMB260 million (subject to verification under the due diligence review being performed by the Purchaser), the Group will not expose to any other major contingent liabilities arising from the Acquisition.

On the overall planning on the site of the New Star Garden Villa, it is the intention of the Purchaser that all the constructions under Phase II be demolished and the blueprint on the development of Phase II will be redone to cope with the development of Phase III and ancillary facilities including clubhouse. The Purchaser will propose to engage an internationally famous architect firm to proceed with the splendid design of the whole site. The demolishment and construction cost cannot be accurately estimated before finalisation of the blueprint for Phase II and Phase III.

REASONS FOR THE ACQUISITION

The Group is principally 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. In view that no more villa projects in the PRC will be granted under the overall policy of the central government of the PRC, the Directors consider that the Beijing Villa Project under the Acquisition is a scarce resource in the property development market in the PRC and anticipate that the property prices of villas, which are generally viewed as luxury products in economic terms, will continue to be on an upward trend especially under the momentum of the fast growing economy in the PRC. In addition, Beijing, being the capital of the PRC with high population density and playing a leading role in the economy of the PRC, is expected to attract substantial number of high net worth individuals which will likely support the demand for luxury living places such as villas. Given the prime location of the site of the Beijing Villa Project under the Acquisition, the Directors believe that there will be a strong demand for the villas to be built thereon and, if realised, will enable the Group to generate substantial profits. The Directors are also of the view that through the Acquisition, the Group will be able to strengthen its position as an active player in the property development and investment in the PRC.

The Directors consider that the terms of the Acquisition are in normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS FROM THE LISTING RULES

The Acquisition constitutes a major transaction of the Company under the Listing Rules. The Company will, in compliance with the Listing Rules, convene the SGM to seek the approval of the Shareholders on the Acquisition. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any interest in the Acquisition and therefore no Shareholders are required to abstain from voting for the approval of the Acquisition at the SGM. A circular containing, amongst other things, further details of the Acquisition will be despatched to the Shareholders as soon as practicable within the ambit of the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 25 October 2007 at the request of the Company pending the issue and publication 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 7 November 2007.

DEFINITIONS

The following words and phrases used in this announcement have the following meaning:

“Acquisition”	the acquisition by the Purchaser from the Vendor of the entire equity interest in Winmax Asia pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 24 October 2007 entered into between the Purchaser and the Vendor in relation to the Acquisition
“associate”	has the meaning ascribed to it in the Listing Rules
“Beijing Villa Project”	the villa project in Beijing, the PRC, being undertaken by JXRE
“Board”	board of Directors
“Cash Consideration”	RMB433 million, being the cash consideration of the Acquisition
“Company”	Premium Land Limited, a company incorporated in Bermuda whose securities are listed on the Main Board of the Stock Exchange
“Consideration Villas”	two of the villas to be given to the Vendor as part of the consideration for the Acquisition and which will be built in Phase III of New Star Garden Villa with total gross floor area of not more than 946 sqm where each of the Consideration Villas will be built on land of not less than 1.5 mu
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries

“JXRE”	北京建興房地產開發有限公司 (Beijing Jianxing Real Estate Development Co., Ltd.**), a Sino-foreign Co-operative Joint Venture incorporated in Beijing, the PRC
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Liabilities”	the total liabilities of approximately RMB260 million (subject to verification under the due diligence exercise being conducted by the Purchaser) relating to JXRE and the Beijing Villa Project which shall be settled out of the total consideration for the Acquisition to be paid by the Purchaser
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	Silver Wind International Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company
“Purchaser’s Call Option”	a call option granted on 24 October 2007 (being the same date of the Acquisition Agreement) by the Vendor to the Purchaser where the Purchaser can acquire the rest of 45% shareholding interest in the Winmax Asia at a price of HK\$1 in the event that the increase in registered capital of JXRE to be applied by the Vendor is not approved and the Purchaser determines to terminate the Acquisition and where the Vendor fails to repay the Purchaser the Partial Payment within 3 months thereafter
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened to approve, amongst other things, the Acquisition Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer”	the transfer of the entire equity interest of JXRE from the existing foreign partner to Winmax Asia
“Vendor”	Stronway Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor’s Call Option”	a call option granted on 24 October 2007 (being the same date of the Acquisition Agreement) by the Purchaser to the Vendor where the Vendor can acquire the 55% shareholding interest of Winmax Asia from the Purchaser at HK\$1 in the event that provided that the increase in registered capital of JXRE has been approved but the Purchaser fails to fulfill its remaining payment obligations (including the rest of the payment obligations under (2) and (3) under the sub-section headed “Cash Consideration” in the section headed “Acquisition Agreement” in this announcement) after taking up the 55% of the shareholding interest in Winmax Asia
“Winmax Asia”	Winmax Asia Investment Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by the Vendor
“US\$”	the lawful currency of the United States
“%” or “per cent”	percent
“sqm”	square meter
“mu”	a unit of area equivalent to approximately 666 sqm

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

Hong Kong, 6 November 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; 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 the purpose of this announcement, unless otherwise specified, conversion of (i) RMB into HK\$ is based on the approximate exchange rate of HK\$1.00 to RMB0.97; and (ii) US\$ to HK\$ is based on the approximate exchange rate of HK\$1.00 to US\$0.13. The exchange rates are for illustration purpose only and do not constitute a representation that any amounts have been or could have been or may be exchanged at these or any other rates at all.