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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Premium Land Limited, you should at once hand this circular to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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**

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23 October 2007

\*\* for identification purposes only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:–*

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Beijing Ju Din Yuen”	北京巨鼎源房地產開發有限公司 (Beijing Ju Din Yuen Property Development Company Limited)*, a company established in the PRC which is owned as to 90% by the Target Company and as to 10% by a PRC resident who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and its connected persons (as defined in the Listing Rules)
“Beijing Yo Luan”	北京友聯房地產開發有限公司 (Beijing Yo Luan Property Development Company Limited)*, a company established in the PRC which is wholly owned by Beijing Ju Din Yuen
“Board”	the board of Directors
“Company”	Premium Land Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Completion Date”	the first business day after all conditions precedent have been fulfilled or such other date as the Purchaser and the Vendor may agree in writing
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land situated in 北京市懷柔區懷柔鎮楊家園村 (Yang Jia Yuen Village, Huai Ro Town, Huai Ro District, Beijing, the PRC)*

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## DEFINITIONS

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“Latest Practicable Date”	17 October 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Sun Spread Group Limited, a wholly-owned subsidiary of the Company, incorporated in Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 September 2007 and entered into between the Purchaser and Vendor in connection with the Acquisition
“Sale Shares”	the entire registered capital of the Target Company
“Shares”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	北京德邦富策劃諮詢有限公司 (Beijing De Bang Fu Strategic Consultancy Company Limited)*, a limited liability company established in the PRC
“Target Group”	the Target Company and its subsidiaries including Beijing Ju Din Yuen and Beijing Yo Luan
“Vendor”	聶鵬飛 (Nie Peng Fei)*, a PRC citizen and a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company

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## DEFINITIONS

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“Village Committee”	北京懷柔區楊家園村村民委員會 (Village Committee of Yang Jia Yuen Village, Huai Ro Town, Huai Ro District, Beijing, the PRC)*
“HK\$”	Hong Kong dollars
“RMB”	Renminbi, the lawful currency of the PRC
“sqm”	square meter
“%”	per cents

\* *the English translations of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*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 RMB0.9669. 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.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Ma Kwok Hung, Warren

Mr. Ho Chi Ho

*Independent non-executive Directors:*

Mr. Wong Hoi Kuen, Edmund

Mr. Chan Chi Yuen

Mr. Chow Siu Ngor

*Registered Office:*

Clarendon House

Church Street

Hamilton HM11

Bermuda

*Principal Place of Business*

*in Hong Kong:*

Unit 3411, 34/F.

COSCO Tower

Grand Millennium Plaza

183 Queen's Road Central

Hong Kong

23 October 2007

*To the Shareholders*

Dear Sir or Madam,

## DISCLOSEABLE TRANSACTION

### INTRODUCTION

On 2 October 2007, the Board announced that on 28 September 2007, the Vendor and the Purchaser, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares for a total consideration of RMB2,000,000 (equivalent to approximately HK\$2,068,500). The consideration will be satisfied in cash on Completion. The purpose of this circular is to provide you with further details of the Acquisition and general information about the Group.

\*\* *for identification purposes only*

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## LETTER FROM THE BOARD

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### THE SALE AND PURCHASE AGREEMENT

Date: 28 September 2007

Parties:

*Vendor:* 聶鵬飛 (“Nie Peng Fei” in English for translation purpose), who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

*Purchaser:* Sun Spread Group Limited, a wholly-owned subsidiary of the Company

### Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares which constitute the entire issued share capital of the Target Company, namely 北京德邦富策劃諮詢有限公司 (“Beijing De Bang Fu Strategic Consultancy Company Limited” in English for translation purpose). Details of the Target Company has been set out in the section headed “INFORMATION ON THE TARGET GROUP” below.

### Consideration

The total consideration for the Acquisition is RMB2,000,000 (equivalent to approximately HK\$2,068,500) which was determined after arm’s length negotiations between the parties to the Sale and Purchase Agreement with reference to, amongst other things, the unaudited consolidated net assets of the Target Group of approximately RMB201,000 as at 31 August 2007. The consideration will be satisfied in cash on the Completion Date.

It is proposed that the total consideration of the Acquisition will be financed by the Company’s internal resources.

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## LETTER FROM THE BOARD

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### Conditions precedent

Completion of the Sale and Purchase Agreement is conditional upon the fulfillment of the following conditions:

- (a) the Purchaser being fully satisfied (in its sole and absolute discretion) with the results of the due diligence exercises on the assets, liabilities, operations and business of the Target Group to be carried out by the Company and/or its representatives;
- (b) issue of a PRC legal opinion (in form and substance satisfactory to the Purchaser), by a PRC legal counsel designated by the Purchaser in relation to the transactions contemplated under the Sale and Purchase Agreement;
- (c) the Vendor and the Purchaser having obtained all the necessary approvals and consents from their respective boards and shareholders;
- (d) the adoption of a new articles of association of the Target Company to register it into a wholly foreign owned enterprise;
- (e) The Target Company having obtained all the necessary approvals and consents from the relevant PRC authorities regarding the change of the Target Company from a limited liability company to a wholly foreign owned enterprise; and
- (f) there being no matter, fact or circumstances which constitutes or is likely to constitute any breach of the provisions or warranties given by the Vendor as set out in the Sale and Purchase Agreement.

The conditions are yet to be fulfilled up to the Latest Practicable Date.

### Completion

Completion shall take place on the first business day after all conditions (a) to (f) as set out in the paragraph headed "Conditions precedent" above have been fulfilled or waived (except for (d) and (e) are not waivable) or such other date as the Purchaser and the Vendor may agree in writing.

If any of the conditions has not been satisfied (or waived) at or before 12:00 noon on 31 January 2008 or such other date as may be agreed by the Purchaser, the Sale and Purchase Agreement shall cease or terminate, none of the parties to the Sale and Purchase Agreement shall have any obligations save for any antecedent breaches of the Sale and Purchase Agreement.



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## LETTER FROM THE BOARD

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### INFORMATION ON THE TARGET GROUP

#### *The Target Company and Beijing Ju Din Yuen*

The principal asset of the Target Company is the 90% shareholding interest in Beijing Ju Din Yuen whereas the principal asset of Beijing Ju Din Yuen is the entire shareholding interest in Beijing Yo Luan. Other than the holding of such principal assets, the Target Company has no other principal activities.

The Target Company was established on 20 July 2007 in Beijing in the PRC and had no revenue nor gross profits generated up to the Latest Practicable Date. Based on the unaudited consolidated management accounts of the Target Group as at 31 August 2007 provided by the Vendor, the Target Group has made a loss of approximately RMB100,000.

#### *Beijing Yo Luan*

Beijing Yo Luan is principally engaged in property development in the PRC. Beijing Yo Luan entered into a letter of intent with 北京市土地整理儲備中心懷柔區分中心 (Beijing Huai Ro District Land Reserve Centre) and an agreement with 北京市懷柔區懷柔鎮楊家園村村民委員會 (Village Committee of Yang Jia Yuen Village, Huai Ro Town, Huai Ro District, Beijing, the PRC) respectively, pursuant to which the Village Committee will provide the Land situated at 北京市懷柔區懷柔鎮楊家園村 (Yang Jia Yuen Village, Huai Ro Town, Huai Ro District, Beijing, the PRC), one of the fifteen villages with similar nature in Huai Ro District, with a site area of approximately 51,240 sqm and a proposed gross floor area of approximately 63,000 sqm (subject to final approval from the relevant government department), and Beijing Yo Luan will be responsible for the redevelopment of the Land (including relocation of the village residents on the Land) into a residential area with the compatibility of commercial services together with all the ancillary facilities and the provision of completed properties on the Land with a gross floor area of 31,000 sqm (out of the total gross floor area of approximately 63,000 sqm) for the original village residents on the Land, with the remaining gross floor area of approximately 32,000 sqm for commercial and residential purposes subject to acquisition of the full land use rights in respect of the Land. The development of the Land is at the early stage. It is anticipated that building and construction on the Land will commence in 2008 and be completed in 2009.

The land redevelopment project to be undertaken by Beijing Yo Luan is also known as the 1st level of development (一級開發). Such 1st level of development (一級開發) is expected to commence by the end of 2007 and be completed by the 1st quarter of 2008 and will normally involve relocation of original village residents, demolition of existing shabby houses, installation of land infrastructures including basic facilities such as roads, water pipes, drainage pipes, power cables, communication network, gas pipeline, heating pipes etc., and flattening the land for building constructions. Such 1st level of development (一級開發) is very encouraged by the local government which will reward the developer by providing various kinds of subsidies.

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## LETTER FROM THE BOARD

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After the 1st level of development has been completed, under the blueprint, Beijing Yo Luan will procure acquisition of the full land use rights of the Land and then commence 2nd level of development (二級開發) (expected to be completed by 2009), starting buildings construction with a GFA of approximately 31,000 m<sup>2</sup> returning to the original village residents for living and the remaining GFA of approximately 32,000 m<sup>2</sup> available for sale to the public for mainly residential use.

### 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. The Directors are of the view that the Acquisition will provide a good opportunity for the Group to further expand its business in Beijing, the capital of the PRC, and will enhance the Group's property investment and development projects portfolio in the PRC in the long run.

Huai Ro District, Beijing, the PRC is a place with high population density and a famous tourists spot. It takes less than 40 minutes travelling from Huai Ro District to the downtown of Beijing. Recently, the property prices in Huai Ro District in the second-hand market generally range from RMB4,500 per sqm to RMB6,500 per sqm. Under the project, Beijing Yo Luan will be responsible for the redevelopment of the Land and the provision of completed properties on the Land with a gross floor area of 31,000 sqm (out of the total gross floor area of approximately 63,000 sqm) for the original village residents on the Land, with the remaining gross floor area of approximately 32,000 sqm for commercial and residential purposes subject to acquisition of the full land use rights in respect of the Land. The land redevelopment project to be undertaken by the Target Group in Hua Ro District is in parallel with the overall policy of Huai Ro local government on improving the functionality of the city, promoting the city development and raising the living quality of residents. The Directors believe that such land redevelopment project will enable the Group to capitalise the benefits of the continuing robust economic development in Beijing.

The Directors consider that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECTS OF THE ACQUISITION

Upon completion of the Acquisition, the net asset of the Group will be increased by the net asset value of the Target Group while the cash and cash equivalent balances will be decreased to the extent of the consideration paid. There is no material impact on the Group's earnings upon completion of the Acquisition.

Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and its results (including the results of Beijing Ju Din Yuen and Beijing Yo Luan) will be consolidated into the results of the Group.

### GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the Appendix in this circular.

Yours faithfully,  
For and on behalf of the Board  
**Premium Land Limited**  
**HO, Chi Ho**  
*Executive Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the following Directors and chief executive of the Company were interested, or were deemed to be interested in the following long position in the Shares of the Company (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) adopted by the Company to be notified to the Company and the Stock Exchange:

Name of Directors	Personal interests	Corporate interests	Total interests	Total interests as % of the issued share capital	Total interests (including underlying in shares) as % of issued share capital
Ho Chi Ho	-	-	-	-	5,100,000 0.99%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company were interested, or were deemed to be interested, in long or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WITH NOTIFIABLE INTERESTS

So far as is known to the directors or chief executives of the Company, as at the Latest Practicable Date, the following persons (other than the Directors or chief executives of the Company) had an interest in the following long positions in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	Nature of Interests	Class of Shares	Number of Shares	Total interests as % of the issued share capital
Mega Market Assets Limited	Beneficial Owner	Ordinary	133,019,517	25.90%
Chan How Chung, Victor (“Mr. Chan”)	Held by controlled corporation	Ordinary	133,019,517	25.90%

*Note:* Mega Market Assets Limited, which directly owns 133,019,517 Shares is wholly owned by Mr. Chan. As at the Latest Practicable Date, Mr. Chan had a personal interest in 3,510,000 underlying Shares, representing 0.68% of the existing issued share capital of the Company.

Save as disclosed above, the Directors are not aware of any person who, as at the Latest Practicable Date, had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### 4. DIRECTORS’ SERVICE CONTRACTS

There is a service contract entered into between the Company and Mr. Ho Chi Ho (“Mr. Ho”), an executive Director. He is entitled to the salary package of HK\$78,000 per month, share options and discretionary bonus. This has been determined with reference to his duties and responsibilities with the Company, the Company’s current emolument policy and the market conditions. There is no fixed service period for Mr. Ho’s directorship in his service contract.

As at the Latest Practicable Date, save for the above, none of the Directors entered or proposed to enter into any service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

**5. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in, apart from the Group's businesses, any business which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

**6. LITIGATION**

In July 2005, the Company was notified by the Hong Kong Companies Registry that an annual return of Gold United International industries Limited ("Gold United"), a non-wholly owned subsidiary of the Company, filed in May 2005 ("May Annual Return") contained information, including information relating to members and directors of Gold United, which are significantly different from the original annual return that was presented by the Group on 29 April 2005.

On 13 July 2005, the Company filed a Writ of Summons against four persons (the "Defendants") seeking, amongst others, declarations by the court to effect that Winsky Management Limited, a wholly owned subsidiary of the Company, is the beneficial owner of 51% of the issued share capital of Gold United. The Defendants were those persons who purportedly filed the false information with the Hong Kong Companies Registry and/or were identified as members and directors in the May Annual Return and other documents. Gold United is an investments holding company holding 80% direct interest in 杭州恆運交通開發有限公司 ("Hangzhou Hengyun Traffic Development Co., Ltd." in English for translation purpose) ("HZHY"), which is engaged in the operation of a highway in the PRC.

The Writ of Summons was amended on 1 February 2006 and re-amended on 10 October 2006.

As at the Latest Practicable Date, the legal action is still proceeding and there is no significant development. Save for the deconsolidation of the financial results of Gold United and HZHY for the purpose of the financial statements of the Group for the year ended 31 March 2007 as disclosed in the Company's annual report 2007, the Directors are not aware of other financial impact to the Company arising from such litigation in the current stage.

Save as above, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

**7. GENERAL**

- (a) The qualified accountant of the Company is Mr. Cheung Yu Shum, Jenkin. He is a member of the American Institute of Certified Public Accountants.
- (b) The company secretary of the Company is Mr. Ma Kwok Hung, Warren. He is an associate member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.
- (c) The principal registrars of the Company is Butterfield Fund Services (Bermuda) Limited in Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and its branch registrars and transfer office in Hong Kong is Tricor Secretaries Limited in 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.