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PRIME INVESTMENTS HOLDINGS LIMITED

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 721)

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; PROPOSED OPEN OFFER IN THE PROPORTION OF FIVE OFFER SHARES FOR EVERY ONE SHARE HELD ON THE RECORD DATE; APPLICATION FOR WHITEWASH WAIVER AND RESUMPTION OF TRADING

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the SGM by Shareholders of an increase in its authorised share capital from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$300,000,000 divided into 30,000,000,000 Shares by creating an additional 28,000,000,000 unissued Shares.

PROPOSED OPEN OFFER

The Board also proposes to raise approximately HK\$200 million before expenses, by issuing 1,975,755,185 Offer Shares at the Subscription Price of HK\$0.101 per Offer Share by way of the Open Offer on the basis of five Offer Shares for every one Share held on the Record Date and payable in full upon acceptance. The Open Offer is only available to the Qualifying Shareholders and will not be available to the Prohibited Shareholders. To qualify for the Open Offer, Shareholders must be registered as a member of the Company on the Record Date and not be a Prohibited Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged for registration with the Registrar on or before 4:00 p.m. on 4 October 2007, being the Latest Lodging Date. The register of members for the Shares will be closed from 5 October 2007 to 12 October 2007, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

As at the date of the Underwriting Agreement, the Underwriter is the legal and beneficial owner of 68,181,818 Shares representing approximately 17.25% of the entire issued share capital of the Company. Pursuant to the Underwriting Agreement, the Open Offer will be fully underwritten by the Underwriter, on the terms and subject to the conditions set out in the Underwriting Agreement. Assuming all the Offer Shares have been fully allotted and issued to the Underwriter, the total shareholding of the Underwriter and the parties acting in concert with it after the Open Offer would amount to 1,975,755,185 Shares, representing approximately 83.33% of the entire issued share capital of the Company as enlarged by the Open Offer.

The Open Offer is subject to the satisfaction of certain conditions as described under the section headed “Conditions of the Open Offer”. In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” below) on or before the third Business Day following the Latest Acceptance Date. Accordingly, the Open Offer may or may not become unconditional and may or may not proceed. Investors’ attention is drawn to the section headed “Warning of the risks of dealing in Shares” below.

Shareholders and potential investors are advised to exercise caution when dealings in the Shares up to the date when the conditions of the Open Offer are fulfilled.

WHITEWASH WAIVER

In the event that upon completion of the Open Offer, no Qualifying Shareholders take up any Offer Shares, the Underwriter, as the underwriter of the Open Offer, will be required to subscribe for and take up all the Offer Shares that are not subscribed for under the Open Offer, which will result in the Underwriter holding 1,975,755,185 Shares representing approximately 83.33% of the entire issued share capital of the Company as enlarged by the Open Offer. The total shareholding of the Underwriter and parties acting in concert with it will increase from 68,181,818 Shares, representing approximately 17.25% of the entire issued share capital of the Company as at the date of this announcement, to 2,043,937,003 Shares, representing approximately 86.21% of the entire issued share capital of the Company as enlarged by the Open Offer. Accordingly, the underwriting by the Underwriter will trigger an obligation for the Underwriter and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already held by it and parties acting in concert with it. An application will be made by the Underwriter to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll. If the Whitewash Waiver is not granted by the Executive, the Open Offer will not proceed.

GENERAL

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Offer Shares.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 29 August 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 September 2007.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the SGM by Shareholders of an increase in its authorised share capital from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$300,000,000 divided into 30,000,000,000 Shares by creating an additional 28,000,000,000 unissued Shares.

PROPOSED OPEN OFFER

Issue statistics

Basis of the Open Offer:	Five Offer Shares for every one Share held on the Record Date
Subscription Price:	HK\$0.101 per Offer Share payable in fully upon acceptance
Number of Shares in issue as at the date of this announcement:	395,151,037 Shares
Number of Offer Shares:	1,975,755,185 Offer Shares, representing 500% of the existing issued share capital of the Company and representing 83.33% of the issued share capital of the Company as enlarged by the Open Offer. As the Underwriter has indicated that it will take up its assured entitlement, the number of Offer Shares available for underwriting shall be 1,634,846,095 Offer Shares

As at the date of this announcement, there were no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares.

Subscription Price

The Subscription Price for the Offer Shares is HK\$0.101 per Offer Share, payable in full when a Qualifying Shareholder accepts his/her/its assured entitlement under the Open Offer.

The Subscription Price represents:

- (i) a discount of approximately 86.53% to the closing price of HK\$0.75 per Share on the Last Trading Date;
- (ii) a discount of approximately 85.10% to the average closing price of HK\$0.678 per Share for the 5 consecutive trading days up to and including 29 August 2007, being the Last Trading Date;
- (iii) a discount of approximately 85.30% to the average closing price of HK\$0.687 per Share for the 10 consecutive trading days up to and including 29 August 2007, being the Last Trading Date;
- (iv) a discount of approximately 85.30% to the average closing price of HK\$0.687 per Share or the 30 consecutive trading days up to and including 29 August 2007, being the Last Trading Date; and
- (v) a discount of approximately 51.90% to the theoretical price of HK\$0.21 per Share based on the closing price of HK\$0.75 as quoted on the Stock Exchange on 29 August 2007, being the Last Trading Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the financial conditions of the Company, inter alia, as set out in the interim report for the period ended 31 December 2006, the Company recorded unaudited net liabilities of approximately HK\$4.3 million, as at 31 December 2006 and the Company recorded audited loss in the sum of approximately HK\$6.6 million and approximately HK\$2.6 million for the previous two financial years ended 30 June 2006 and 30 June 2005 respectively. The Group needs additional funds to finance its operations and business activities. In view of the recent financial conditions of the Group as mentioned above and taking into consideration of the theoretical price per Share, in order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors consider that the proposed discount of the Subscription Price is appropriate. Each Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the date on which the Prospectus is despatched;
- (ii) the passing by no later than the Prospectus Posting Date by the Independent Shareholders (or, where appropriate, Shareholders) at the relevant special general meeting of ordinary resolutions to approve:
 - (a) increase in the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$300,000,000 divided into 30,000,000,000 Shares by creating an additional 28,000,000,000 unissued Shares;
 - (b) the Open Offer by way of poll; and
 - (c) the Whitewash Waiver by way of poll;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (iv) the Executive granting the Whitewash Waiver to the Underwriter and parties acting in concert with it and the satisfaction of all conditions (if any) attached to the Whitewash Waiver;
- (v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the fully paid Offer Shares by no later than the Prospectus Posting Date;

- (vi) the Bermuda Monetary Authority granting consent to (if required) the issue of the Offer Shares by no later than the Prospectus Posting Date;
- (vii) the filing with the Registrar of Companies in Bermuda one copy of each of the prospectus documents duly signed by either all Directors or one of the Directors for and on behalf of all the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Companies Act on or before the Prospectus Posting Date;
- (viii) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement; and
- (ix) compliance with and performance of all the undertakings and obligations of the Underwriter under the terms of the Underwriting Agreement.

Save for conditions (viii) and (ix), the other conditions of the Open Offer are not waivable. If any of the conditions of the Open Offer are not fulfilled or (in respect of conditions (viii) and (ix) only) waived on or before the Latest Time for Termination (or such later time and/or date as the Company and the Underwriter may determine), neither the Company nor the Underwriter shall have any rights or be subject to any obligations arising from the Underwriting Agreement and the Open Offer will not proceed. As at the date of this announcement, the Company has no intention to waive condition (ix) of the Open Offer.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares in issue in all respects. Holders of such Offer Shares will be entitled to receive full future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully paid Offer Shares. Dealings in fully-paid Offer Shares will be subject to the payment of stamp duty in Hong Kong.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to Qualifying Shareholders and (ii) the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholder must be registered as a member of the Company on the Record Date and not be a Prohibited Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (with the relevant share certificate(s)) with the Registrar, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:00 p.m. on the Latest Lodging Date.

Closure of register of members

The Company's register of members will be closed from Friday, 5 October 2007 to Friday, 12 October 2007 (both dates inclusive), for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. The Board will make enquiries as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus.

The Company will send the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders (if any) and will not send any Application Form in respect of the assured allotment of the Offer Shares to the Prohibited Shareholders. However, so long as the Prohibited Shareholders are Independent Shareholders, they are entitled to cast their votes on the resolution(s) in relation to the Open Offer at the SGM.

Fractional entitlement to the Offer Shares

No fractional entitlements or allotments are expected to arise as a result of the Open Offer.

No application for excess Offer Shares

After arm's length negotiation with the Underwriter, the Company decided that the Qualifying Shareholders are not entitled to apply for any Offer Shares which are in excess of their assured entitlements. The Company also considers that the related administration costs would be lowered in the absence of excess applications.

Share certificates for the fully-paid Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for on or before the Latest Acceptance Date at their own risk.

Application for listing of the Offer Shares on the Stock Exchange

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the fully paid Offer Shares. The Offer Shares are expected to continue to be traded in the existing board lot of 10,000 Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in

the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Reasons for the Open Offer and the use of proceeds

The Company is an investment holding company and its principal subsidiaries are engaged in the holding of equity or equity-related investments and the provision of management services to the investee companies.

As set out in the interim report for the 6 months ended at 31 December 2006, the Company recorded an unaudited consolidated loss of HK\$1,671,899. Of the aggregate amount of approximately HK\$62 million net proceeds raised during the past 12 months, HK\$9 million has been used for settlement of liabilities of the Company.

In view of recent favourable economic growth and stock market performance, the Company intends to strengthen its financial position by the Open Offer, which will enable the Company to expand its capital base. In addition, the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company. The Directors therefore consider that the Open Offer is in the interests of the Company and the Shareholders as a whole.

The estimated net proceeds from the Open Offer will be approximately HK\$198.4 million (net of expenses of approximately HK\$1.6 million). The Board intends to apply the net proceeds for future investment opportunities in the PRC to achieve long-term capital appreciation of its assets primarily through equity and equity-related investments. As at the date of this announcement, the Company has not identified any specific investment targets.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 29 August 2007

Underwriter: China Water Investments Limited

The Underwriter is a company incorporated in the British Virgin Islands holding approximately 17.25% of the entire issued share capital of the Company as at the date of this announcement. Neither the Underwriter nor its ultimate beneficial owners is a Director or has nominated Director to the Board

Basis of the Open Offer: Five Offer Shares for every one Share held on the Record Date

Subscription Price: HK\$0.101 per Offer Share payable in fully upon acceptance

Number of Offer Shares underwritten: 1,634,846,095 Offer Shares. The Underwriter has indicated that it will take up all of its assured entitlements under the Open Offer

No commission will be payable to the Underwriter under the Open Offer, except that the Company will reimburse the Underwriter, if any, reasonable legal fees and other reasonable out-of-pocket expenses incurred by the Underwriter.

There are sufficient funds for the Underwriter to underwrite the Offer Shares in full.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

- (4) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of this announcement, the Prospectus Documents or other announcements or circulars in connection with the Open Offer.

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If the Underwriting Agreement is terminated by the Underwriter on or before the aforesaid deadline or does not become unconditional, the Open Offer will not proceed.

Assuming the Qualifying Shareholders do not take up their assured entitlements and all the Offer Shares taken up by the Underwriter, there will be a possible change in control of the Company after the Open Offer. In the circumstances, the Underwriter and the parties acting in concert with it will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code, and there will not be any changes in the business and management after the Open Offer.

WARNING OF THE RISK OF DEALING IN SHARES

The Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" above). Accordingly, the Open Offer may or may not proceed.

The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealings in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

The Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 3 October 2007 and that dealings in Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealings in the Shares up to the date on which all conditions to which the Open Offer is subject to are fulfilled (which is expected to be on Wednesday, 3 October 2007), will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed.

CHANGES IN SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately upon completion of the Open Offer are set out below for illustration purpose only:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Open Offer (Assuming no other Qualifying Shareholders take up their assured entitlements) <i>(Note 1)</i>		Immediately after completion of the Open Offer (Assuming all Qualifying Shareholders take up their assured entitlements)	
	No. of Shares held	Percentage shareholding	No. of Shares held	Percentage shareholding	No. of Shares held	Percentage shareholding
The Underwriter and parties acting in concert with it	68,181,818	17.25%	2,043,937,003 <i>(Note 2)</i>	86.21%	409,090,908	17.25%
Poly Good <i>(Note 3)</i>	89,142,857	22.56%	89,142,857	3.76%	534,857,142	22.56%
Sub-total:	157,324,675	39.81%	2,133,079,860	89.97%	943,948,050	39.81%
Public Shareholders	237,826,362	60.19%	237,826,362	10.03%	1,426,958,172	60.19%
Total:	<u>395,151,037</u>	<u>100%</u>	<u>2,370,906,222</u>	<u>100%</u>	<u>2,370,906,222</u>	<u>100%</u>

Notes:

- (1) If the shareholding of the Company held by public Shareholders is less than 25% before the close of the Open Offer, the Underwriter will arrange with a placing agent to place down the Underwriter's Shares to ensure that the number of Shares held by the public Shareholders will be more than 25% to comply with Rule 8.08 of the Listing Rules. Details of the placing down arrangement and mechanism will be disclosed in the circular to be despatched to the Shareholders pursuant to the Listing Rules. The Stock Exchange has indicated that if there is insufficient public float of the Shares by the latest time for the Open Offer to become unconditional, unless the Underwriter has entered into an irrevocable agreement with a placing agent to place down the Underwriter's Shares and restore the minimum public float before the publication of the announcement of the results of the Open Offer, it will revoke, if any, its grant of the listing of, and permission to deal in, the fully paid Offer Shares.

- (2) The 2,043,937,003 Shares (representing approximately 86.21% of the entire issued share capital of the Company immediately after completion of the Open Offer) represent the sum of (a) the 68,181,818 Shares currently held by the Underwriter, (b) the 340,909,090 Offer Shares, which are the assured entitlements of the Underwriter as a Shareholder under the Open Offer and (c) the 1,634,846,095 Shares representing the maximum number of Offer Shares which the Underwriter may have to take up pursuant to the Underwriting Agreement. As at the date of this announcement, save as the Underwriter, no other substantial Shareholders have indicated whether they will take up their assured entitlements under the Open Offer or not. This table assumes that all the substantial Shareholders will continue to hold the Shares up to and including the Record Date.
- (3) The entire issued share capital of Poly Good is beneficially owned by Mr. Chan Yan Ting, an executive Director. Mr. Chan, being the sole beneficial owner of Poly Good, is deemed to be a substantial Shareholder who is interested in the 89,142,857 Shares, representing approximately 22.56% of the existing entire issued share capital of the Company.

The Company will closely monitor its shareholding and if the shareholding of the Company held by public Shareholders is less than 25% before the close of the Open Offer, the Underwriter will arrange with a placing agent to place down the Underwriter's Shares to ensure that the number of Shares held by the public Shareholders will remain more than 25% to comply with Rule 8.08 of the Listing Rules upon the close of the Open Offer. The Company and the Underwriter have undertaken to the Stock Exchange to take appropriate steps to ensure restoration of the minimum public float at all times throughout the Open Offer.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

2007

Last day of dealings in the Shares on a cum-entitlement basis	Tuesday, 2 October
Commencement of dealings in the Shares on an ex-entitlement basis	Wednesday, 3 October
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:00 p.m. on Thursday, 4 October
Register of members closes (both dates inclusive)	Friday, 5 October to Friday, 12 October
Latest time for lodging forms of proxy for the SGM	11:00 a.m. on Wednesday, 10 October
SGM to be held	11:00 a.m. on Friday, 12 October
Announcement of the results of the SGM	by the latest 11:00 p.m. Friday, 12 October
Record Date	Friday, 12 October

Register of members reopens	Monday, 15 October
Despatch of Prospectus Documents	Monday, 15 October
Latest time for the payment for and acceptance of the Offer Shares	4:00 p.m. on Monday, 29 October
Latest time for the Open Offer to become unconditional	4:00 p.m. on Thursday, 1 November
Announcement of the results of the Open Offer	by the latest 11:00 p.m. Thursday, 1 November
Despatch of certificates for the Offer Shares	Monday, 5 November
Dealing in Offer Shares commences	Wednesday, 7 November

All times stated above refer to Hong Kong times. Dates stated in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Open Offer will be announced as appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR OFFER SHARES

The latest time for acceptance of and payment for Offer Shares will not take place if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 29 October 2007. Instead, the Latest Acceptance Date for the Offer Shares will be rescheduled to 12:00 noon on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 12:00 noon. If the Latest Acceptance Date for the Offer Shares does not take place on 29 October 2007, the dates mentioned in the section headed “Expected timetable” in this prospectus may be affected. An announcement will be made by the Company in such event.

FUNDS RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

During the past 12 months immediately preceding the date of this announcement, the Company has entered into the following agreements for fund raising activities:

- (1) subscription agreement dated 2 November 2005 between the Company and Poly Good. Pursuant to the subscription agreement, a total of 89,142,857 Shares were subscribed by Poly Good at HK\$0.09 per Share for the sum of HK\$8,000,000 in cash. The subscription was completed on 20 June 2007.

- (2) subscription agreement dated 11 January 2007 between the Company and Ms. Wu Bao Liu, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 6,000,000 Shares were subscribed by Ms. Wu Bao Liu at HK\$0.22 per Share for the sum of HK\$1,320,000 in cash.
- (3) subscription agreement dated 20 April 2007 between the Company and Ms. Lei Hio Lai, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 10,100,000 Shares were subscribed by Ms. Lei Hio Lai at HK\$0.22 per Share for the sum of HK\$2,222,000 in cash.
- (4) subscription agreement dated 11 January 2007 between the Company and Mr. Zhang Jian, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 1,000,000 Shares were subscribed by Mr. Zhang Jian at HK\$0.22 per Share for the sum of HK\$220,000 in cash.
- (5) subscription agreement dated 11 January 2007 between the Company and Mr. Sam Zhu, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 4,550,000 Shares were subscribed by Mr. Sam Zhu at HK\$0.22 per Share for the sum of HK\$1,001,000 in cash.
- (6) subscription agreement dated 11 January 2007 between the Company and Ms. Shen Lin, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 910,000 Shares were subscribed by Ms. Shen Lin at HK\$0.22 per Share for the sum of HK\$200,200 in cash.
- (7) subscription agreement dated 11 January 2007 between the Company and Ms. Wu Juan, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 2,980,000 Shares were subscribed by Ms. Wu Juan at HK\$0.22 per Share for the sum of HK\$655,600 in cash.
- (8) subscription agreement dated 20 April 2007 between the Company and GEV (Hong Kong) Limited, who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 27,100,000 Shares were subscribed by GEV (Hong Kong) Limited at HK\$0.22 per Share for the sum of HK\$5,962,000 in cash.
- (9) subscription agreement dated 20 April 2007 between the Company and Mr. Chen Kang, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 13,636,363 Shares were subscribed by Mr. Chen Kan at HK\$0.22 per Share for the sum of HK\$3,000,000 in cash.
- (10) subscription agreement dated 20 April 2007 between the Company and Mr. Li Xiao Ping, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 4,000,000 Shares were subscribed by Mr. Li Xiao Ping at HK\$0.22 per Share for the sum of HK\$880,000 in cash.

- (11) subscription agreement dated 20 April 2007 between the Company and Ms. Yang Li Fang, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 5,000,000 Shares were subscribed by Ms. Yang Li Fang at HK\$0.22 per Share for the sum of HK\$1,100,000 in cash.
- (12) subscription agreement dated 20 April 2007 between the Company and Mr. Liao Bo, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 4,550,000 Shares were subscribed by Mr. Liao Bo at HK\$0.22 per Share for the sum of HK\$1,001,000 in cash.
- (13) subscription agreement dated 20 April 2007 between the Company and Mr. Liu Qiu Sheng, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 1,363,636 Shares were subscribed by Mr. Liu Qiu Sheng at HK\$0.22 per Share for the sum of HK\$300,000 in cash.
- (14) subscription agreement dated 20 April 2007 between the Company and the Underwriter. Pursuant to the subscription agreement, a total of 68,181,818 Shares were subscribed by the Underwriter at HK\$0.22 per Share for the sum of HK\$15,000,000 in cash.
- (15) subscription agreement dated 20 April 2007 between the Company and Mr. Fung Cheuk Nang, Clement, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 31,818,182 Shares were subscribed by Mr. Fung Cheuk Nang, Clement at HK\$0.22 per Share for the sum of HK\$7,000,000 in cash.
- (16) subscription agreement dated 20 April 2007 between the Company and Upkeep Properties Limited, who and whose ultimate beneficial owner, Mr. Tam Wo Quan, are an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 25,000,000 Shares were subscribed by Upkeep Properties Limited, Clement at HK\$0.22 per Share for the sum of HK\$5,500,000 in cash.
- (17) subscription agreement dated 20 April 2007 between the Company and Mr. You Tao, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 25,909,090 Shares were subscribed by Mr. You Tao at HK\$0.22 per Share for the sum of HK\$5,700,000 in cash.
- (18) subscription agreement dated 20 April 2007 between the Company and Mr. Liu Wei Tao, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 10,000,000 Shares were subscribed by Mr. Liu Wei Tao at HK\$0.22 per Share for the sum of HK\$2,200,000 in cash.
- (19) subscription agreement dated 20 April 2007 between the Company and Mr. Chen Jian, who is an third party independent of the Company and its connected persons. Pursuant to the subscription agreement, a total of 15,909,091 Shares were subscribed by Mr. Chen Jian at HK\$0.22 per Share for the sum of HK\$3,500,000 in cash.

The net proceeds of all the above subscription agreements amounted to approximately HK\$62 million. As at the date of this announcement, out of such net proceeds approximately HK\$15 million was used to invest in mid-cap and small-cap listed securities in Hong Kong, approximately HK\$9 million was used to repay the then liabilities of the Company and the balance of approximately HK\$38 million was used as general working capital and the funding to invest in listed and unlisted companies established and/or doing business in the PRC with potential growth. Given that the Company is an investment holding company under Chapter 21 of the Listing Rules and is principally engaged in the holding of equity or equity-related investments and the provision of management services to the investee companies, the Company has actively sought for investment opportunities in the PRC. As at the date of this announcement, only approximately HK\$38 million is available for investment. The Company cannot invest in a large scale investment project and will limit the investment scope of the Company. The Directors consider additional fund raising is necessary in order to allow the Company to participate in large scale investments with better return.

LISTING RULES IMPLICATION

As the Open Offer will increase the issued share capital and the market capitalisation of the Company by more than 50%, within the 12 month period immediately preceding the date of this announcement, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by Independent Shareholders at the SGM and any controlling Shareholders and their associates shall abstain from voting in favour of the relevant resolutions relating to the Open Offer. Pursuant to Rule 7.26A(2) of the Listing Rules, since no excess application for the Offer Shares is available, the absence of excess application is also conditional on approval by the Independent Shareholders and any controlling Shareholders and their associates shall abstain from voting in favour of the relevant resolutions relating to the Open Offer. As there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting on the relevant resolution to approve the Open Offer at the SGM. Mr. Chan Yan Ting, being an executive Director and the ultimate beneficial owner of Poly Good which is interested in 89,142,857 Shares, Poly Good shall abstain from voting in favour of the relevant resolutions relating to the Open Offer.

The Underwriter, who is interested in 68,181,818 Shares, and its associates should also abstain from voting in favour of the relevant resolutions to approve the Open Offer at the SGM. Further details will be disclosed in a circular to be despatched to the Shareholders pursuant to the Listing Rules.

Pursuant to Rule 14A.31(3)(c) of the Listing Rules, the Underwriter, being a connected person, acting as the underwriter in accordance with the Underwriting Agreement, is exempt from all the reporting, announcement and Independent Shareholders' approval requirements.

UNUSUAL PRICE MOVEMENT

The Directors have noted the increases in both the price and trading volume of the Shares on 29 August 2007 and wish to state that the Directors are not aware of any reasons for such increases save as the entering into of the Underwriting Agreement between the Company and the Underwriter on 29 August 2007. Save as disclose, the Directors also confirm that there are no other negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter

discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

GENERAL

Pursuant to the Takeovers Code, the Whitewash Waiver is conditional on, among other things, the approval by the Independent Shareholders. The SGM will be held for the Independent Shareholders to consider and, if thought appropriate, approve the Whitewash Waiver. The Underwriter and the parties acting in concert with it, any parties who are involved or interested in the Open Offer and Whitewash Waiver will abstain from voting on the resolutions approving the Open Offer and the Whitewash Waiver at the SGM pursuant to the Takeovers Code and the Listing Rules. As there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates will abstain from voting in favour of the resolutions approving the Open Offer and the Whitewash Waiver at the SGM. The Underwriter and the parties acting in concert with it are beneficially interested in a total of 68,181,818 Shares, representing approximately 17.25% of the entire issued share capital of the Company as at the date of this announcement. The voting at the SGM will be taken by way of poll.

The Company has established an independent board committee comprising all non-executive Directors who are Mr. Lan Ning, Mr. Chan Yan Ting, Gordon, Dr. Chan Po Fun, Peter, Mr. Ding Xiaobin and Mr. Chan Wing Chung, and independent non-executive Directors namely Dr. Cheung Wai Bun, Charles, Mr. Zhang Yong and Mr. Gu Qiu Rong, to advise the Independent Shareholders as to whether the Open Offer and the terms of the Whitewash Waiver are fair and reasonable and whether the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, Grand Cathay has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Whitewash Waiver are fair and reasonable and whether the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

A circular including, among other things, details of (i) the increase in authorised share capital of the Company, (ii) the Open Offer, (iii) and the Whitewash Waiver, (iv) the recommendation of the Independent Board Committee in relation to the Whitewash Waiver, (v) a letter of advice from Grand Cathay to the Independent Board Committee and the Independent Shareholders in relation to and the Whitewash Waiver together with (vi) a notice convening the SGM to all Shareholders will be despatched to the Shareholders as soon as practicable.

The Prospectus Documents setting out details of the Open Offer and the Whitewash Waiver will be despatched to the Qualifying Shareholders as soon as practicable, subject to the conditions of the Open Offer being satisfied.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 29 August 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 September 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Application Form(s)”	the form(s) of application for use by the Qualifying Shareholders to apply for the Offer Shares
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda, as amended
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Prime Investments Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on the main board of Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Grand Cathay”	Grand Cathay Securities (Hong Kong) Limited, a licensed corporation under the SFO licensed to conduct type 1 (dealing in securities), type 6 (advising on corporate finance) and type 9 (asset management), regulated activities under the SFO, the independent financial adviser
“Group”	the Company and its subsidiaries

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee comprising all non-executive Directors namely Mr. Lan Ning, Mr. Chan Yan Ting, Gordon, Dr. Chan Po Fun, Peter, Mr. Ding Xiaobin and Mr. Chan Wing Chung, and independent non-executive Directors namely Dr. Cheung Wai Bun, Charles, Mr. Zhang Yong and Mr. Gu Qiu Rong, to advise the Independent Shareholders as to whether the Open Offer and the terms of the Whitewash Waiver are fair and reasonable and are in the interests of the Company and the Shareholders as a whole
“Independent Shareholders”	Shareholders who are not involved or interested in the Open Offer and Whitewash Waiver, and other than the Underwriter and the parties acting in concert with it and their respective associates and the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, who are required by the Takeovers Code and the Listing Rules to abstain from voting in respect of the resolution to approve the Open Offer and the Whitewash Waiver
“Latest Acceptance Date”	being 4:00 p.m. 29 October 2007 or such other date and/or time as the Underwriter and the Company may agree as the latest date for acceptance and payment in respect of provisional allotments and applications for excess under the Open Offer
“Latest Lodging Date”	being 4:00 p.m. 4 October 2007 or such other date and/or time as the Underwriter and the Company may agree as the latest time for lodging transfer of Shares in order to be qualified for the Open Offer
“Latest Time for Termination”	being 4:00 p.m. on the third Business Day after the Latest Acceptance Date or such other time as may be agreed between the Underwriter and the Company
“Last Trading Date”	29 August 2007, being the last trading day of the Shares prior to the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	1,975,755,185 Shares to be offered to the Qualifying Shareholders for subscription pursuant to the Open Offer

“Open Offer”	the proposed issue of Offer Shares on the basis of five Offer Shares for every one Share to Qualifying Shareholders by way of open offer on the terms to be set out in the Prospectus Documents
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not eligible to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) as shown on such register is(are) outside Hong Kong
“Poly Good”	Poly Good Group Limited, a substantial Shareholders holding 89,142,857 Shares, representing approximately 22.56% of the existing entire issued share capital of the Company as at the date of this announcement. The entire issued share capital of Poly Good is beneficially owned by Mr. Chan Yan Ting, an executive Director
“Prohibited Shareholders”	Overseas Shareholders, to whom the Directors, based on legal opinions provided by legal advisers and on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares
“PRC”	the Peoples’ Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	15 October 2007 or such later date as the Underwriter may agree in writing with the Company
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Prohibited Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	12 October 2007, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the Company’s Hong Kong branch share registrar

“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the increase in authorised share capital of the Company, the Open Offer and the Whitewash Waiver application
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.101 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	China Water Investments Limited, a company incorporated in the British Virgin Islands and is a substantial Shareholder, holding approximately 17.25% of the entire issued share capital of the Company as the date of this announcement
“Underwriting Agreement”	the underwriting agreement dated 29 August 2007 entered into between the Company and the Underwriter in relation to the Open Offer
“Whitewash Waiver”	a waiver from the obligation of the Underwriter and parties acting in concert with it to make a mandatory offer under Rule 26 of the Takeovers Code as a result of the acquisition of voting rights in the Company by virtue of the subscription of the Offer Shares by the Underwriter and parties acting in concert with it under the Open Offer and pursuant to the Underwriting Agreement pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code

“HK\$” Hong Kong dollars, the lawful currency for the time being of Hong Kong

“%” per cent.

By order of the Board
Prime Investments Holdings Limited
Wang Wen Xia
Executive Director / CEO

5 September 2007

As at the date of this announcement, the Board comprises Ms. Wang Wen Xia, Mr. Pong Po Lam, Paul and Mr. Wong Kwong Chi, Simon being the executive Directors, Mr. Lan Ning, Mr. Chan Yan Ting, Gordon, Dr. Chan Po Fun, Peter, Mr. Ding Xiaobin and Mr. Chan Wing Chung, Eric being the non-executive Directors and Dr. Cheung Wai Bun, Charles, Mr. Zhang Yong and Mr. Gu Qiu Rong being the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.