



PRIME INVESTMENTS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0721)

SUMMARISED ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2004

The Board of Directors (the “Board”) of Prime Investments Holdings Limited (the “Company”) is pleased to present the interim report and the unaudited condensed accounts of the Company and its subsidiaries (the Group”) for the six months ended 31 December 2004, together with the explanatory notes, as set out below:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Six months ended 31 December (unaudited)	
	Notes	2004 HK\$	2003 HK\$
TURNOVER		–	–
Administrative expenses		<u>(925,160)</u>	<u>(1,820,808)</u>
LOSS FROM OPERATING ACTIVITIES	3	(925,160)	(1,820,808)
Finance costs	4	<u>(62,879)</u>	<u>(216,904)</u>
LOSS BEFORE TAX		(988,039)	(2,037,712)
Tax	5	<u>–</u>	<u>–</u>
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS		(988,039)	(2,037,712)
Dividend	6	Nil	Nil

		Six months ended 31 December (unaudited)	
	<i>Notes</i>	2004 HK\$	2003 HK\$
Loss per share	7		
Basic		2.06 cents	4.91 cents
Diluted		N/A	N/A

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice No. (“SSAP”) 25 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. SEGMENT INFORMATION

The Group is principally engaged in the investment in listed and unlisted companies and all the investment decisions are made in Hong Kong SAR. Accordingly, no analysis of business segment is provided. No geographical analysis is presented as none of the Group’s turnover, results, assets and liabilities are attributable to markets outside the People’s Republic of China (the “PRC”) (including Hong Kong).

3. LOSS FROM OPERATING ACTIVITIES

The Group’s loss from operating activities is arrived at after charging:

	Six months ended 31 December (Unaudited)	
	2004 HK\$	2003 HK\$
Staff costs (excluding directors’ remuneration)		
Salaries and wages	148,267	93,720
Net pension scheme contributions	5,880	5,560
	154,147	99,280
Depreciation	9,867	50,138
Operating leases rentals on land and buildings	-	399,480

4. FINANCE COST

	Six months ended 31 December (Unaudited)	
	2004	2003
	HK\$	HK\$
Interest expenses on other loans	<u>62,879</u>	<u>216,904</u>

5. TAX

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits during the six months ended 31 December 2004 (2003: Nil).

6. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 31 December 2004 (2003: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the period attributable to shareholders of HK\$988,039 (2003: HK\$2,037,712) and the weighted average of 48,000,000 (2003:41,521,739) ordinary shares in issue during the period.

Diluted loss per share amounts for 2004 and 2003 has not been disclosed as no diluting events existed during these period.

INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 31 December 2004 (2003: Nil).

BUSINESS REVIEW

For the six months ended 31 December 2004, the Group reported a loss of approximately HK\$1.0 million (2003: HK\$2.0 million). This loss is mainly attributable to the operating expenses in Hong Kong.

Over the period under review, the general investment environment has improved, but the overall outlook is still uncertain. Although the economy of the region within which we operate has shown positive signs of recovery, other factors such as currency risk and political issues have brought negative impact, creating an uncertain picture in the year ahead.

The Group had not made any investments during the same period due to the lack of new capital for investment. Also, all the Group's existing investments are all in unlisted equities which are

long-term and illiquid in nature. For this reason, although the Hong Kong stock market marked a considerable recovery, the Group did not benefit from the stock market rally.

PROSPECT

The Group is consolidating its investments and tuning its financial position with an objective in minimizing losses which might arise from unsound investments, while strengthening investments with stable revenues.

During this year, the Group introduced strategic investors to join the management team to strengthen its leadership. Most of these investors have PRC background, and may inject profitable projects into the Group. We firmly believe that under the guidance of a capable management team, the Group will surely be able to record remarkable revenues in the coming year, leading our business back on track.

We believe Hong Kong has come through the worst. With the implementation of CEPA, the gradual deregulation of the mainland capital markets and the resulting increase in business activities and opportunities, we are optimistic that the economy and the stock market will recover at a hastened pace, and will benefit Hong Kong as a whole.

LIQUIDITY AND FINANCIAL POSITION

As at 31 December 2004, the Group had cash and bank balance of HK\$195 (31 December 2003: HK\$387,673). Most of the cash and bank balances were placed in Hong Kong dollar deposits with a bank in Hong Kong SAR.

FOREIGN CURRENCY FLUCTUATION

Since the Group mainly uses Hong Kong dollars to carry out its business transactions, the Group believes that foreign exchange risk is minimal. No foreign exchange forward contract was outstanding as at 31 December 2004 (2003: Nil).

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 December 2004, the Group employed a total of 3 employees. Total staff cost of the Group, excluding directors' remuneration, for the period amounted to HK\$148,267(2003:HK\$ 99,280). Employee's remuneration are fixed and determined with reference to the market rate.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial statements for the six months ended 31 December 2004. The Audit Committee, after reviewing the unaudited interim statements of the Group for the six months ended 31 December 2004, has expressed its concerns on the liquidity and profitability of the Group and has suggested ways to improve such liquidity and profitability. The Directors have explained to the Audit Committee that the Company is closely monitoring its financial position and will use its best efforts to improve the profitability and liquidity of the Group.

PUBLICATION OF FINANCIAL INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The Group's 2004 full interim results announcement which sets out all the information required under paragraphs 46(1) to 46(6) inclusive of Appendix 16 of the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>).

On behalf of the Board
Wang Wen Xia
CEO

Hong Kong SAR, 23 March 2005

As at the date of this announcement, the Board comprises Ms. Chiu Kam Hing, Kathy, Mr. Pong Po Lam, Paul, Ms. Ho Chiu King, Pansy, Mr. Wu Shenbin, Mr. Lan Ning and Ms. Wang Wen Xia being the executive Directors, Dr. Chan Po Fun, Peter and Mr. Ding Xiaobin 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.

Please also refer to the published version of this announcement in The Standard.