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## **PRIME INVESTMENTS HOLDINGS LIMITED**

*(incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
(Stock Code: 721)

### **COMPLETION OF THE SUBSCRIPTION COMPLETION OF THE NEW SUBSCRIPTIONS APPOINTMENT OF DIRECTORS AND RESUMPTION OF TRADING**

#### **Completion of the Subscription**

The Board is pleased to announce that all the conditions precedent to the Subscription Agreement have been fulfilled and completion of the subscription of 89,142,857 Subscription Shares by the Subscriber took place on 20 June 2007.

#### **Completion of the New Subscriptions**

The Board is pleased to announce that all the conditions precedent to each of the New Subscription Agreements (as supplemented by the New Subscription Supplemental Agreements) have been fulfilled and completion of the subscriptions of 258,008,180 New Subscription Shares by the New Subscribers took place on 21 June 2007.

#### **Appointment of Directors**

The Board is pleased to announce that Mr. Simon Wong has been appointed as an executive Director with effect from 29 June 2007. The Board is also pleased to announce that Mr. Gordon Chan and Mr. Eric Chan have been appointed as non-executive Directors with effect from 29 June 2007.

#### **Resumption of trading**

Trading in the shares of the Company was suspended with effect from 9:30 a.m. on 14 February 2005 at the request of the Company. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 3 July 2007.

Reference is made to the joint announcement of the Company and the Subscriber dated 17 February 2006, the circular of the Company dated 10 March 2006 (the “2006 Circular”) in relation to, among other things, the Subscription, and the announcements of the Company dated 29 May 2006, 31 August 2006, 31 October 2006, 29 December 2006 and 28 February 2007 in relation to extension of the long stop date of the Subscription Agreement, and the announcement of the Company dated 10 May 2007 and the circular of the Company dated 28 May 2007 (the “2007 Circular”) in relation to, among other things, the New Subscriptions. Terms used herein shall have the same meanings as defined in the 2006 Circular and the 2007 Circular.

## **COMPLETION OF THE SUBSCRIPTION**

The Board is pleased to announce that all the conditions precedent to the Subscription Agreement have been fulfilled and completion of the subscription of 89,142,857 Subscription Shares by the Subscriber took place on 20 June 2007.

The Directors confirm that the negotiation with the Subscriber for the Subscription commenced in about August 2005. In view of the Group’s then financial position (with recorded current asset of approximately HK\$0.08 million, current liabilities of approximately HK\$4.53 million, and net current liabilities of approximately HK\$4.45 million as at 30 June 2005), the Subscriber advanced HK\$400,000 to the Company on 26 September 2005 as earnest monies for negotiation of the Subscription. The Company issued a receipt to acknowledge that the Company had received such earnest monies for the purpose of the subscription of new Shares from the Subscriber prior to entering into the Subscription Agreement. The Subscription Agreement was entered into on 2 November 2005 and the above advance was subsequently set off against the total subscription price under the Subscription Agreement. The Directors confirm that the entire subscription monies for the Subscription have been received by the Company up to the date of this announcement.

As (i) the Subscriber did not hold any Shares and did not have any management role in the Group until the Completion; and (ii) the advance as early payment of the subscription monies would not affect the validity of the Subscription Shares, the Directors consider the payment arrangement immaterial for the Shareholders to make their decisions at the extraordinary general meeting dated 3 April 2006.

## **COMPLETION OF THE NEW SUBSCRIPTIONS**

The Board is pleased to announce that all the conditions precedent to each of the New Subscription Agreements (as supplemented by the New Subscription Supplemental Agreements) have been fulfilled and completion of the subscriptions of 258,008,180 New Subscription Shares by the New Subscribers took place on 21 June 2007.

A loan agreement was entered into between the Company (as the borrower), New Subscriber 10 (as the lender) and Mr. Lan Ning (as guarantor, a non-executive director of the Company) on 8 March 2006, pursuant to which New Subscriber 10 agreed to lend HK\$200,000 (the “Loan”) to the Company for a term of 6 months bearing an annual interest rate of 10%. The Loan was overdue and the Company has verbally agreed with the New Subscriber 10 that the Loan and the relevant interests will be used to set off against the subscription monies as required under New Subscription Agreement 10. The verbal agreement was subsequently recognized by a confirmation letter signed between the Company and New Subscriber 10

dated 23 June 2007 that the period of the Loan was extended and the principal and interest of HK\$215,600 have been used and repaid as subscription money for the New Subscription Agreement 10.

In view of the Group's then financial position (with recorded current asset of approximately HK\$0.40 million, current liabilities of approximately HK\$9.62 million, and net current liabilities of approximately HK\$9.22 million as at 30 June 2006), the Group had further negotiated with certain potential investors for placing of new Shares since October 2006 and some New Subscribers verbally agreed to advance monies to finance the Group's operation from November 2006 to January 2007 prior to the entering into the relevant New Subscription Agreements to reflect their interest in the placing of new Shares details of which are as follows:

	<b>Date of money advanced</b>	<b>Date of the relevant New Subscription Agreements entered</b>	<b>Amount advanced</b>
New Subscriber 1	15 November 2006	11 January 2007	HK\$500,000
New Subscriber 4	19 December 2006	11 January 2007	HK\$100,000
New Subscriber 5	20 December 2006	11 January 2007	HK\$20,000
New Subscriber 6	12 December 2006 and 8 January 2007	20 April 2007	HK\$600,000 and HK\$1,000,000
New Subscriber 9	27 December 2006	20 April 2007	HK\$40,000

The Company issued receipts to each of the New Subscribers above upon the receipt of such monies to acknowledge that the Company had received their earnest monies for the purpose of the subscription of new Shares prior to entering into the relevant New Subscription Agreements. The relevant New Subscribers have an understanding with the Company that the above advances were used to set off against the total subscription prices under the relevant New Subscription Agreements at the time of money advanced. Each of the relevant New Subscribers issued a written confirmation dated 27 June 2007 to the Company confirming the above arrangement.

All subscription monies for the New Subscriptions (save for HK\$15,600 which was set off by the interest arisen from the Loan due to New Subscriber 10) have been received by the Company up to the date of this announcement.

As (i) the New Subscribers did not hold any Shares until the completion of the New Subscriptions and did not have any management role in the Group; and (ii) the Loan/ advances as early payment of the subscription monies would not affect the validity of the New Subscription Shares, the Directors consider the payment arrangement immaterial for the Shareholders to make their decisions at the special general meeting dated 12 June 2007.

## CHANGES IN SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before the Completion and completion of the New Subscriptions, after the Completion but before completion of the New Subscriptions, and after the Completion and completion of the New Subscriptions is set out below:

	Immediately before the Completion and completion of the New Subscriptions		After the Completion but before completion of the New Subscriptions		After the Completion and completion of the New Subscriptions	
	Shares	%	Shares	%	Shares	%
Advance Elite						
Holdings Limited	8,500,000	17.71	8,500,000	6.20	8,500,000	2.15
Subscriber	–	–	89,142,857	65.00	89,142,857	22.56
New Subscriber 13	–	–	–	–	68,181,818	17.25
Public:						
Existing Shareholders	39,500,000	82.29	39,500,000	28.80	39,500,000	10.00
New Subscriber 1	–	–	–	–	6,000,000	1.52
New Subscriber 2	–	–	–	–	10,100,000	2.56
New Subscriber 3	–	–	–	–	1,000,000	0.25
New Subscriber 4	–	–	–	–	4,550,000	1.15
New Subscriber 5	–	–	–	–	910,000	0.23
New Subscriber 6	–	–	–	–	27,100,000	6.86
New Subscriber 7	–	–	–	–	13,636,363	3.45
New Subscriber 8	–	–	–	–	4,000,000	1.01
New Subscriber 9	–	–	–	–	5,000,000	1.27
New Subscriber 10	–	–	–	–	2,980,000	0.75
New Subscriber 11	–	–	–	–	4,550,000	1.15
New Subscriber 12	–	–	–	–	1,363,636	0.35
New Subscriber 14	–	–	–	–	31,818,182	8.05
New Subscriber 15	–	–	–	–	25,000,000	6.33
New Subscriber 16	–	–	–	–	25,909,090	6.56
New Subscriber 17	–	–	–	–	10,000,000	2.53
New Subscriber 18	–	–	–	–	15,909,091	4.03
	<u>39,500,000</u>	<u>82.29</u>	<u>39,500,000</u>	<u>28.80</u>	<u>229,326,362</u>	<u>58.04</u>
Total	<u>48,000,000</u>	<u>100%</u>	<u>137,142,857</u>	<u>100%</u>	<u>395,151,037</u>	<u>100%</u>

## **APPOINTMENT OF DIRECTORS**

The Board is pleased to announce that Mr. Simon Wong has been appointed as an executive Director with effect from 29 June 2007. The Board is also pleased to announce that Mr. Gordon Chan and Mr. Eric Chan have been appointed as non-executive Directors with effect from 29 June 2007.

Mr. Simon Wong, aged 55, is the General Partner of Asian Global Capital and also sits on the boards of several listed companies during the last three years, including non-executive director of Hang Fung Gold Technology Limited, independent non-executive director of Fountain Set (Holdings) Limited and independent non-executive director of Glory Mark Hi-Tech (Holdings) Ltd. He has extensive experience in the capital investment market. Mr. Simon Wong holds a Bachelor degree in Science and a Master degree in Business Administration from the Chinese University of Hong Kong. Mr. Simon Wong served as the Chairman of Hong Kong Venture Capital and Private Equity Association, the Vice Chairman of The Hong Kong Electronic Industries Association, and the Vice President of Hong Kong Auto Parts Industry Association. He is now a Member of Financial Services Advisory Committee and an Advisory Committee on the Promotion of Innovation & Technology through the Hong Kong Platform of Hong Kong Trade Development Council, Member of Hong Kong Young Industrialists Council, Committee Member of Federation of Hong Kong Machinery & Metal Industries and Vice President of Hong Kong Critical Components Manufacturers Association. Mr. Simon Wong does not have any interest in the securities of the Company within the meaning of Part XV of the SFO. Mr. Simon Wong does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. Mr. Simon Wong has entered into a service contract with the Company commencing on 29 June 2007 for a term of three years but he will be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company and the service contract is determinable by three months written notice to be served by either party. In light of the current financial position of the Company, Mr. Simon Wong agreed that no director's fee or emoluments of any kind will be payable to Mr. Simon Wong. Should director's emoluments be considered appropriate for Mr. Simon Wong in the future, Mr. Simon Wong's emoluments shall be determined and reviewed by the Remuneration Committee from time to time with reference to the prevailing market conditions and the financial position of the Company. Being one of the members of the Board upon appointment, Mr. Simon Wong will assist in identifying potential investments and make investment decision for the Company.

Save as disclosed above, Mr. Simon Wong confirms that there is no other matter that needs to be brought to the attention of the Board and shareholders of the Company in connection with his appointment and there is no information which is required to be disclosed pursuant to any of the requirements of Listing Rule 13.51(2)(h) to 13.51(2)(v).

Mr. Gordon Chan, aged 51, has extensive experience in automobile industry of the PRC, including the manufacture, sale and trading of automotive parts and components worldwide. Mr. Gordon Chan's businesses cover many regions of the PRC, and his business counterparts include well-known multinational and PRC automobile brands. Mr. Gordon Chan holds many public posts in Hong Kong and the PRC with respect to automobile industry, including but not

limited to panel member of Hong Kong Automotive Parts and Components Research and Development Commission of HKSAR Innovation and Technology Commission\* (香港特區政府創新科技署“香港汽車零部件研究發展中心”委員會), panel member of the PRC Affairs Division of Hong Kong Trade Development Council\* (香港貿易發展局中國事務委員會), chairman of Automotive Parts and Components Division of Hong Kong Productivity Council\* (香港生產力促進局－香港汽車零部件工業協會), permanent honor chairman of International Automobile Engineers Institution – Hong Kong\* (國際汽車工程師學會－香港), deputy chairman of Foreign Investment Commission of Qingyuan, Guangdong Province\* (廣東省清遠市外商投資企業協會). Mr. Gordon Chan does not engage in any business that is directly or indirectly competing with the Group. Mr. Gordon Chan has not hold any directorship in other listed public companies during the last three years and he does not have experience in professional management of investments on behalf of third party investors. Mr. Gordon Chan wholly and beneficially owned and is the sole director of the Subscriber and is therefore deemed to be interested in 89,142,857 Shares of the Company upon Completion. The Subscriber is an investment holding company incorporated in British Virgin Islands. Save for entering into the Subscription Agreement, the Subscriber has not carried out any business activities since its incorporation. Saved as disclosed, Mr. Gordon Chan does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO. Except for being the father of Mr. Eric Chan, the non-executive Director of the Company, Mr. Gordon Chan does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. Mr. Gordon Chan has entered into a service contract with the Company commencing on 29 June 2007 for a term of three years but he will be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company and the service contract is determinable by three months written notice to be served by either party. In light of the current financial position of the Company, Mr. Gordon Chan agreed that no director's fee or emoluments of any kind will be payable to him.

Save as disclosed above, Mr. Gordon Chan confirms that there is no other matter that needs to be brought to the attention of the Board and shareholders of the Company in connection with his appointment and there is no information which is required to be disclosed pursuant to any of the requirements of Listing Rule 13.51(2)(h) to 13.51(2)(v).

Mr. Eric Chan, aged 24, graduated from the University of Edinburgh with a master degree of economics and accounting. Mr. Eric Chan currently works for a private company based in Hong Kong as a marketing executive and is responsible for liaison with clients, following up customers' orders and developing new clients. He is the son of Mr. Gordon Chan. Mr. Eric Chan does not engage in any business that is directly or indirectly competing or expected to compete with the Group. Mr. Eric Chan has not hold any directorship in other listed public companies during the last three years, and he does not have experience in professional management of investments on behalf of third party investors. Save as being the son of Mr. Gordon Chan, Mr. Eric Chan does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company and Mr. Eric Chan does not have any interest in the securities of the Company within the meaning of Part XV of the SFO. Mr. Eric Chan has entered into a service contract with the Company commencing on 29 June 2007 for a term of three years but he will be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company and the service contract is determinable by three months written notice to be served by either party. No director's fee or emoluments of any kind will be payable to Mr. Eric Chan.

Save as disclosed above, Mr. Eric Chan confirms that there is no other matter that needs to be brought to the attention of the Board and shareholders of the Company in connection with his appointment and there is no information which is required to be disclosed pursuant to any of the requirements of Listing Rule 13.51(2)(h) to 13.51(2)(v).

In order to retain more resources for the development of the Group's business, the Directors consider it not an appropriate timing to decide the emoluments for Mr. Simon Wong, Mr. Gordon Chan and Mr. Eric Chan. Further announcement(s) will be made by the Company should the emoluments for Mr. Simon Wong, Mr. Gordon Chan and Mr. Eric Chan are known. The Board would like to express its warmest welcome to Mr. Simon Wong, Mr. Gordon Chan and Mr. Eric Chan in joining the Board.

## **RESUMPTION OF TRADING**

Trading in the shares of the Company was suspended with effect from 9:30 a.m. on 14 February 2005 at the request of the Company. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 3 July 2007.

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

Hong Kong, 29 June 2007

\* *for identification purpose only*

*As at the date of this announcement, the Board comprises Ms. Wang Wen Xia and Mr. Pong Po Lam, Paul and Mr. Wong Kwong Chi, Simon being the Executive Directors, Mr. Lan Ning, Dr. Chan Po Fun, Peter, Mr. Ding Xiaobin, Mr. Chan Yan Ting, Gordon 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.*