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PRIME INVESTMENTS HOLDINGS LIMITED

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

(Stock Code: 721)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

RESULTS

The board of directors (the "**Board**") of Prime Investments Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiary companies (collectively referred to as the "**Group**") for the year ended 30 June 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2008

	Notes	**2008** *HK$*	2007 *HK$*
Dividend income		**171,506**	–
Interest income		**2,929,623**	–
Realised gains on disposal of financial assets at fair value through profit or loss	4	**11,457,296**	–
Unrealised losses on financial assets at fair value through profit or loss	4	**(11,219,782)**	–
Other income		**1,254**	76,000
Impairment of available-for-sale financial assets	4	**(7,950,000)**	–
Administrative expenses		**(9,778,531)**	(3,456,740)
Operating loss		**(14,388,634)**	(3,380,740)
Finance costs	5	**(22,403)**	(147,651)
Loss before taxation	6	**(14,411,037)**	(3,528,391)
Taxation	7	**(86,994)**	–
Loss attributable to the equity holders of the Company	8	**(14,498,031)**	(3,528,391)
Loss per share	9		
Basic		**(1.31) cents**	(6.11) cents
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	2008	2007
	HK$	*HK$*
Non-current assets		
Property, plant and equipment	**211,910**	45,465
Available-for-sale financial assets	**33,571,905**	6,500,000
	33,783,815	6,545,465
Current assets		
Financial assets at fair value through profit or loss	**56,199,890**	–
Amount due from a shareholder	**19,110**	19,110
Prepayments, deposits and other receivables	**825,848**	224,276
Cash and cash equivalents	**180,817,111**	59,691,003
	237,861,959	59,934,389
Current liabilities		
Other loans	**–**	1,920,000
Other payables and accruals	**578,820**	2,050,747
Amounts due to directors	**–**	3,587,996
Amount due to a related company	**43,349**	330,000
Tax payable	**86,994**	–
	709,163	7,888,743
Net current assets	**237,152,796**	52,045,646
Net assets	**270,936,611**	58,591,111
Capital and reserves		
Share capital	**24,835,340**	3,951,510
Reserves	**246,101,271**	54,639,601
Total equity	**270,936,611**	58,591,111
Net asset value per share	**10.9 cents**	14.8 cents

NOTES

1. Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which also included Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention except for revaluation of certain of available-for-sale financial assets and financial assets at fair value through profit or loss that are stated at their fair values.

2. Changes in accounting policies

The HKICPA issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, Financial instruments: Disclosures and the amendment to HKAS 1, Presentation of financial statements: Capital disclosures, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements included expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group and the Company have not early adopted the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 &1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Share-based Payment-Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 12	Service Concession Arrangements[3]
HK(IFRIC) – Int 13	Customers Loyalty Programmes[4]
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]
HK(IFRIC)- Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)- Int 16	Hedges of a Net Investment in a Foreign Operation[5]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2008
[5] Effective for annual periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the applications of the new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

3. Segment information

The Group is principally engaged in the investment in listed and unlisted companies. Accordingly, no analysis of segmental information by principal activity is presented. No geographical analysis is presented as none of the Group's turnover, results, assets and liabilities are attributable to markets outside the PRC (including Hong Kong).

4. Gains and losses on investments

	Group 2008 HK$	2007 HK$
Sale proceeds from securities held for trading	**86,065,182**	–
Less: costs of securities disposed	**(74,607,886)**	–
Realised gains on disposal of financial assets at fair value through profit or loss	**11,457,296**	–
Unrealised losses on financial assets at fair value through profit or loss	**(11,219,782)**	–
Impairment of available-for-sale financial assets	**(7,950,000)**	–
Total losses on investments	**(19,169,782)**	–
Total net losses on investments	**(7,712,486)**	–

Gain and losses presented above exclude dividend income.

5. Finance costs

	2008 HK$	2007 HK$
Interest expense on borrowings wholly repayable within five years:		
Bank overdraft interest	**10,365**	–
Other loans	**10,000**	74,382
Advances from directors	**2,038**	73,269
	22,403	147,651

6. Loss before taxation

Loss before taxation is arrived at after charging:

	2008	2007
	HK$	*HK$*
Auditor's remuneration		
– audit services	**200,000**	150,000
– non-audit services	**115,000**	60,000
Custodian fees	**210,917**	5,205
Depreciation	**75,515**	30,372
Investment management fees	**662,274**	330,000
Operating leases charges for premises	**738,477**	220,380
Staff costs		
Salaries and allowances	**3,840,895**	1,728,489
Contributions to retirement benefits schemes	**41,150**	33,125
Share-based payments	**1,685,836**	–
	5,567,881	1,761,614

7. Taxation

	2008	2007
	HK$	*HK$*
Current year		
PRC Enterprise Income Tax	**86,994**	–

The provision for the PRC Enterprise Income Tax for the Group's subsidiary in the PRC, Jiangxi Jianghe Water Affairs Co., Ltd is based on the applicable income tax rate of 25% of the taxable income as determined in accordance with the relevant tax rules and regulations of the PRC during the year.

No provision has been made for Hong Kong Profits Tax as the Group sustained losses in Hong Kong for tax purposed during both years.

The taxation charge for the year can be reconciled to the loss before taxation in the consolidated income statement as follows:

	2008	2007
	HK$	*HK$*
Loss before taxation	**(14,411,037)**	(3,528,391)
Income tax calculated at the rates applicable to respective companies comprising the Group	**(2,496,561)**	(617,468)
Tax effect of non-deductible expenses	**1,745,498**	–
Tax effect of non-taxable revenue	**(289,468)**	–
Tax effect of temporary differences not recognised	**10,227**	4,264
Tax effect of tax losses not recognised	**1,117,298**	613,204
Taxation for the year	**86,994**	–

There were no material unprovided deferred tax liabilities for both years.

8. Loss attributable to equity holders of the Company

The loss attributable to equity holders is dealt with in the financial statements of the Company included a loss of HK$11,074,980 (2007: HK$3,487,559) which has been dealt with in the financial statements of the Company.

9. Loss per share

The calculation of basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK$14,498,031 (2007: loss of HK$3,528,391) and the weighted average number of 1,104,397,512 (2007: 57,755,214) ordinary shares in issue during the year.

Diluted loss per share for the year ended 30 June 2008 was not presented as the effect arising from the outstanding share options would be auti-dilutive. No diluted loss per share for the last year ended 30 June 2007 was presented as there was no dilutive event for the last year.

10. Dividends

No dividend was paid or declared by the Company for both years.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year under review, the Group was principally engaged in the investments in the listed securities for short term and in the unlisted equities for medium and long term. Investment income recognised by the Group during the year was the proceeds from realised gains on disposal of financial assets at fair value through profit or loss, interest income and dividend income, amounted to HK$14,558,425 (2007: Nil).

The Group has made an investment in wind power plant which consists of 66 wind power generators with an installed capacity of 49.5 million watts in Diaobingshan, Liaoning Province, the People's Republic of China (the "PRC") for the year, Diaobingshan has a geographical feature of strong wind around the year. Electricity supply is a regulated and controlled industry in the PRC, but wind power is clean, environmental friendly and regenerative, which conforms to the national energy industrial policy development requirement. With the continuing growth of the economy in the PRC, the demand for electricity supply will increase whilst the electricity supply in the PRC is in shortage, and the operation cost of wind power is relatively low when comparing with other means of electricity generation, the Board considers that this investment is a good opportunity for the Group to expand its investment portfolio to the sustained growing industry in the PRC which will generate stable and high return in long-term for the shareholders.

Also, the Group has appointed two reputable investment managers who have unique perspectives and extensive experiences in the investments of international, Hong Kong and PRC markets. With a strong management team of the Group and veteran investment managers, the Group maintains a healthy financial position.

FUTURE PROSPECT

Although the recent financial crisis has affected the global economy sharply in the third quarter of 2008, the prices of many listed and unlisted companies become under valued. The Board considers that it is a golden opportunity for the Group to select more valuable companies to acquire and invest with the strong working capital position of the Group.

After the year end, the Group acquired the Convertible Bonds issued by China Botanic Development Holdings Limited ("China Botanic") which shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2349). The Board considers that the acquisition of the Convertible Bonds will enable the Group to receive a steady income of about HK$750,000 every year until maturity of the Convertible Bonds. Also, when the Convertible Bonds are converted, it will provide a valuable opportunity for the Group to hold equity interest (i.e. shares) of China Botanic and a more flexible chance for the Group to obtain highest possible return for our shareholders.

Meanwhile, the Group will continue to look at projects with high growth and carefully monitor the investment portfolios to maximize the Group's returns and ensure a stable return for the shareholders.

FINANICAL REVIEW

Liquidity, Financial Resource and Funding

As at 30 June 2008, the Group had cash and bank balance of HK$[180,817,111] (30 June 2007: HK$59,691,003). Most of the cash and bank balance were placed in Hong Kong dollar deposits with banks in Hong Kong SAR. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2008 was approximately [33,541%] (30 June 2007: 760%), gearing ratio (calculated as the long term loan to the total shareholders' equity) of the Group as at 30 June 2008 was zero (30 June 2007: zero). The Group maintained a strong working capital position during the year.

The Group's asset portfolio is mainly financed by the shareholders' funds. As at 30 June 2008, the Group had total equity of HK$[270,936,611] (2007: HK$58,591,111). The increase in total equity was mainly from net proceeds of new Shares of approximately HK$218.9 million during the year raised by subscriptions of approximately HK$21 million and by Open Offer of approximately HK$197.9 million.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Since the Group mainly uses Hong Kong dollars and Renminbi to carry out its business transactions, the Board considers that the Group's exposure to fluctuation in exchange rates was insignificant.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2008, the Group had 13 employees. The total staff cost of the Group for the year was HK$5,567,881 (2007: HK$1,761,614). The remuneration package of the employees is determined by various factors including the employees' experience and performance, the market condition, industry practice and applicable employment law.

CHARGE ON GROUP'S ASSETS

As at 30 June 2008, the Group did not have any charge against its assets.

CONTINGENT LIABILITIES

As at 30 June 2008, the Group did not have any material contingent liabilities.

PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company recognises that good corporate governance standards maintained throughout the Group serve an effective risk management for the Company. The Board of the Company is committed to lead the Group growing in an efficient manner followed by corporate missions in terms of business strategies and improved operational planning and procedures which are enforced under high corporate governance standard.

The Board believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. With effect from 1 July 2005, the Company has applied the principles and adopted code provisions set out in the Code on Corporate Governance Practices (the "Code on CGP") in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code on corporate governance practices. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

The Company has complied with all code provisions on the Code throughout the financial year ended 30 June 2008, except for the following requirements that deviate from the Code: (i) Code provision A.4.1 that the non-executive Directors have not been appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws (the "Bye-laws"); and (ii) Code Provision A.2.1 that Ms. Wang Wen Xia who was the chief executive of the Company was appointed as chairman and took the role of chairman since the resignation of Mr. Lan Ning, as a former non-executive director and chairman of the Company on 28 February 2008. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. Ms. Wang possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies. The Company continues to improve its corporate governance and believes that good corporate governance will bring long-term benefits to its shareholders.

AUDIT COMMITTEE

The Company has an Audit committee (the "Audit Committee") which was established with written terms of reference, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive directors. The audit financial statements for the Year have been reviewed by the Audit Committee.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year and up to the date of this announcement.

POST BALANCE SHEET EVENT

On 22 September 2008, a subsidiary of the Company entered into a sale and purchase agreement with Good Outlook Investments Limited ("Good Outlook") to acquire from Good Outlook the sale convertible bonds issued by China Botanic Development Holdings Limited ("China Botanic") which shares are listed on the main board of the Hong Kong of Stock Exchange Limited (stock code: 2349), with a face value of HK$25,000,000 at a cash consideration of HK$30,000,000. The Company will consider converting the sale convertible bonds into shares of China Botanic at the conversion price of HK$0.15 each in the future. Upon the conversion of the entire convertible bonds in the amount of HK$25,000,000, the Company owns 19.41% of the share capital of China Botanic.

Details of the transactions are set out in the Company's announcement dated 22 September 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of Listing Rules as the Code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code throughout the year ended 30 June 2008.

PUBLICATION OF FINAL RESULTS ON THE WEBSITES

This results announcement is published on the websites of the Company (www.finance.thestandard.com.hk/en/comp_announcement.asp?code=0721) and the Stock Exchange (www.hkex.com.hk). The annual report will be dispatched to the shareholders of the Company and made available on the above websites as soon as practicable.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express my gratitude to all of our business partners, shareholders, directors and staff for their hard work and contributions during the Year.

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

Hong Kong, 27 October 2008

As at the date of this announcement, the Board comprises nine Directors. The executive Directors are Ms. Wang Wen Xia and Mr. Pong Po Lam Paul; the non-executive Directors are Dr. Chan Po Fung Peter, Mr. Ding Xiaobin, Mr. Fung Cheuk Nang Clement and Mr. Ma Jie; and the independent non-executive Directors are Dr. Cheung Wai Bun, Charles, Mr. Zhang Yong and Mr. Zeng Xianggao.