



PRIME INVESTMENTS HOLDINGS LIMITED

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

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of Prime Investments Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on Friday, 26 October 2007 at Suite 6305, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong for the following purpose of considering and, if thought fit, passing with or without amendments, the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (i) 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 (the “**Proposed Increase in Authorised Share Capital**”); and
- (ii) any one or more of the Directors be and is/are hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the Proposed Increase in Authorised Share Capital.”

2. “**THAT** subject to the fulfillment of the conditions, including the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting or agreeing to grant (subject to allotment) and not having revoked the listing of and permission to deal in the Offer Shares (as defined below) in their fully paid forms to be allotted and issued to the shareholders of the Company (the “**Shareholders**”) pursuant to the terms and conditions of the Open Offer (as defined below), as set out in the underwriting agreement (the “**Underwriting Agreement**” including, if any, all supplemental agreements relating thereto, a copy of which has been produced to the SGM marked “A” and signed by the chairman of the SGM for the purpose of identification) dated 29 August 2007 and entered into among the Company and China Water Investments Limited (the “**Underwriter**”) and the Underwriting Agreement not being terminated in accordance with the terms thereof prior to 4:00 p.m. on the third business day after the last day for acceptance of Offer Shares (as defined below),

- (i) the issue by way of open offer (the “**Open Offer**”) of 1,975,755,185 Shares (the “**Offer Shares**”) to the Shareholders whose names appear on the register of members of the Company on 26 October 2007 (excluding those Shareholders (the “**Prohibited Shareholders**”) with registered addresses as shown in the register of members of the Company on the date are outside Hong Kong whom the board of Directors consider it necessary or expedient to exclude after making the relevant enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where those Prohibited Shareholders reside) on the basis of five Offer Shares for every one Share then held and otherwise pursuant to and in accordance with the terms and conditions set out in the circular dated 8 October 2007, a copy of which has been produced to the Meeting marked “B” and signed by the chairman of the SGM for the purpose of identification) despatched by the Company to the Shareholders be and is hereby approved;
 - (ii) the Directors be and are hereby authorised to allot and issue the Offer Shares pursuant to or in connection with the Open Offer notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements or Prohibited Shareholders as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company;
 - (iii) the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the unsubscribed Offer Shares, if any, by the Underwriter) be and are hereby approved, confirmed and ratified;
 - (iv) the absence of arrangements for application for the Offer Shares by the Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Rules Governing the Listing of Securities on the Stock Exchange be and the same is hereby approved, confirmed and ratified; and
 - (v) the Directors be and are hereby authorised to sign and execute such documents and do all such acts and things incidental to the Open Offer or as they consider necessary, desirable or expedient in connection with the implementation of or giving effect to the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder.”
3. “**THAT** subject to the passing of the ordinary resolution numbered 2 set out above, the terms of the application for a waiver granted or to be granted by the Securities and Futures Commission of Hong Kong to China Water Investments Limited together with parties acting in concert with it pursuant to Note 1 of the Notes on Dispensation from Rule 26 of the Hong Kong Code on Takeovers and Mergers in respect of the waiver of the obligation of the Underwriter and parties acting in concert with it to make a mandatory offer for all the Shares not already owned or agreed to be acquired by them (the “**Whitewash Waiver**”) be and is hereby approved and that the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider

desirable or expedient to implement and/or give effect to any matters relating to or in connection with the Whitewash Waiver.”

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

Hong Kong, 8 October 2007

Registered office
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
Suite 6305, 63/F
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed with the circular of the Company dated 8 October 2007. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.