



PRIME INVESTMENTS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 721)

DESPATCH OF CIRCULAR

The Circular containing, inter alia, (i) further details of (a) the Change of Domicile, (b) the Capital Reorganisation involving the Capital Reduction, the Capital Subdivision and the Cancellation of Share Premium Account, (c) the Subscription Agreement, (d) adoption of the new memorandum of continuance and bye-laws, and (e) the Whitewash Waiver, (ii) a letter of advice on the Whitewash Waiver from the Joint Independent Financial Advisers to the Independent Board Committee and the Independent Shareholders, (iii) the recommendation from the Independent Board Committee to the Independent Shareholders, and (iv) the notice of the EGM has been despatched to the Shareholders on 10 March 2006

The EGM to consider and, if thought fit, approve with or without amendments, the Change of Domicile, the Capital Reorganisation, the Subscription Agreement, adoption of the new memorandum of continuance and bye-laws and the Whitewash Waiver will be held at Taurus Room, 33/F, Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on 3 April 2006 at 3 p.m..

An unaudited pro forma consolidated net tangible assets statement of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Subscription on the unaudited consolidated net tangible assets of the Group as at 30 June 2005 as if they had taken place on 30 June 2005 is set out in Appendix I to the Circular and reproduced below. Shareholders and potential investors of the Shares should note that the aforesaid statement has been prepared for illustrative purpose only and, because of its nature, it may not give a true picture of the financial position of the Group following the completion of the Subscription.

Reference is made to the announcement of the Company dated 17 February 2006 jointly announced by the Company and the Subscriber (the "Announcement") relating to, among other things, the proposed Change of Domicile, the Capital Reorganisation, the Subscription, adoption of the new memorandum of continuance and bye-laws and the Whitewash Waiver. Terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to announce that:

- (i) the circular of the Company (the "Circular") containing, inter alia, (i) further details of (a) the Change of Domicile, (b) the Capital Reorganisation involving the Capital Reduction, the Capital Subdivision and the Cancellation of Share Premium Account, (c) the Subscription Agreement, (d) adoption of the new memorandum of continuance and bye-laws, and (e) the Whitewash Waiver, (ii) a letter of advice on the Whitewash Waiver from the Joint Independent Financial Advisers to the Independent Board Committee and the Independent Shareholders, (iii) the recommendation from the Independent Board Committee to the Independent Shareholders, and (iv) the notice of the EGM has been despatched to the Shareholders on 10 March 2006; and
- (ii) the EGM to consider and, if thought fit, approve with or without amendments, the Change of Domicile, the Capital Reorganisation, the Subscription Agreement, adoption of the new memorandum of continuance and bye-laws and the Whitewash Waiver will be held at Taurus Room, 33/F, Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on 3 April 2006 at 3 p.m..

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The following statement of unaudited pro forma consolidated net tangible assets of the Group is prepared based on the published audited report of the Group for the year ended 30 June 2005 as shown in Appendix I to this circular and after adjustments made to exclude intangible assets as described in note 1 below, and is adjusted as follows:

	As at 30 June 2005	Estimated net proceeds (Note 1)	Unaudited pro forma consolidated net tangible assets of the Group
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Audited consolidated net tangible assets of the Group	1,148,998	7,000,000	8,148,998
Audited consolidated net tangible asset value per Share as at 30 June 2005 (Note 2)			0.02
Unaudited pro forma consolidated net tangible asset value per Share immediately following the Subscription (based on the Subscription Price of HK\$0.0897 per Share) (Note 3)			0.06

Notes:

1. The estimated net proceeds from the Subscription are based on the subscription of 89,142,857 Subscription Shares at a price of HK\$0.0897 per Subscription Share after deducting the related expenses (such as professional fees and printing costs) of approximately HK\$1 million.
2. The unaudited pro forma consolidated net tangible assets per Share as at 30 June 2005 is calculated on the basis that 48,000,000 Shares are in issue.
3. The unaudited pro forma consolidated net tangible assets per Share is arrived at after the adjustment referred to in the preceding paragraph and on the basis that 48,000,000 Shares are issued and 89,142,857 Subscription Shares are to be issued pursuant to the completion of the Subscription.

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

Hong Kong, 10 March 2006

As at the date of this announcement, the Board comprises Ms. Wang Wen Xia and Mr. Pong Po Lam, Paul being the executive Directors, Mr. Lan Ning, 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.

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.

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