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## **PRIME INVESTMENTS HOLDINGS LIMITED**

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

### **CHANGE OF DOMICILE BECAME EFFECTIVE AND THE CAPITAL REORGANISATION BECOMING EFFECTIVE**

The Board is pleased to announce that the Change of Domicile became effective on 9 May 2006 and the Capital Reorganisation will become effective upon the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation by the Stock Exchange.

All existing yellow share certificates for the Shares continue to be good evidence of legal title to the New Shares and may be exchanged for certificates for the New Shares at any time.

The completion of the Subscription is still subject to the conditions as stated in the paragraph headed "Conditions of the Subscription Agreement" in the "Letter from the Board" of the Circular. Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 14 February 2005 and will remain suspended pending the demonstration by the Company to the satisfaction of the Stock Exchange that, among others, the continual listing of the Shares is warranted. Further announcement will be made to inform the Shareholders as regards the progress of such application for resumption of trading as and when appropriate. The resumption of trading in the Shares is also a condition precedent to Completion of the Subscription.

Reference is made to the circular of the Company (the "Circular") dated 10 March 2006 relating to, among other things, the proposed Change of Domicile and adoption of the new memorandum of continuance and bye-laws, the Capital Reorganisation, the Subscription and the Whitewash Waiver. Terms used herein shall have the same meanings as defined in the Circular.

#### **CHANGE OF DOMICILE AND CAPITAL REORGANISATION**

The Board is pleased to announce that (i) the Company has been de-registered from the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda; (ii) the nominal value of each of the issued Shares of HK\$0.10 each has been reduced from HK\$0.10 each to New Share of HK\$0.01 each and each of the authorised but unissued Shares has been sub-divided into 10 New Shares of HK\$0.01 each; and (iii) the Company has cancelled the entire amount standing to the credit of the share premium account of the Company which amounted to HK\$4,320,000 arising from the Capital Reduction has been credited to the accumulated loss account of the Company.

As all the conditions precedent of the Change of Domicile have been fulfilled, the Change of Domicile became effective on 9 May 2006. The Board is also pleased to announce that with effect from 9 May 2006, the registered office and the principal share register of the Company have been changed to Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. Shareholders are advised that Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong remains the location of the branch share register and transfer office of the Company in Hong Kong.

The Capital Reorganisation will become effective upon the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation by the Stock Exchange. Application has been made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation. Upon completion of the Capital Reorganisation, the Company will have an authorized share capital of HK\$20,000,000 divided into 2,000,000,000 New Shares, of which 48,000,000 New Shares of HK\$0.01 each are issued and fully paid or credited as fully paid.

#### **SHARE CERTIFICATES**

All existing yellow share certificates for the Shares continue to be good evidence of legal title to the New Shares on the basis of one Share for one New Share and be valid for trading and settlement.

Upon the Change of Domicile and the Capital Reorganisation becoming effective, Shareholders can submit share certificates for the Shares to the Company's branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for exchange, at the expense of the Company, for new share certificates for the New Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate for the Shares cancelled or each new share certificate issued for the New Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for the New Shares at any time.

## SUBSCRIPTION

The completion of the Subscription is subject to the conditions as stated in the paragraph headed "Conditions of the Subscription Agreement" in the "Letter from the Board" of the Circular. As set out in the section headed "Expected timetable" in the Circular, the date of satisfaction of all conditions under the Subscription Agreement is expected to be on 12 May 2006 and issuance of the Subscription Share pursuant to the Subscription Agreement is expected to be on 18 May 2006. As at the date hereof, the Company has yet to demonstrate to the satisfaction of the Stock Exchange that the Group is suitable for continued listing and has a sufficient level of operation and/or assets as required under Rule 13.24 of the Listing Rules, the Company thus has not obtained consent in principle from the Stock Exchange for the resumption of trading of New Shares in issue on the Stock Exchange, which is one of the conditions to the completion of Subscription Agreement, as such, the Directors do not consider that all conditions to the Subscription Agreement could be fulfilled on 12 May 2006 and the Subscription Shares could not be issued on schedule as set out in the Circular. Pursuant to the Subscription Agreement, all the conditions under the Subscription Agreement shall be fulfilled within 210 days after the date of the Subscription Agreement, which falls on 30 May 2006. Further announcement will be made by the Company if there is any changes on the long-stop date.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 14 February 2005 and will remain suspended pending the demonstration by the Company to the satisfaction of the Stock Exchange that, among others, the continual listing of the Shares is warranted. Further announcement will be made to inform the Shareholders as regards the progress for resumption of trading and completion of the Subscription as and when appropriate.

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

Hong Kong, 10 May 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.