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PRIME INVESTMENTS HOLDINGS LIMITED

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

(Stock Code: 721)

RULE 13.09 ANNOUNCEMENT

PRICE SENSITIVE INFORMATION

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that the Purchaser, a wholly-owned subsidiary of the Company, has entered into the conditional SP Agreement with the Vendor on 22 September 2008. Under the SP Agreement, the Purchaser will acquire the Sale Convertible Bonds issued by China Botanic with a face value of HK\$25,000,000 by paying the Vendor a consideration of HK\$30,000,000, which will be settled in cash from internal resources of the Group.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

THE SP AGREEMENT

Date: 22 September 2008

Parties:

- (1) The Purchaser, a wholly-owned subsidiary of the Company; and
- (2) The Vendor, a wholly-owned subsidiary of China Water Affairs.

To the best of Directors' knowledge, information and belief, the Vendor is a wholly-owned subsidiary of China Water Affairs, a company in which Mr. Duan Chuan Liang is beneficially interested in approximately 16.97% of its issued share capital. Mr. Duan Chuan Liang is also beneficially interested in 18.07% of the issued Shares of the Company.

Terms of the SP Agreement

Under the SP Agreement, the Purchaser will acquire the Sale Convertible Bonds issued by China Botanic with a face value of HK\$25,000,000 by paying the Vendor a consideration of HK\$30,000,000, which will be settled in cash from internal resources of the Group.

Completion of the transaction contemplated under the SP Agreement is conditional upon, among others, fulfillment of the following conditions:

- (a) the Purchaser is satisfied with the results of the due diligence exercise on China Botanic, and the validity of the title of the Sale Convertible Bonds held by the Vendor;
- (b) all necessary approvals, consents, authorisations, and licences (including those given by the China Botanic) in relation to the transactions contemplated (including but not limited to the transfer of the Sale Convertible Bonds) under the SP Agreement having been obtained;
- (c) the warranties given by the Vendor in relation to China Botanic and itself remaining true and correct, and not misleading in all material respects;
- (d) entering into the SP Agreement by the Vendor will not result in the Company breaching any of the requirements of Chapter 21 of the Listing Rules; and
- (e) if necessary, the Stock Exchange and China Botanic having been given prior notification of the entering into of the SP Agreement and the transactions contemplated thereunder.

The Purchaser is entitled to waive all the conditions mentioned above. If the above conditions are not fulfilled or waived by the Purchaser on or before 4:00 pm on 30 September 2008, the SP Agreement will lapse and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion shall take place on the date falling within three Business Days after the fulfillment (or waiver) of the conditions precedent referred to above, or such later date as the Vendor and the Purchaser may agree. At Completion, the Purchaser will pay the consideration of HK\$30,000,000.

Stamp duty is payable to the Inland Revenue Department of Hong Kong for the transfer of the Sale Convertible Bonds. According to the SP Agreement, each party will bear the total stamp duty in equal shares.

For the avoidance of doubt, all the interests accrued on the Sale Convertible Bonds before the date of completion shall belong to the Vendor, while those interests accrued on the Sale Convertible Bonds on and after the date of completion shall belong to the Purchaser.

INFORMATION ON THE SALE CONVERTIBLE BONDS

The Sale Convertible Bonds is originally part of the Convertibles Bonds issued by China Botanic to the Vendor. The Convertible Bonds (i) bear a coupon rate of 3% per annum payable by the issuer semi-annually in arrears, (ii) is due on 13 November 2017 and (iii) is convertible into fully paid ordinary shares of China Botanic with a par value of HK\$0.01 each at the initial conversion price of HK\$0.15 (subject to adjustment).

REASONS FOR ENTERING INTO THE SP AGREEMENT

The Group is principally engaged in the investment of listed and unlisted companies established and/or conducting business in Hong Kong and other parts of the PRC.

The Board considers that the Sale Convertible Bonds will enable to the Group to receive a steady income of about HK\$750,000 every year until maturity of the Sale Convertible Bonds. Moreover, it provides a valuable opportunity for the Group to hold equity interest (i.e. shares) of China Botanic by converting the Sale Convertible Bonds. China Botanic is also a company listed on the Stock Exchange, whose principal business includes cultivation of seabuckthorn seedlings and manufacture of seabuckthorn-related health products. The Board considers such seabuckthorn business has a promising future. If conversion of the Sale Convertible Bonds takes places, it is expected the Group's income will increase in the future as it can benefit from the business growth of China Botanic.

Further announcement will be made under the requirements of the Listing Rules when the Group converts the Sale Convertible Bonds into shares of China Botanic.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Business Day”	means any day (except Saturdays, Sundays or public holidays) on which banks and regulated stock exchanges and markets in Hong Kong are open for business
“China Botanic”	China Botanic Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (Stock Code: 2349)

“China Water Affairs”	China Water Affairs Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (Stock Code: 855)
“Company”	Prime Investments Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the transaction contemplated under the SP Agreement
“Convertible Bonds”	the convertible bond(s) issued by the China Botanic and beneficially owned by the Vendor with a principal amount of HK\$180,050,000 which bear coupon rate at 3% per annum payable semi-annually, become due on 13 November 2017 and is convertible into fully-paid shares of China Botanic at an initial conversion price of HK\$0.15 (subject to adjustment)
“Directors”	the directors of the Company
“Group”	the Company and all its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Global Business Investment Enterprises Limited (世貿投資企業有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company, which is principally engaged in investment holding
“Sale Convertible Bonds”	part of the Convertible Bond(s) with a face value of HK\$25,000,000, which constitutes 13.89% of the entire Convertible Bonds and is beneficially owned by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“SP Agreement”	the conditional sale and purchaser agreement in relation to the acquisition by the Purchaser of the Sale Convertible Bonds from the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Good Outlook Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of China Water Affairs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 22 September 2008

As at the date of this announcement, the executive Directors are Ms. Wang Wen Xia and Mr. Pong Po Lam, Paul, the non-executive Directors are Dr. Chan Po Fun, 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.