
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Prime Investments Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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PRIME INVESTMENTS HOLDINGS LIMITED

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

(Stock Code: 721)

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE BY THE COMPANY OF ITS OWN SHARES; AND
(2) PROPOSED RE-ELECTION OF DIRECTORS**

A notice convening an annual general meeting of the Company to be held at Taurus Room, 33/F., Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on Friday, 12 January 2007 at 3:30 p.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the annual general meeting is enclosed with the circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

If you are not able to attend the annual general meeting, you are requested to complete the form of proxy, in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the re-election of Directors
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Prime Investments Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the existing issued share capital of the Company
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 December 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the existing issued share capital of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



PRIME INVESTMENTS HOLDINGS LIMITED

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

(Stock Code: 721)

Executive Directors:

Ms. Wang Wen Xia
Mr. Pong Po Lam, Paul

Non-executive Directors:

Mr. Lan Ning
Dr. Chan Po Fun, Peter
Mr. Ding Xiaobin

Independent non-executive Directors:

Dr. Cheung Wai Bun, Charles
Mr. Zhang Yong
Mr. Gu Qiu Rong

Registered Office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Principal Place of

business in Hong Kong:

Suite 504, 5/F
Chinachem Tower
34-37 Connaught Road Central
Hong Kong

20 December 2006

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE BY THE COMPANY OF ITS OWN SHARES; AND
(2) PROPOSED RE-ELECTION OF DIRECTORS**

INTRODUCTION

At the AGM to be held at Taurus Room, 33/F., Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on Friday, 12 January 2007 at 3:30 p.m., resolutions will be proposed:

- (a) to re-elect the Directors;
- (b) to grant the General Mandate to the Directors;
- (c) to grant the Repurchase Mandate to the Directors; and

LETTER FROM THE BOARD

- (d) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate and the re-election of Directors.

GENERAL MANDATE AND REPURCHASE MANDATE

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, or any other applicable law of Bermuda to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I.

General Mandate

The Company has in issue an aggregate of 48,000,000 Shares as at 20 December 2006, being the Latest Practicable Date. There is no issue of share in the past twelve months. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 9,600,000 Shares, representing 20% of the aggregate nominal amount of the existing issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme providing for the allotment and issue of Shares in lieu of whole or part of a dividend in accordance with the Bye-laws or any scrip dividend scheme which may be approved by the Shareholders.

Repurchase Mandate

At the AGM, and as part of the special business of the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to Bye-law 88, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation at every annual general meeting of the Company. A retiring Director shall be eligible for re-election.

Being eligible, Mr. Lan Ning, Mr. Ding Xiaobin and Dr. Chan Po Fun, Peter will offer themselves for re-election as Directors. At the AGM, an ordinary resolution will be proposed to re-elect Mr. Lan Ning, Mr. Ding Xiaobin and Dr. Chan Po Fun, Peter as non-executive Directors.

Particulars relating to Mr. Lan Ning, Mr. Ding Xiaobin and Dr. Chan Po Fun, Peter are set out in Appendix III to this circular.

ACTION TO BE TAKEN

If you do not intend to attend the AGM, you are requested to complete and return the form of proxy accompanying the circular of the Company in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM and adjournment thereof in person if you so wish.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of Directors are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30 June 2006, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for the Company.

Yours faithfully,
On behalf of the Board
Prime Investments Holdings Limited
Wang Wen Xia
Chief Executive Officer

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company or has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 48,000,000 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 4,800,000 fully paid Shares, representing 10% of the existing total issued Shares as at the date of the AGM.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its shareholders as a whole.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under Bermuda law and the memorandum and bye-laws of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30 June 2006, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the twelve months immediately preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
December	suspended	suspended
2006		
January	suspended	suspended
February	suspended	suspended
March	suspended	suspended
April	suspended	suspended
May	suspended	suspended
June	suspended	suspended
July	suspended	suspended
August	suspended	suspended
September	suspended	suspended
October	suspended	suspended
November	suspended	suspended
December (up to the Latest Practicable Date)*	suspended	suspended

Note: Shares have been suspended from trading on the Stock Exchange since 14 February 2005.

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge, information, having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of Bermuda.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10 per cent. of the Shares then in issue:

Name	Number of Shares	Percentage holding
Poly Good Group Limited (<i>Note 1</i>)	89,142,857	65.00%
Chan Yan Ting (<i>Note 1</i>)	89,142,857	65.00%
Chung Kit Lai (<i>Note 1</i>)	89,142,857	65.00%
Advance Elite Holdings Limited (<i>Note 2</i>)	8,500,000	17.71%
Oceanwide Investments Limited (<i>Note 2</i>)	8,500,000	17.71%
Lau Sze Shing, Edward (<i>Note 3</i>)	8,500,000	17.71%
Chan Sui Kuen (<i>Note 3</i>)	8,500,000	17.71%
Deng Chi Yan (<i>Note 4</i>)	4,830,000	10.06%

Notes:

1. These shares are directly owned by Poly Good Group Limited, an investment holding company incorporated in the British Virgin Islands. The entire issued share capital of which is beneficially owned by Mr. Chan Yan Ting. Ms. Chung Kit Lai is the spouse of Mr. Chan Yan Ting.
2. These shares are directly owned by Advance Elite Holdings Limited, an investment holding company incorporated in the British Virgin Islands. The entire issued share capital of Advance Elite Holdings Limited is owned by Oceanwide Investments Limited, a company incorporated in the Cayman Islands and 12.08% and 28.75% of the issued share capital of which is beneficially owned by Ms. Chan Sui Kuen and Mr. Lau Sze Shing, Edward respectively.
3. Ms. Chan Sui Kuen is the spouse of Mr. Lau Sze Shing, Edward. Ms. Chan Sui Kuen is deemed to be interested in the Shares beneficially owned by Mr. Lau Sze Shing, Edward pursuant to the SFO.
4. These shares are directly owned by Mr. Deng Chi Yan.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Name	Percentage holding
Poly Good Group Limited	72.22%
Chan Yan Ting	72.22%
Chung Kit Lai	72.22%
Advance Elite Holdings Limited	19.68%
Oceanwide Investments Limited	19.68%
Lau Sze Shing, Edward	19.68%
Chan Sui Kuen	19.68%
Deng Chi Yan	11.18%

The Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

As Advance Elite Holdings Limited, Oceanwide Investments Limited, Mr. Lau Sze Shing, Edward and Ms. Chan Sui Kuen are considered as parties acting in concert, and Poly Good Group Limited, Mr. Chan Yan Ting and Ms. Chung Kit Lai are considered as parties acting in concert, an exercise of the Repurchase Mandate in full will not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

At as the Latest Practicable Date, the Directors have no intention to exercise any of the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of Advance Elite Holdings Limited, Oceanwide Investments Limited, Mr. Lau Sze Shing, Edward, Ms. Chan Sui Kuen, Poly Good Group Limited, Mr. Chan Yan Ting and Ms. Chung Kit Lai to make a general offer under the Takeovers Code or the number of Shares in the hands of public falls below the prescribed minimum percentage of 25 per cent.

7. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The procedures by which the Shareholders may demand a poll at the AGM are set out in this Appendix.

According to Bye-law 66, a resolution put to the vote of any general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The details of the Directors who will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

Mr. Lan Ning, aged 43, graduated with a Beijing International Master of Business Administration degree from Peking University, is former senior director of China Poly Group Corporation, and founder and chairman of Guangzhou Poly Investment Ltd. Mr. Lan has extensive experience in various businesses including international trading, property development, investment, asset management, securities, corporate mergers and domestic and overseas strategic investment. Mr. Lan is also the Executive Director of Goldbond Group Holdings Limited, which is listed on the Main Board of the Hong Kong Stock Exchange. Mr. Lan joined the Group on 27 February 2004 and was appointed as non-executive director without director's fee. As at the Latest Practicable Date, he does not, and is not deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Ding Xiaobin, aged 37, has been honored the academic title of economist. He is ever chronologically worked for business enterprises in fields of banking, futures, clothes, import & export and investments. Currently as the managing director of Guangdong Poly Investment Limited, he is mainly in charge of direct investment consultant for projects in lines of clothes sales, harbor operation, agricultural products processing, building materials manufacturing, chemical synthesis and so on, with close cooperative relationship with the domestic banks, not only the 4th biggest state-owned commercial banks, but also state policy banks and stocked banks. Mr. Ding has rich experience in management, merger and acquisition, restructuring. Mr. Ding joined the Group on 8 December 2003 and was appointed as non-executive director without director's fee. As at the Latest Practicable Date, he does not, and is not deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Dr. Chan Po Fun, Peter, BBS, JP, M.B.E., D.S, Ph.D., aged 84, a certified public accountant. He was the chairman of The Kowloon Stock Exchange Limited, a member of committee on Takeovers and Mergers of the former Securities Commission and the chairman of the former Hong Kong Federation of Stock Exchanges. He was a registered dealing director under the Securities Ordinance and was a member of the Urban Council for 14 years. Dr. Chan has served on the boards of many public companies in Hong Kong. He is a honorary fellow of the Society for Underwater Technology and is a member of a number of scientific institutions. Dr. Chan has been a member, and the treasurer, of the board of the Chinese Permanent Cemeteries since 1967 and the chairman of its finance committee up to 2005. He is trustee of the S.K. Yee Medical Foundation. Dr. Chan joined the Group on 1 March 2001 and was appointed as non-executive director with a director's fee of HK\$15,000 per year. As at the Latest Practicable Date, he does not, and is not deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

NOTICE OF ANNUAL GENERAL MEETING



PRIME INVESTMENTS HOLDINGS LIMITED

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

(Stock Code: 721)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Prime Investments Holdings Limited (the “**Company**”) will be held at Taurus Room, 33/F., Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on Friday, 12 January 2007 at 3:30 p.m. for the following purposes:

1. to receive and consider the audited combined financial statements and reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 30 June 2006;
2.
 - (a) to re-elect Mr. Lan Ning as Director;
 - (b) to re-elect Mr. Ding Xiaobin as Director;
 - (c) to re-elect Dr. Chan Po Fun, Peter as Director; and
 - (d) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint CCIF CPA Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration;
4. to consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

“THAT:

- (a) the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to (a) of this resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held.”;
- 5. to consider as special business and, if thought fit, pass the following resolutions as ordinary resolution:

“**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or dealt with during or after the end of the Relevant Period be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to (i) a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or 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), or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, the total nominal amount of additional shares to be issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with shall not in total exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (b) for the purpose of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earlier of;
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held.”;
6. to consider as special business and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT** the general mandate granted to the Directors of the Company pursuant to resolution no. 5 above and for the time being in force to exercise the powers of the Company to allot, issue shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares since the granting of such general mandate referred to in the above resolution no. 4, provided that such amount shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of this resolution.”

Yours faithfully,
On behalf of the Board
Prime Investments Holdings Limited
Wang Wen Xia
Chief Executive Officer

Hong Kong, 20 December 2006

Registered office:
Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

*Principal place of
business in Hong Kong:*
Suite 504, 5/F
Chinachem Tower
34-37 Connaught Road Central
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the annual general meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkex.com.hk. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, at the offices of the Company's branch registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time of the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolutions nos. 5 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders.
4. In relation to proposed resolution no. 4 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited is set out in Appendix I of this circular.