
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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, 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 AND REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF DIRECTORS;**
- (3) PROPOSED AMENDMENTS TO BYE-LAWS; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Concord Room 3, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 16 December 2008 at 10:00 a.m. is set out on pages 15 to 22 of this circular. A form of proxy for use at the annual general meeting is also enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the offices of the Hong Kong branch share registrar and transfer office of the Company, Tricor 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 on Tuesday, 16 December 2008 at 10:00 a.m. to consider and, if thought fit, approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors and the proposed amendments to Bye-laws
“associate”	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 issued share capital of the Company as at the date of passing of such resolution
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	28 October 2008, 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
“PRC”	the People’s Republic of China
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of passing of such resolution

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	a share option scheme of the Company adopted on 15 January 2008
“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:

Dr. Chan Po Fun Peter
Mr. Ding Xiaobin
Mr. Fung Cheuk Nang Clement
Mr. Ma Jie

Independent non-executive Directors:

Dr. Cheung Wai Bun, Charles
Mr. Zhang Yong
Mr. Zeng Xianggao

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Suite 6305, 63/F
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

31 October 2008

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF DIRECTORS;**
- (3) PROPOSED AMENDMENTS TO BYE-LAWS; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for (i) the proposed grant of the General Mandate and the Repurchase Mandate; (ii) the proposed re-election of Directors; and (iii) the proposed amendments to Bye-laws and to give you the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

LETTER FROM THE BOARD

General Mandate

At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the General Mandate) to allot, issue and deal with unissued Shares or underlying shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued Shares as at the date of granting the General Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the General Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 2,483,534,030 Shares in issue. Subject to the passing of the resolutions for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 496,706,806 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate amount of up to 10% of the issued share capital of the Company as at the date of granting of the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 248,353,403 Shares.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate (including the extended General Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

LETTER FROM THE BOARD

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

According to Bye-law 87(2), any Director appointed to fill in a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

According to Bye-laws 88(1) and 88(2), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation, the chairman of the Board and/or the managing Director shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. A retiring Director shall be eligible for re-election.

In accordance with Bye-law 87(2), Mr. Fung Cheuk Nang Clement, Mr. Ma Jie and Mr. Zeng Xianggao shall retire from office at the AGM; and in accordance with Bye-laws 88(1) and 88(2), Ms. Wang Wen Xia and Mr. Pong Po Lam Paul shall retire from office by rotation at the AGM. Being eligible, each of Ms. Wang Wen Xia, Mr. Pong Po Lam Paul, Mr. Fung Cheuk Nang Clement, Mr. Ma Jie and Mr. Zeng Xianggao will offer himself/herself for re-election as executive/non-executive/independent non-executive Director (as the case may be). At the AGM, ordinary resolutions will be proposed to re-elect each of Ms. Wang Wen Xia, Mr. Pong Po Lam Paul, Mr. Fung Cheuk Nang Clement, Mr. Ma Jie and Mr. Zeng Xianggao as executive/non-executive/independent non-executive Director (as the case may be).

Particulars relating to each of Ms. Wang Wen Xia, Mr. Pong Po Lam Paul, Mr. Fung Cheuk Nang Clement, Mr. Ma Jie and Mr. Zeng Xianggao are set out in Appendix III to this circular.

AMENDMENTS TO BYE-LAWS

In view of the changes to the Listing Rules relating to corporate governance and other housekeeping matters, the Board proposes to put forward a special resolution to the Shareholders for approval at the AGM such that the Bye-laws will be amended to comply with Appendix 3 and Appendix 14 to the Listing Rules on Code of Corporate Governance Practices.

The full text of the special resolution containing such proposed amendments (special resolution no. 7) is set out in the notice of the AGM set out on pages 18 to 22 of this circular.

Shareholders are advised that the Bye-laws are available only in English and the Chinese translation of the amendments to Bye-laws provided in this circular and the Notice of AGM is for reference only.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held at Concord Room 3, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 16 December 2008 at 10:00 a.m. is set out on pages 15 to 22 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of Directors. Special resolution will be proposed at the AGM to approve the proposed amendments to Bye-laws.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkex.com.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should 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, 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 consider the proposed grant of the General Mandate (including the extended General Mandate) and the Repurchase Mandate; the proposed re-election of Directors and the proposed amendments to Bye-laws are fair and reasonable which are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully
For and on behalf of
the board of Directors of
Prime Investments Holdings Limited
Wang Wen Xia
Chairman

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 the Company from knowingly purchasing its 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 to the Company his/her/its securities of 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 nor 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 2,483,534,030 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 248,353,403 fully paid Shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution.

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 of association of the Company and the Bye-laws for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 30 June 2008, 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 in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
October	0.630	0.203
November	0.640	0.200
December	0.250	0.150
2008		
January	0.204	0.110
February	0.248	0.135
March	0.320	0.180
April	0.210	0.187
May	0.255	0.191
June	0.230	0.178
July	0.190	0.150
August	0.173	0.104
September	0.159	0.085
October (up to the Latest Practicable Date)	0.092	0.040

6. Disclosure of interests and minimum public holding

None of the Directors or, to the best of their knowledge 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.

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% of the Shares then in issue:

Name	Number of Shares	Percentage holding
Duan Chuan Liang	452,620,908 (L) (Note)	18.22%
Asset Full Resources Limited	427,890,908 (L) (Note)	17.23%

L denotes long position.

Note: The entire issued share capital of Asset Full Resources Limited is beneficially owned by Mr. Duan Chuan Liang. Mr. Duan Chuna Liang is also beneficially interested in 24,730,000 Shares. Mr. Duan Chuan Liang is deemed to be interested in 452,620,908 Shares.

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
Duan Chuan Liang	20.25%
Asset Full Resources Limited	19.14%

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.

The Company will not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

7. Shares repurchase made by the Company

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

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

Pursuant to bye-law 66 of the Bye-laws, a resolution put to the vote of a 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 duly demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member 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 members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member 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 shares conferring that right.

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

(1) Ms. Wang Wen Xia (“Ms. Wang”)

Ms. Wang Wen Xia, aged 48, an executive Director, chairman and the chief executive officer of the Company. She holds a master degree of finance from Dongbei University of Finance and Economics. Ms. Wang currently holds senior management positions in various unlisted companies incorporated in the PRC but did not hold any position in other listed companies in the last three years. Ms. Wang has active experience at the management level in structured finance over 16 years, investment, merger and acquisition, asset management services. Ms. Wang also has management experience spanning various industries including real estate, mining, mineral processing, import and export etc. She joined the Group on 15 January 2005. Ms. Wang is also a director of various subsidiaries of the Company.

Ms. Wang has entered into a service agreement with the Company for a term of 3 years and will hold office until 14 January 2011 with a monthly salary of HK\$100,000 and a director’s fee of HK\$100,000 per annum which is determined by the Board with reference to Ms. Wang’s duties and responsibilities and the prevailing market condition. Ms. Wang has been granted 18,400,000 options of the Company on 23 January 2008 under the Share Option Scheme. Save as disclosed, she does not hold any other position with the Company and other members of the Group and she does not, and is not deemed to have, any other 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 SFO. Ms. Wang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

(2) Mr. Pong Po Lam Paul (“Mr. Pong”)

Mr. Pong Po Lam, Paul, aged 52, an executive Director who is the Managing Director of Pegasus Fund Managers Limited (“**Pegasus**”) since 1990. He has worked in the fund management industry for nearly twenty years. He is the Vice President of The Institute of Financial Planners of Hong Kong, Executive Committee member of The Hong Kong Institute of Financial Analysts and Professional Commentators Ltd, China Sub-committee member of the Hong Kong Investment Funds Association, Chairman of Investment and Fund Management Services of CEPA Business Opportunities Development Alliance, Lecturer of HKU SPACE programme and a regular guest speaker at senior management training courses for several banks and financial/insurance companies in Hong Kong and PRC. Mr. Pong joined the Group on 1 March 2001.

Mr. Pong has not entered into any service agreement with the Company but will receive a director’s fee of HK\$60,000 per annum which is determined by the Board with reference to Mr. Pong’s duties and responsibilities and the prevailing market condition. Mr. Pong has been granted 1,200,000 options of the Company on 23 January 2008 under the Share Option Scheme. The Company

has entered into an agreement with Pegasus to provide investment management services to the Company for a period of three years commencing from 1 August 2006. Pegasus is entitled to a management fee from the Company calculated at the following rate:

- (1) 2.5% per annum of the net asset value of the Group as at the immediately preceding valuation date on the basis of the actual number of days in the relevant calendar month over a year of 365 days, subject to a monthly minimum fee of HK\$41,667.
- (2) 10% of the surplus in net asset value of the Group over a financial year or period, which the surplus in the net asset value should be greater than HK\$30,000,000.

Mr. Pong has a 91.57% equity interest in Pegasus and is one of the directors of Pegasus. Save as disclosed, he does not hold any other position with the Company and other members of the Group and did not hold any position in other listed companies in the last three years and does not, and is not deemed to have, any other 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 SFO. Mr. Pong does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

(3) Mr. Fung Cheuk Nang Clement (“Mr. Fung”)

Mr. Fung Cheuk Nang Clement, aged 32, a non-executive Director who has gained extensive management experience in development and manufacturing of consumer products for a number of years. Mr. Fung is also a director of a number of established privately-owned manufacturing companies in Hong Kong and the PRC. His knowledge and expertise in manufacturing industry may be beneficial to the Company in research and development areas. He was an executive director of New Chinese Medicine Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange from July 2005 to October 2007. Save as disclosed above, Mr. Fung did not hold any directorship in any other listed companies over the last three years.

Mr. Fung is appointed by way of a letter of appointment with an initial term of two years and renewable automatically for successive term of one year. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Bye-laws. He is entitled to an annual emolument of HK\$60,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

As at the Latest Practicable Date, Mr. Fung is interested in 190,909,092 Shares, representing approximately 7.69% of the existing issued share capital of the Company within the meaning of Part XV of the SFO. Save that Mr. Fung is a substantial Shareholder as disclosed, Mr. Fung is not connected with other Directors, senior management, substantial or controlling Shareholders.

(4) Mr. Ma Jie (“Mr. Ma”)

Mr. Ma Jie, aged 45, a non-executive Director who graduated from the department of computer science of Zhengzhou University and holds a master degree in business administration from University of South Australia. Mr. Ma has gained extensive experience in sales and management areas. Mr. Ma is also the director of various subsidiaries of the Company. Save as disclosed above, Mr. Ma did not hold any directorship in any other listed companies over the last three years.

Mr. Ma is appointed by way of a letter of appointment with an initial term of two years and renewable automatically for successive term of one year. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Bye-laws. He is entitled to an annual Director’s emolument of HK\$60,000 and a monthly salary of HK\$40,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

Mr. Ma has been granted 8,000,000 options of the Company on 23 January 2008 under the Share Option Scheme. Save as disclosed, Mr. Ma is not connected with any Directors, senior management, substantial or controlling Shareholders, and does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

(5) Mr. Zeng Xianggao (“Mr. Zeng”)

Mr. Zeng Xianggao, aged 50, is an independent non-executive Director who is the proprietor of Kangyuan Zeng & Co. (certified public accountant firm). Mr. Zeng is a fellow member of The Association of Chartered Certified Accountants, a member of The Hong Kong Institute of Certified Public Accountants (practicing) and China CPA. Mr. Zeng was previously an accounting lecturer of Sun Yat-Sen University at Guangzhou, and an audit and tax consultant in two international accounting firms. He has extensive experience in accounting, taxation and auditing practice in Hong Kong as well as in mainland China. Mr. Zeng graduated from the Renmin University of China (Beijing) with a master degree in economics, and also obtained training certificate of independent directorship from the Shanghai National Accounting Institute in 2004. He was an independent director of China State Shipbuilding Co. Limited (formerly known as Hudong Heavy Machinery Company Limited), a company listed on the Shanghai Stock Exchange, from May 2002 to July 2007. Save as disclosed above, Mr. Zeng did not hold any directorship in any other listed companies over the last three years. Mr. Zeng has also been appointed as member of the audit committee of the Company upon his appointment as independent non-executive Director.

Mr. Zeng is appointed by way of a letter of appointment with an initial term of two years and renewable automatically for successive term of one year. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Bye-laws. He is entitled to an annual emolument of HK\$60,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

Mr. Zeng is not connected with any Directors, senior management, substantial or controlling Shareholders, does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no information relating to Ms. Wang Wen Xia, Mr. Pong Po Lam Paul, Mr. Fung Cheuk Nang Clement, Mr. Ma Jie and Mr. Zeng Xianggao that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter relating to Ms. Wang Wen Xia, Mr. Pong Po Lam Paul, Mr. Fung Cheuk Nang Clement, Mr. Ma Jie and Mr. Zeng Xianggao that needs to be brought to the attention of the Shareholders and the Stock Exchange.

NOTICE OF AGM



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 an annual general meeting of Prime Investments Holdings Limited (the “**Company**”) will be held at Concord Room 3, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 16 December 2008 at 10:00 a.m. for the following purposes:

AS ORDINARY RESOLUTIONS:

1. To receive and approve the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 30 June 2008;
2.
 - (a) To re-elect Ms. Wang Wen Xia as executive Director;
 - (b) To re-elect Mr. Pong Po Lam Paul as executive Director;
 - (c) To re-elect Mr. Fung Cheuk Nang Clement as non-executive Director;
 - (d) To re-elect Mr. Ma Jie as non-executive Director;
 - (e) To re-elect Mr. Zeng Xianggao as independent non-executive Director;
 - (f) To authorise the board of Directors to fix the Directors’ remuneration;
3. To re-appoint CCIF CPA Limited as the auditors of the Company and to authorise the board of Directors to fix their remuneration;
4. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 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
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) (the “**Companies Act**”) or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to

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their then holdings of Shares (subject to such exclusion 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period 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 paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

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AS SPECIAL RESOLUTION:

7. To, as special business, consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the bye-laws (“**Bye-laws**”) of the Company be and are hereby amended in the following manner:

(a) Bye-law 1

By deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or” from the definition of “clearing house” in existing Bye-law 1.

(b) Bye-law 66

By inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” after the words “a show of hands unless” in the third sentence of the Bye-law 66; and by deleting the full stop at the end of Bye-law 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by inserting the following wording after Bye-law 66(e):

“(e) if required by the rules of the Designated Stock Exchange, by the Chairman of such meeting and/or the Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent. or more of the total voting rights at such meeting.”

(c) Bye-law 67

By deleting Bye-law 67 in its entirety and substituting the following therefor:

“Unless a poll is so required or demanded and, in the latter case, not withdrawn, the chairman of the meeting should indicate to the meeting of the Company the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands.”

(d) Bye-law 68

By replacing the sentence “There shall be no requirement for the chairman to disclose the voting figures on a poll” with the following sentence:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

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(e) Bye-law 85(2)

By substituting the existing Bye-law 85(2) with the following new Bye-law 85(2):

“(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any Members’ meeting of the Company or at any meetings of any class of Members provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without the need of producing any documents of title, notarized authorisation and/or further evidence for substantiating the facts that it is duly authorised and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as that clearing house (or its nominee(s)) could exercise if it were an individual Member.”

(f) Bye-law 87(2)

By deleting the sentence “Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.” and substituting the following sentence therefor:

“Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of the filling of casual vacancy on the Board), or until the next following annual general meeting of the Company (in the case of an addition to the existing Board), and shall then be eligible for re-election at that meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.”

(g) Bye-law 87(4)

By inserting the words “to the contrary” after the words “notwithstanding anything” in existing Bye-law 87(4).

(h) Bye-law 88(1)

By deleting the existing Bye-law 88(1) in its entirety and substituting the following therefore as new Bye-law 88(1):

“Notwithstanding any other provisions in the Bye-laws or any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once in every three years.”

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(i) Bye-law 88(2)

By inserting the words “and shall continue to act as a Director throughout the meeting at which he retires” after the words “re-election” at the end of the first sentence.

(j) Bye-law 104

By deleting the existing Bye-law 104 in its entirety and replacing therewith the following new Bye-law 104:

“104.(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued

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shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or

- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the

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Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.””

Yours faithfully
For and on behalf of
the board of Directors of
Prime Investments Holdings Limited
Wang Wen Xia
Chairman

Hong Kong, 31 October 2008

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Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws 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 annual general meeting 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. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the directors of the Company of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company 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 shareholders.
4. In relation to proposed resolution no. 5 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. 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 Listing Rules is set out in Appendix I to this circular.
5. As at the date of this notice, the Board comprises nine Directors. The executive Directors are Ms. Wang Wen Xia and Mr. Pong Po Lam Paul; the non-executive Directors are Dr. Chan Po Fung 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.