
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a 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 together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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**PRIME INVESTMENTS HOLDINGS LIMITED**

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

(stock code: 721)

**MAJOR TRANSACTION
AND
NOTICE OF SPECIAL GENERAL MEETING**

A letter from the board is set out on pages 4 to 8 of this circular.

A notice convening a special general meeting of the Company to be held at Suite 6305, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 22 June 2009 at 11:00 a.m. is set out on pages 17 to 18 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the special general meeting if you so wish.

3 June 2009

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I – Financial information of the Group	9
Appendix II – General information	10
Notice of SGM	17

DEFINITIONS

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

“Acquisition Agreement”	an agreement dated 19 June 2008 (as amended by a supplemental agreement dated 11 February 2009) and both entered into, among others, Wide Success, Globe Capital in relation to the acquisition of the Sale Equity by Globe Capital from Wide Success
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday and a public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“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 Disposal Agreement in accordance with the terms and conditions thereunder
“connected person”	has the same meaning ascribed thereto it under the Listing Rules
“Consideration”	RMB34,160,824 (equivalent to approximately HK\$38,775,056) being the total consideration payable by Wide Success to Globe Capital for the sale and purchase of the Sale Equity pursuant to the Disposal agreement
“Directors”	the directors of the Company from time to time
“Disposal Agreement”	an agreement dated 12 May 2009 and entered into between Wide Success, Globe Capital in relation to the disposal of the Sale Equity by Globe Capital to Wide Success
“Disposal”	the disposal of the Sale Equity by Globe Capital to Wide Success on the terms and conditions of the Disposal Agreement
“Globe Capital”	Globe Capital Resources Investment Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company, the principal business of Globe Capital is investment holding
“Group”	the Company and all its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Initial Payment”	RMB10,285,714 (equivalent to approximately HK\$11,675,044) being the initial payment and part of the Consideration payable by Wide Success to Globe Capital
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/ their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is/are third party(ies) independent of the Company and its connected persons
“Latest Practicable Date”	1 June 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Agreement”	a sale and purchase agreement dated 29 April 2009 and entered into between Wide Success as vendor and an Independent Third Party as purchaser in relation to the sale of 35% (including the Sale Equity) of equity interest in the Target under the name of Wide Success by Wide Success to such Independent Third Party
“PRC”	People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Sale Equity”	20% of the equity interest of the Target
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Disposal Agreement and the transactions contemplated thereunder
“Shareholders”	holders of the issued Shares
“Shares”	ordinary issued shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	國水投資集團調兵山風電有限公司(CWIG Diaobingshan Windpower Company Limited [#]), a company established in the PRC with the registered capital of RMB136,940, 000 (equivalent to approximately HK\$155,437,003)

DEFINITIONS

“Wide Success”	Wide Success International Enterprise Limited, a company incorporated in Hong Kong under the Companies Ordinance (Cap 32 of laws of Hong Kong) with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

the English translations of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

For the purpose of this circular, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB0.881 to HK\$1. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

LETTER FROM THE BOARD



PRIME INVESTMENTS HOLDINGS LIMITED

(incorporated in 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. Chan Po Fun Peter
Mr. Ding Xiaobin
Mr. Fung Cheuk Nang Clement
Mr. Ma Jie

Independent non-executive Directors:

Mr. Cheung Wai Bun, Charles, J.P.
Mr. Zhang Yong
Mr. Zeng Xianggao

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

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

3 June 2009

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

On 13 May 2009, the Board announced that on 12 May 2009 (after trading hours), Globe Capital, a wholly owned subsidiary of the Company entered into the Disposal Agreement with Wide Success for the disposal of the Sale Equity. The total consideration for the Sale Equity is RMB34,160,824 (equivalent to approximately HK\$38,775,056).

The purpose of this circular is to provide further details of the Disposal, the financial and general information of the Group and the notice of SGM.

LETTER FROM THE BOARD

THE DISPOSAL AGREEMENT

- Date: 12 May 2009
- Parties: (1) Globe Capital as vendor; and
- (2) Wide Success as purchaser

Wide Success is an investment holding company and the vendor to the Acquisition Agreement. As at the Latest Practicable Date, Wide Success owned 15% of the equity interest in the Target and also held 20% of the total equity interest, being the Sale Equity on trust for Globe Capital. Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Wide Success and its ultimate beneficial owners are Independent Third Parties.

Assets to be disposed of

The Sale Equity, being 20% of the equity interest of in the Target. The Sale Equity was acquired by the Group pursuant to the Acquisition Agreement for a consideration of RMB27,789,396 (equivalent to approximately HK\$31,521,905 calculated at the exchange rate of HK\$1 equal to RMB0.88519).

It was a condition under the Acquisition Agreement that all necessary consents and approvals required to be obtained on the part of Wide Success, Globe Capital and the Target in respect of the sale and purchase of the Sale Equity as well as the matters contemplated thereunder (including but not limited to the change of registration procedures in relation to the transfer of the Sale Equity and the articles of association of Target) on or before 18 April 2009.

Hitherto the necessary consents and approvals, of the change of registration procedures in relation to the transfer of the Sale Equity from the PRC authorities in order to give effect of change of legal title of the Sale Equity from Wide Success to Globe Capital, have not yet been obtained. As at the Latest Practicable Date, the legal title of the Sale Equity was vested on Wide Success while the beneficial ownership was vested on Globe Capital. Hence, Wide Success held the Sale Equity on trust for Globe Capital.

Consideration

The Consideration for the Disposal is RMB34,160,824 (equivalent to approximately HK\$38,775,056), which will be satisfied by Wide Success in cash in the following manner:

- (a) RMB10,285,714 (equivalent to approximately HK\$11,675,044) being the Initial Payment and part of the Consideration, was paid by Wide Success to the Group on 14 May 2009; and
- (b) the remaining balance of RMB23,875,110 (equivalent to approximately HK\$27,100,011) shall be payable by Wide Success to the Group within 3 Business Days upon the completion of the New Agreement.

The Consideration was determined after arm's length negotiation between Globe Capital and Wide Success with reference to the net assets and the business prospects of the Target.

LETTER FROM THE BOARD

In view of the Disposal is at premium, the Directors (including the independent non-executive Directors) considers that the Disposal Agreement was entered into on normal commercial terms and their respective terms are fair and reasonable and the entering into of the Disposal Agreement is in the interest of the Company and the Shareholders as a whole.

Conditions Precedent

Completion is conditional upon the satisfaction of the following conditions:

- (i) passing of the Shareholders at the SGM an ordinary resolution approving the Disposal Agreement and the transactions contemplated thereunder; and
- (ii) all the necessary consents and approvals in respect of the Disposal as well as the matters contemplated thereunder having been obtained by Globe Capital and Wide Success respectively.

If the conditions above have not been satisfied or waived (as applicable) on or before 31 December 2009, or such later date as Globe Capital and Wide Success may agree, the Disposal Agreement shall terminate and neither party shall have any liability to the other except for antecedent breaches of the Disposal Agreement and the obligation to return the Initial Payment.

As at the Latest Practicable Date, none of the above conditions have been satisfied.

Completion

The Completion shall take place within 3 Business Days after the fulfillment of all the conditions above on or before 31 December 2009.

Information on the Target

The Target is a joint venture established in the PRC of which 49.45% of the total equity interest is owned by 中國水利投資集團 (CWIG Investment Group Limited[#]), 15.55% of the total equity interest is 江河實業公司 (Jiang He Enterprises Company[#]), 15% of the total equity interest is owned by Wide Success and 20% of the total equity interest, being the Sale Equity, is held by Wide Success on trust for Globe Capital. Save for Globe Capital which is a wholly owned subsidiary of the Company, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, all other shareholders of the Target and their respectively ultimate beneficial owners are Independent Third Parties.

The Target is principally engaged in wind power electricity generation. In June 2007, the Target commenced the installation of 66 wind power generators in Diaobingshan, Liaoning Province, the PRC. Such installation was completed in February 2008. The 66 wind power generators has been generating electricity since June 2008.

LETTER FROM THE BOARD

Set out below are the unaudited financial information of Target (based on 100% equity interests) for the two years ended 31 December 2007 and 31 December 2008 respectively according to PRC accounting standard:

	For the year ended 31 December 2007	For the year ended 31 December 2008
	<i>RMB</i>	<i>RMB</i>
	(unaudited)	(unaudited)
Turnover	–	17,361,133
Loss before taxation	–	1,517,625
Loss after taxation	–	1,517,625

The unaudited net asset of the Target as at 31 December 2008 was approximately RMB135,422,375 (equivalent to approximately HK\$153,714,387).

REASONS FOR THE DISPOSAL

The Company is an investment holding company and its principal subsidiaries are engaged in the holding of equity or equity-related investments in listed and unlisted companies in Hong Kong and the PRC.

On 19 June 2008 Globe Capital entered into the Acquisition Agreement with Wide Success in relation to the acquisition of the Sale Equity for a consideration of RMB27,789,396 (equivalent to approximately HK\$31,521,905 calculated at the exchange rate of HK\$1 equal to RMB0.88159). Such consideration has been settled by Globe Capital in cash on 19 June 2008. In light that (i) the wind power electricity generation project of the Target is at the investment stage and it takes certain years to generate revenue to the Group; and (ii) Wide Success agrees to the buy back the Sale Equity at premium, the Board considers it is a good opportunity for the Group to realise its investment and to strengthen the financial position of the Group.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEED

The book value of the Sale Equity is approximately HK\$31,521,905 as shown in the interim report 2008 of the Company. The Sale Equity was acquired by the Group for a consideration of RMB27,789,396 (equivalent to approximately HK\$31,521,905 calculated at the exchange rate of HK\$1 equal to RMB0.88159) being the face value of the registered capital of the Target pursuant to the Acquisition Agreement. The excess of the consideration for disposing of the Sale Equity is RMB6,371,438 (equivalent to approximately HK\$7,232,052) over the acquisition consideration. Based on the consideration for the Sale Equity of RMB34,160,824 (equivalent to approximately HK\$38,775,056) and after deducting the expenses in relation to the Disposal, it is expected that the net gain of approximately RMB6,100,000 (equivalent to approximately HK\$6,923,950) will accrue to the Group.

It is expected that the total assets of the Group will be increased by approximately RMB\$6,100,000 (equivalent to approximately HK\$6,923,950), being the gain of disposal of the Sale Equity, and total liabilities of the Group will remain no change as a result of the Disposal.

LETTER FROM THE BOARD

There will be an immediate material impact, being the gain of disposal of the Sale Equity, on the earnings of the Group as a result of the Disposal, in which the final figure is yet to be confirmed upon Completion.

The Board intends to apply the net sale proceeds of approximately RMB33,889,396 (equivalent to approximately HK\$38,466,965) for future investment of the Group. As at the Latest Practicable Date, the Company has not identified any appropriate investment projects.

SGM

The Disposal constitutes a major transaction on the part of the Company under the Listing Rules. The SGM will be held at Suite 6305, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 22 June 2009 at 11:00 a.m., the notice of which is set out on pages 17 to 18 of this circular, to consider and, if thought fit, approve the ordinary resolution to approve the Disposal and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting at the SGM.

There is a form of proxy for use at the SGM accompanying this circular. Whether or not you will be able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to 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 SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rules 13.39(4) of the Listing Rules, the resolution proposed at the SGM will be taken by way of poll.

RECOMMENDATION

The Board considers that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution approving the Disposal as set out in the notice of SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the financial information of the Group and the other information set out in the appendices to this circular.

By order of the Board
Prime Investments Holdings Limited
Wang Wenxia
Chairman

1. INDEBTEDNESS

At the close of business on 30 April 2009, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had no material outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other material contingent liabilities.

2. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2008, being the date to which the latest audited financial statements of the Group were made up.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, the Group will have sufficient working capital for at least twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

The government of the PRC and the United States announced series stimulus packages to rebuild the confidence in finance market and to boost domestic demand and consumption after the global financial tsunami developed, as a result, the economy in PRC continues to record healthy rates of growth. With the support from the PRC, the economy in Hong Kong is anticipated to be recovered soon.

By disposal of 20% of the equity interest of the Target which principally engaged in wind power electricity generation, it will bring the net profit of approximately RMB6,100,000 (equivalent to approximately HK\$6,923,950) and the cash of approximately RMB33,889,396 (equivalent to approximately HK\$38,466,965) to the Group. With the strong working capital position, the Group will look for new and more valuable investment opportunities in different potential business both in the PRC and Hong Kong.

On the other hand, after the global financial crisis erupted last year, the price of many listed and unlisted companies become under value. Having a mission to enhance and maximize the Shareholder's value, the management believes that it is a good opportunity for the Group to select more value companies to acquire and invest which provide great potential to generate significant returns and strengthen the income stream of the Group. The management is optimistic about the business of the Group in the future.

(1) RESPONSIBILITY STATEMENT

This document 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 document 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.

(2) DISCLOSURE OF INTERESTS**(a) Directors' interests and short positions in the securities of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

(i) Shares:

Name of Director	Capacity and nature of interest	Total	Approximate percentage or attributable percentage of shareholdings
Fung Cheuk Nang, Clement	Beneficial owner (L)	190,909,092	7.69%
Chan Po Fun, Peter (<i>Note</i>)	Corporation (L)	510,000	0.02%

(L) Long position

Note: Dr. Chan Po Fun, Peter is a beneficial shareholder of the entire issued share capital of Concord Securities Company Limited, which directly holds 510,000 Shares.

(ii) Share options:

Name of Director	Number of options held	Date of grant	Exercise Period	Exercise Price	Nature of interest	Number of underlying Shares	Approximate Percentage of the issued share capital of the Company
Wang Wen Xia	18,400,000	23 January 2008	3 years	HK\$0.16	Personal (L)	18,400,000	0.740%
	6,430,000	17 November 2008	5 years	HK\$0.05	Personal (L)	6,430,000	0.259%
	<u>24,830,000</u>					<u>24,830,000</u>	<u>0.999%</u>
Pong Po Lam, Paul	1,200,000	23 January 2008	3 years	HK\$0.16	Personal (L)	1,200,000	0.048%
	500,000	17 November 2008	5 years	HK\$0.05	Personal (L)	500,000	0.020%
	<u>1,700,000</u>					<u>1,700,000</u>	<u>0.068%</u>
Ding Xiaobin	500,000	23 January 2008	3 years	HK\$0.16	Personal (L)	500,000	0.020%
	300,000	17 November 2008	5 years	HK\$0.05	Personal (L)	300,000	0.012%
	<u>800,000</u>					<u>800,000</u>	<u>0.032%</u>
Cheung Wai Bun, Charles	1,300,000	23 January 2008	3 years	HK\$0.16	Personal (L)	1,300,000	0.052%
	800,000	17 November 2008	5 years	HK\$0.05	Personal (L)	800,000	0.032%
	<u>2,100,000</u>					<u>2,100,000</u>	<u>0.084%</u>
Zhang Yong	300,000	23 January 2008	3 years	HK\$0.16	Personal (L)	300,000	0.012%
	300,000	17 November 2008	5 years	HK\$0.05	Personal (L)	300,000	0.012%
	<u>600,000</u>					<u>600,000</u>	<u>0.024%</u>
Ma Jie	8,000,000	23 January 2008	3 years	HK\$0.16	Personal (L)	8,000,000	0.322%
	2,000,000	17 November 2008	5 years	HK\$0.05	Personal (L)	2,000,000	0.081%
	<u>10,000,000</u>					<u>10,000,000</u>	<u>0.403%</u>
Chan Po Fun, Peter	300,000	17 November 2008	5 years	HK\$0.05	Personal (L)	300,000	0.012%
Fung Cheuk Nang, Clement	500,000	17 November 2008	5 years	HK\$0.05	Personal (L)	500,000	0.020%
Zeng Xianggao	500,000	17 November 2008	5 years	HK\$0.05	Personal (L)	500,000	0.020%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Substantial shareholders of the Company:

Name of Shareholders	Notes	Capacity and nature of interest	Total	Approximate percentage or attributable percentage of shareholdings (%)
Asset Full Resources Limited	1	Beneficial owner	427,890,908 (L)	17.23
Duan Chuan Liang	1	Corporation	427,890,908 (L)	17.23
	1	Beneficial owner	24,930,000 (L)	1.00
		Subtotal	452,820,908 (L)	18.23
Poly Good Group Limited	2	Beneficial owner	190,687,142 (L)	7.68
Chan Yan Ting	2	Corporation	190,687,142 (L)	7.68
Chung Kit Lai	2	Family interest	190,687,142 (L)	7.68
Upkeep Properties Limited	3	Beneficial owner	150,000,000(L)	6.04

(L) Long position

Notes:

- The entire issued share capital of Asset Full Resources Limited, is beneficially owned by Mr. Duan Chuan Liang. Mr. Duan is deemed to be interested in 427,890,908 Shares under the SFO.
- The entire issued share capital of Poly Good Group Limited is beneficially owned by Mr. Chan Yan Ting. Mr. Chan Yan Ting and his spouse Madam Chung Kit Lai are deemed to be interested in 190,687,142 Shares under the SFO.
- The entire issued share capital of Upkeep Properties Limited is beneficially owned by Mr. Tam Wo Quan. Mr. Tam is deemed to be interested in 150,000,000 Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interest or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(3) DIRECTORS' SERVICE CONTRACTS

Ms. Wang Wenxia entered into a service agreement with Company on 15 January 2008, pursuant to which Ms. Wang was appointed to act as executive Director and chief executive officer for a period of three years from the date of the agreement at a yearly remuneration of HK\$1,300,000. Under the service agreement, either party needs to serve a not less than 12 months' written notice to the other party in case of early termination of the appointment.

As at the Latest Practicable Date, save as disclosed herein, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

(4) COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates has any interest in a business which competes or may compete with the business of the Group or have or may have any conflicts of interests with the Group.

(5) LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

(6) MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) were entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date and which is or may be material:

- (a) An underwriting agreement dated 29 August 2007 and entered into between the Company and China Water Investments Limited. Pursuant to the underwriting agreement, China Water Investments Limited agreed to act as the underwriter for the proposed issue of 1,975,755,185 offer Shares offered to the Shareholders who were entitled to subscribe on the basis of five offer Shares for every one Share held on the relevant record date by way of open offer;

- (b) subscription agreement dated 4 March 2008 and entered into between the Company and Mr. Wang Chuang. Pursuant to the subscription agreement, a total of 5,347,594 Shares were subscribed by Mr. Wang Chuang at HK\$0.187 per Share for the sum of HK\$1,000,000 in cash;
- (c) subscription agreement dated 4 March 2008 and entered into between the Company and Mr. Hu Xin Yi. Pursuant to the subscription agreement, a total of 1,604,278 Shares were subscribed by Mr. Hu Xin Yi at HK\$0.187 per Share for the sum of HK\$300,000 in cash;
- (d) subscription agreement dated 4 March 2008 and entered into between the Company and Mr. Cui Yeng Yu. Pursuant to the subscription agreement, a total of 42,780,749 Shares were subscribed by Mr. Cui Yeng Yu at HK\$0.187 per Share for the sum of HK\$8,000,000 in cash;
- (e) subscription agreement dated 4 March 2008 and entered into between the Company and Ms. Suen Yim Wa. Pursuant to the subscription agreement, a total of 2,673,797 Shares were subscribed by Ms. Suen Yim Wa at HK\$0.187 per Share for the sum of HK\$500,000 in cash;
- (f) subscription agreement dated 4 March 2008 and entered into between the Company and Ms. Xu Xiao Qin. Pursuant to the subscription agreement, a total of 2,673,797 Shares were subscribed by Ms. Xu Xiao Qin at HK\$0.187 per Share for the sum of HK\$500,000 in cash;
- (g) subscription agreement dated 4 March 2008 and entered into between the Company and Mr. Ji Shaoxiong. Pursuant to the subscription agreement, a total of 267,380 Shares were subscribed by Mr. Ji Shaoxiong at HK\$0.187 per Share for the sum of HK\$50,000 in cash;
- (h) subscription agreement dated 4 March 2008 and entered into between the Company and Mr. Luo Hong. Pursuant to the subscription agreement, a total of 1,069,519 Shares were subscribed by Mr. Luo Hong at HK\$0.187 per Share for the sum of HK\$200,000 in cash;
- (i) subscription agreement dated 4 March 2008 and entered into between the Company and Ms. Zhao Lei. Pursuant to the subscription agreement, a total of 534,759 Shares were subscribed by Ms. Zhao Lei at HK\$0.187 per Share for the sum of HK\$100,000 in cash;
- (j) subscription agreement dated 5 March 2008 and entered into between the Company and Pond Rise Investment Holdings Limited. Pursuant to the subscription agreement, a total of 53,475,945 Shares were subscribed by Pond Rise Investments Holdings Limited at K\$0.187 per Share for the sum of HK\$10,000,000 in cash;
- (k) investment management agreement dated 18 April 2008 and entered into between the Company and Atlantis Investment Management (Hong Kong) Limited, pursuant to which Atlantis Investment Management (Hong Kong) Limited has agreed to provide investment management services to the Company for a period of three years effective from 13 May 2008. In return, the Company will pay (i) management fee quarterly in arrears at the rate of one (1)% per annum of the market value of the portfolio on the last business day of each calendar quarter, and (ii) a performance-related fee of ten (10)% of the appreciation in the market value of the portfolio above a ten (10)% hurdle rate per annum;

- (l) the Acquisition Agreement;
- (m) sale and purchase agreement dated 22 September 2008 between Global Business Investment Enterprises Limited and Good Outlook Investments Limited in relation to the acquisition of the Sale Convertible Bonds by Global Business Investment Enterprises Limited; and
- (n) the Disposal Agreement.

(7) DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) Pursuant to an investment management agreement dated 21 February 2006 and entered into between the Company and Pegasus Fund Managers Limited (“Pegasus”), which was subsequently effective on 1 August 2006, whereby Pegasus has agreed 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 rates:
 - (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 Po Lam, Paul, an executive Director, has 91.57% equity interest in Pegasus and is one of the directors of Pegasus. Accordingly, this arrangement constitutes a connected transaction under Chapter 14 of the Listing Rules. Save as disclosed above, there is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Group.

- (b) Save as disclosed, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 30 June 2008, the date to which the latest published audited consolidated financial statements of the Group were made up.

(8) MISCELLANEOUS

- (a) The registered office of the Company is located at Clarendon House 2 Church Street Hamilton HM 11Bermuda. The head office and principal place of business in Hong Kong is Suite 6305, 63/F Central Plaza, 18 Harbour Road Wanchai, Hong Kong.
- (b) The share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.

- (c) The company secretary of the Company is Mr. Li Chi Chung, a solicitor qualified for practicing in Hong Kong.
- (d) The English version of this circular shall prevail over the Chinese text.

(9) DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours on business days at the office of the Company at Suite 6305, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including 22 June 2009 and at the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contracts referred to in the paragraph headed “Material contracts” in this Appendix;
- (c) the annual reports of the Company for each of the two financial years ended 30 June 2007 and 30 June 2008;
- (d) the interim reports of the Company for each of the six months ended 31 December 2008;
- (e) the service agreement entered between Ms. Wang Wenxia and the Company dated 15 January 2008;
- (f) a copy of each of the circulars of the Company issued, if any, pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules since 30 June 2008 (being the date to which the latest published audited consolidated financial statements of the Group were made up); and
- (g) a copy of this circular.

NOTICE OF SGM



PRIME INVESTMENTS HOLDINGS LIMITED

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

(stock code: 721)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of the shareholders of Prime Investments Holdings Limited (the “**Company**”) will be held at Suite 6305, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Monday, 22 June 2009 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the conditional agreement (the “**Agreement**”) dated 12 May 2009 and entered into between Globe Capital Resources Investments Limited, a wholly owned subsidiary of the Company, as vendor and Wide Success International Limited as purchaser in relation to the sale and purchase of 20% of the equity interest in 國水投資集團調兵山風電有限公司(CWIG Diaobingshan Windpower Company Limited[#]) for a consideration of RMB34,160,824 (a copy of the Agreement is marked “A” and produced to the SGM and signed by the chairman of the SGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;
- (b) any one or more directors of the Company be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal) which he/she/ they consider necessary or expedient to give effect to the Agreement and the transactions contemplated thereunder.”

Yours faithfully,
For and on behalf of
the board of directors of
Prime Investments Holdings Limited
Wang Wenxia
Chairman

Hong Kong, 3 June 2009

NOTICE OF SGM

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

*Head office and principal place of
business in Hong Kong:*
Suite 6305, 63/F
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Notes:

1. Any 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, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. 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, and in such event, the form of proxy shall be deemed to be revoked.