



ANNOUNCEMENT UNDER RULE 13.09

This announcement is made under Rule 13.09 of the Listing Rules.

The directors of PME Group Limited (the “Company”) announce that a wholly-owned subsidiary of the Company, PME International Company Limited, entered into an agreement with a polishing material manufacturer in Japan (the “Japan Manufacturer”) on 11 July 2005 to manufacture buffing and polishing compounds for the Japan Manufacturer under the brand, design and formula of the Japan Manufacturer. The agreement shall be effective for three years commenced from 11 July 2005. The manufacturing will be carried out in the Group’s production facilities located in Dongguan, China.

The Japan Manufacturer is an independent third party not connected with the directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates, as defined in the Listing Rules.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
PME GROUP LIMITED
Cheng Kwok Woo
Chairman

Hong Kong, 12 July 2005

* *For identification purpose only*

As at the date of this announcement, the Board comprises (1) Mr Cheng Kwok Woo, Mr Cheng Kwong Cheong, Ms Cheng Wai Ying, Mr Chow Yin Kwang, and Ms Chan Yim Fan as executive directors; (2) Mr Zheng Jin Hong as non-executive director; and (3) Messrs Anthony Francis Martin Conway, Leung Yuen Wing and Lam Hon Ming Edward as independent non-executive directors.

“Please also refer to the published version of this announcement in the International Herald Tribune”