



PME GROUP LIMITED

必美宜集團有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 379)

ANNOUNCEMENT

Announcement in respect of increases in the trading volume and price of the shares of the Company.

The Shareholders of the Company and other investors should exercise caution in dealing in the shares of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The directors of PME Group Limited (the “Company”) have noted the recent increases in the trading volume and price of the shares of the Company and wish to state that we are not aware of any reasons for such increases.

A wholly-owned subsidiary of the Company has entered into a non-legally binding Statement of Intention with an enterprise established in mainland China (the “Chinese Party”) to set up a joint venture (the “Proposed JV”) in eastern China for the manufacturing and sales of polishing materials. The Chinese Party and its ultimate beneficial owner are independent third parties 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 Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), of the Company.

We wish to state that details of the Proposed JV have not yet been finalised. No binding agreement in relation to the Proposed JV has been entered by the Company. The Proposed JV may or may not proceed. The Company will keep the public informed by making further amendments on the progress of the Proposed JV as appropriate and in accordance with the requirements of the Listing Rules.

Shareholders of the Company and other investors should exercise caution in dealing in the shares of the Company.

Saved as disclosed above, we confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of Listing Rule, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the directors (except for the independent non-executive director Mr. Lam Hon Ming, Edward who is unable to be contacted) of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 31 March 2006

** 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”