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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in PME Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**PME GROUP LIMITED**

**必美宜集團有限公司\***

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

**PROPOSED ISSUE OF UNLISTED WARRANTS  
AND  
RE-ELECTION OF DIRECTORS**

**Placing Agent**



**KINGSTON SECURITIES LIMITED**

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A notice convening the extraordinary general meeting of PME Group Limited to be held at 10:00 a.m. on Tuesday, 29 May 2007 at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong is set out on pages 14 to 15 of this circular. Whether or not you are able to attend the extraordinary general meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the head office and principal place of business in Hong Kong of the Company at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting should you so wish.

\* for identification purposes only

11 May 2007

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	4
2. Proposed issue of unlisted Warrants .....	5
3. Fund raising during the past twelve months preceding the date of the Placing Agreement .....	9
4. Changes of shareholding structure .....	9
5. Implications under the Listing Rules .....	10
6. Re-election of Directors .....	10
7. General .....	10
8. EGM .....	11
9. Procedures for demanding a poll .....	11
10. Recommendation .....	12
<b>Appendix – Details for Directors proposed to be re-elected at the EGM</b> .....	13
<b>Notice of the Extraordinary General Meeting</b> .....	14

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## DEFINITIONS

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*In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:*

“Announcement”	the announcement of the Company dated 13 April 2007 in relation to the Placing
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday and Sunday) on which banks in Hong Kong are generally open for business
“Company”	PME Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to approve, among others, the Placing Agreement, the Specific Mandate and the re-election of Directors
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	the counterparty and its ultimate beneficial owners being third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Instrument”	the deed poll constituting the Warrants to be executed by the Company on Completion
“Issue Price”	HK\$0.046 per unit of Warrant to be issued pursuant to the Placing

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## DEFINITIONS

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“Latest Practicable Date”	9 May 2007, the latest practicable date prior to the issue of this circular for the purpose of ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares Placing”	the placing of 191,600,000 new Shares at HK\$0.172 per Share pursuant to the placing agreement entered into between the Company and Get Nice Investment Limited dated 2 April 2007, further details of which are contained in the announcement of the Company dated 2 April 2007
“Placee(s)”	any person or entity whom the Placing Agent has procured to subscribe for the Warrants
“Placing”	a private placing of the Warrants to selected independent institutional and/or private investors pursuant to the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 regulated activity under Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 12 April 2007 entered into between the Company and the Placing Agent in relation to the Placing
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate for the issue of the Subscription Shares to be granted to the Directors by the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the initial subscription price of HK\$0.25 per Subscription Share (subject to adjustment) at which holder of the Warrants may subscribe for the Subscription Shares

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## DEFINITIONS

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“Subscription Share(s)”	new Share(s) which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants
“Warrants”	a total number of 220,000,000 unlisted warrants to be issued by the Company at the Issue Price, in registered form, in units of HK\$0.046 each of subscription rights entitling the holder thereof to subscribe for one Subscription Share at the Subscription Price at any time during a period of 12 months commencing from the date of issue of the Warrants, subject to the terms and conditions set out in the Instrument
“Warrantholder”	holders of the Warrants
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.



**PME GROUP LIMITED**  
**必美宜集團有限公司\***

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

*Executive Directors:*

Mr. Cheng Kwok Woo  
Mr. Cheng Kwong Cheong  
Ms. Cheng Wai Ying  
Mr. Chow Yin Kwang  
Ms. Chan Yim Fan  
Ms. Yeung Sau Han Agnes  
Ms. Chan Shui Sheung Ivy

*Non-executive Director:*

Mr. Zheng Jin Hong

*Independent non-executive Directors:*

Mr. Anthony Francis Martin Conway  
Mr. Leung Yuen Wing  
Mr. Lam Hon Ming Edward

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

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

5th Floor  
Unison Industrial Centre  
Nos. 27-31 Au Pui Wan Street  
Fo Tan, Shatin  
Hong Kong

11 May 2007

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ISSUE OF UNLISTED WARRANTS  
AND  
RE-ELECTION OF DIRECTORS**

**1. INTRODUCTION**

On 13 April 2007, the Board announced that the Company entered into the Placing Agreement with the Placing Agent on 12 April 2007 pursuant to which the Company appointed the Placing Agent as sole and exclusive placing agent to procure not fewer than six Placees to subscribe for 220,000,000 Warrants, on a fully underwritten basis, at the issue price of HK\$0.046 per Warrant.

\* for identification purposes only

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## LETTER FROM THE BOARD

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On 2 May 2007, the Board announced that Ms. Yeung Sau Han Agnes (“Ms. Yeung”) and Ms. Chan Shui Sheung Ivy (“Ms. Chan”) were appointed as executive Directors of the Company with effective from 2 May 2007. Ms. Yeung and Ms. Chan shall hold office only until the next general meeting of the Company, which is the EGM, and shall then be eligible for re-election at that meeting in accordance with the Articles of Association of the Company.

The purpose of this circular is to provide further details of, among others, the Placing Agreement, the Specific Mandate and re-election of Directors and give you the notice of EGM.

### 2. PROPOSED ISSUE OF UNLISTED WARRANTS

#### THE PLACING AGREEMENT

Date: 12 April 2007

Parties: (i) Issuer: the Company  
(ii) Placing Agent: Kingston Securities Limited

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Placing Agent is an Independent Third Party.

The Placing Agent will receive a commission equal to 2.5% of the Issue Price multiplied by the aggregate number of units of the Warrants actually placed by the Placing Agent.

#### Information on the Warrants

A total number of 220,000,000 Warrants is proposed to be issued. Upon full exercise of the subscription rights attaching to the Warrants, a total of 220,000,000 Subscription Shares, representing (i) approximately 22.96% of the issued share capital of the Company as at the date of the Announcement; (ii) approximately 19.14% of the issued share capital of the Company as at the Latest Practicable Date; and (iii) approximately 16.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares upon the full exercise of the subscription rights attaching to the Warrants. It is expected that there will be no new substantial Shareholders resulting from the immediate exercise of the subscription rights attaching to the Warrants by the holders in full upon the issue of the Warrants.

The Warrants will be issued to the Placees upon Completion in registered form and constituted by the Instrument. The Warrants will rank *pari passu* in all respects among themselves.

Each Warrant carries the right to subscribe for one Subscription Share at the Subscription Price (subject to adjustment) and is issued at the Issue Price.

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## LETTER FROM THE BOARD

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The subscription rights attaching to the Warrants can be exercised at any time during a period of 12 months commencing from the date of issue of the Warrants. The Subscription Shares, when fully paid and allotted, will rank pari passu in all respects with the then Shares in issue on the date of allotment and issue of the relevant Subscription Shares (other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of receipt by the Company of the relevant exercise notice).

### **The Placees**

The Placing Agent will procure not less than six Placees to subscribe for the Warrants on a fully underwritten basis. The Placees shall be independent institutional or private investors and each of them will be an Independent Third Party.

### **Issue Price and Subscription Price**

The Issue Price is HK\$0.046 per Warrant payable in cash.

The Subscription Price is HK\$0.25 per Subscription Share, subject to adjustment details of which are set out in the Instrument.

The Subscription Price represents (i) a discount of approximately 26.47% to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on 11 April 2007, being the trading date immediately prior to the date of the Placing Agreement; (ii) a discount of approximately 13.73% to the average of the closing prices of HK\$0.2898 per Share as quoted on the Stock Exchange from 30 March 2007 to 11 April 2007 being the last five trading days immediately prior to the date of the Placing Agreement; (iii) a premium of approximately 12.97% over the average of the closing prices of HK\$0.2213 per Share as quoted on the Stock Exchange from 23 March 2007 to 11 April 2007 being the last ten trading days immediately prior to the date of the Placing Agreement; and (iv) a discount of approximately 57.63% to the closing price of HK\$0.59 as at the Latest Practicable Date.

The aggregate of the Issue Price and the Subscription Price of HK\$0.296 represents (i) a discount of approximately 12.94% to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on 11 April 2007, being the trading date immediately prior to the date of the Placing Agreement; (ii) a premium of approximately 2.14% over the average of the closing prices of HK\$0.2898 per Share as quoted on the Stock Exchange from 30 March 2007 to 11 April 2007 being the last five trading days immediately prior to the date of the Placing Agreement; (iii) a premium of approximately 33.76% over the average of the closing prices of HK\$0.2213 per Share as quoted on the Stock Exchange from 23 March 2007 to 11 April 2007 being the last ten trading days immediately prior to the date of the Placing Agreement; and (iv) a discount of approximately 49.83% to the closing price of HK\$0.59 as at the Latest Practicable Date.



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## LETTER FROM THE BOARD

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The Board considers that both the Subscription Price and the Issue Price, having taken into account the trading prices of the Shares prevailing around the date of the Placing Agreement and an exercise period of 12 months, which are determined after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

### **Minimum subscription**

Subscription for the Warrants must be for a minimum of 10,000,000 Warrants or integral multiples thereof.

### **Transferability**

The Warrants are transferable in integral multiples of 10,000,000 Warrants subject to the consent of the Company whose consent shall not be unreasonably refused or withheld.

The Company undertakes to comply with the Listing Rules and to make necessary announcement, where appropriate, if and when the Placees makes any transfer of the Warrants to other parties requiring disclosure.

### **Conditions of the Placing**

Completion shall be subject to and conditional upon the following:

- (a) (if required) the listing committee of the Stock Exchange shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Placees shall reasonably object and the satisfaction of such conditions;
- (b) the listing committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Placees shall reasonably object) the listing of, and permission to deal in, the Subscription Shares which fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants;
- (c) the Shareholders approving the Placing Agreement and the issue of the Subscription Shares contemplated thereunder at the EGM; and
- (d) no event having occurred or occurring which would constitute an event of default or a potential event of default (as mentioned in the Instrument) had the Warrants been issued.

If the above conditions are not fulfilled on or before 5:00 p.m. on 15 June 2007 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement will lapse and become null and void and the parties shall be released from all obligations thereunder. As at the Latest Practicable Date, none of the above conditions have been fulfilled.

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## LETTER FROM THE BOARD

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Pursuant to the Placing Agreement, in the event that the Subscription Shares to be issued upon exercise of the Warrants, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued, the Placing Agreement will be terminated and the parties shall be released from all obligations thereunder.

### **Completion**

Completion will take place on the fourth Business Day after the fulfillment of the conditions referred to in the above section headed “Conditions of the Placing” in this circular.

### **Rights for the holders of the Warrants**

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

### **Mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought at the EGM.

### **Application for listing**

The Company will apply to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares which fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

### **Reasons for the Placing**

The Group is principally engaged in manufacturing and trading of polishing materials and equipment.

The Directors concluded that the Placing would be a good opportunity to raise further capital for the Company in that it will not have an immediate dilution effect on the shareholding of the existing Shareholders and about HK\$9.67 million will be raised immediately upon completion of the Placing. The Directors has considered the immediate funds to be raised is not essential to financing the operations of the Group, which the Group currently has sufficient working capital to carry on its principal activities. However, the Directors are of the view that the Placing would provide the Group with an excellent opportunity to raise further substantial funds in the event the Placees exercise their subscription rights attaching to the Warrants at any time during a period of 12 months commencing from the date of issue of the Warrants. If and when the Warrants are exercised, further funds of about HK\$55 million will also be raised.

In view of the above, the Directors consider that the proposed issue of the unlisted Warrants is an appropriate method of raising further funds for the Company in the circumstances and that the terms of the Placing Agreement which have been arrived at

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## LETTER FROM THE BOARD

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after arm's length negotiations between the Company and the Placing Agent are fair and reasonable and the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

### Use of proceeds

It is expected the net proceeds of approximately HK\$9.67 million (with a net issue price of approximately HK\$0.044 per Warrant) will be raised by the Placing and the same will be utilised by the Group as general working capital.

Assuming the full exercise of the subscription rights attaching to the Warrants, it is expected approximately HK\$55 million will be raised which will be utilised by the Group for additional general working capital.

### 3. FUND RAISING DURING THE PAST TWELVE MONTHS PRECEDING THE DATE OF THE PLACING AGREEMENT

Save for the New Shares Placing, which has been completed on 16 April 2007, for raising about HK\$32.13 million for general working capital purpose, there has been no fund raising by the Company during the past twelve months preceding the date of the Placing Agreement.

### 4. CHANGES OF SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 1,149,600,000 Shares in issue. The shareholding structure of the Company before and after the full exercise of the subscription rights attaching to the Warrants (assuming full subscription of the Warrants) are as follows:

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Placing and assuming full exercise of the subscription rights attaching to the Warrants	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
PME Investments (BVI) Co. Ltd. and its associates ( <i>Note 1</i> )	481,638,000	41.90%	481,638,000	35.17%
Public Shareholders:				
1. The Placees ( <i>Note 2</i> )	–	–	220,000,000	16.06%
2. Other public Shareholders	667,962,000	58.10%	667,962,000	48.77%
Total	<u>1,149,600,000</u>	<u>100%</u>	<u>1,369,600,000</u>	<u>100%</u>

#### Notes:

1. PME Investments (BVI) Co., Ltd. ("PME Investments"), a company incorporated in the British Virgin Islands, is the beneficial owner of 318,438,000 Shares as at the Latest Practicable Date. The entire issued share capital of PME Investments is beneficially owned as to one-third by each of Mr. Cheng Kwok Woo, Mr. Cheng Kwong Cheong and Ms. Cheng Wai Ying, all are Directors. In addition, each of Mr. Cheng Kwok Woo, Mr. Cheng Kwong Cheong and Ms. Cheng Wai Ying personally holds 54,400,000 Shares as at the Latest Practicable Date.
2. The number of Shares represents the total number of Subscription Shares to be issued upon full exercise of the subscription rights to the Warrants to be placed to the Placees.

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## LETTER FROM THE BOARD

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### 5. IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Subscription Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued equity capital of the Company at the time the Warrants are issued. The Subscription Shares to be issued upon full exercise of the subscription rights attaching to the Warrants represents approximately 19.14% of the issued share capital of the Company upon completion of the New Shares Placing (which is equivalent to the issued share capital of the Company at the Latest Practicable Date). Accordingly, the issue of the Warrants will be in compliance with Rule 15.02(1) of the Listing Rules.

### 6. RE-ELECTION OF DIRECTORS

Pursuant to Article 86(3) of the Articles of Association of the Company, all Directors appointed either to fill a casual vacancy or as an addition to the Board shall be subject to re-election by the Shareholders at the first general meeting after their appointment.

Ms. Yeung and Ms. Chan who have been appointed as executive Directors on 2 May 2007 shall hold office only until the EGM in accordance with the Articles of Association of the Company. Being eligible, each of Ms. Yeung and Ms. Chan will offer herself for re-election as executive Director.

At the EGM, ordinary resolutions will be proposed to re-elect each of Ms. Yeung and Ms. Chan as executive Director.

Particulars relating to each of Ms. Yeung and Ms. Chan are set out in the Appendix to this circular.

### 7. GENERAL

As at the Latest Practicable Date, save for the Warrants, the Company has no other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

The Subscription Shares will be issued under the Specific Mandate. The Placing Agreement and the Specific Mandate are subject to the approval by the Shareholders at the EGM. At the EGM, ordinary resolutions will also be proposed to re-elect Ms. Yeung and Ms. Chan as executive Directors.

To the best of the Directors' knowledge, no Shareholders have material interest in the Placing Agreement, the Specific Mandate and re-election of Directors which are different than other Shareholders therefore no Shareholders are required to be abstained from voting at the EGM.

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## LETTER FROM THE BOARD

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### 8. EGM

A notice convening the EGM to be held at 10:00 a.m. on Tuesday, 29 May 2007 at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong is set out on pages 14 to 15 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the head office and principal place of business in Hong Kong of the Company at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

### 9. PROCEDURES FOR DEMANDING A POLL

At any general meeting of the Company, resolutions put to the vote at the meeting shall be decided on a show of hands, unless a poll is demanded. Under Article 66 of the Articles of Association of the Company, a poll may be demanded, before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or by proxy or by its duly authorised corporate representative for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person or by proxy or by its duly authorised corporate representative and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person or by proxy or by its duly authorised corporate representative and holding Shares conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at the meeting.

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## LETTER FROM THE BOARD

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### 10. RECOMMENDATION

The Directors consider that the terms of the Placing Agreement and the Specific Mandate are fair and reasonable and consider the Placing Agreement, the Specific Mandate and the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of all the ordinary resolutions to be proposed at the EGM.

Yours faithfully,  
For and on behalf of the Board  
**Cheng Kwok Woo**  
*Chairman*

The details of the Directors who will hold office until the EGM and being eligible, will offer themselves for re-election at the EGM, are set out below:

**(1) Ms. Yeung Sau Han Agnes**

Ms. Yeung, aged 41, graduated from Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) with a higher diploma in fashion design. Ms. Yeung was an executive director of LeRoi Holdings Limited from November 2002 to January 2007. Save as disclosed above, Ms. Yeung did not hold any other directorship in other listed public companies during the past three years.

Ms. Yeung does not have any relationship with other directors, senior management or substantial shareholders or controlling shareholders of the Company. Ms. Yeung does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The remuneration of Ms. Yeung will be determined by the Board with reference to her position, her level of responsibilities, the remuneration policy of the Company and prevailing market conditions. Ms. Yeung has no fixed term of service with the Company.

Save as disclosed above, there is no further information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

**(2) Ms. Chan Shui Sheung Ivy**

Ms. Chan, aged 42, holds a Master of Business Administration degree from the University of South Australia. She has over 15 years experience in investment. Ms. Chan did not hold any directorship in public listed companies during the past three years.

Ms. Chan does not have any relationship with other directors, senior management or substantial shareholders or controlling shareholders of the Company. Ms. Chan does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The remuneration of Ms. Chan will be determined by the Board with reference to her position, her level of responsibilities, the remuneration policy of the Company and prevailing market conditions. Ms. Chan has no fixed term of service with the Company.

Save as disclosed above, there is no further information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

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# NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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## **PME GROUP LIMITED**

**必美宜集團有限公司\***

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of PME Group Limited (the “**Company**”) will be held at 10:00 a.m. on Tuesday, 29 May 2007 at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

### **ORDINARY RESOLUTIONS**

1. “**THAT:**

- (a) the placing agreement (the “**Placing Agreement**”) entered into between the Company and Kingston Securities Limited dated 12 April 2007 in relation to the placing of 220,000,000 unlisted warrants (the “**Warrants**”) in units of HK\$0.046 each of subscription rights entitling the holder thereof to subscribe for one share (the “**Share**”) of HK\$0.01 at a subscription price of HK\$0.25 per Share, a copy of which is produced to the Meeting marked “A” and signed by the Chairman of the Meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the issue of the Warrants and the allotment and issue of the Shares upon the exercise of the subscription rights attaching to the Warrants pursuant to the terms and conditions of the Placing Agreement be hereby approved; and
- (c) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider necessary or desirable for the purpose of or in connection with the implementation of the Placing Agreement and all transactions contemplated thereunder.”

2. “**THAT** the following individuals be and are hereby re-elected as director (the “**Director**”) of the Company with immediate effect:

- (a) Ms. Yeung Sau Han Agnes as executive Director; and
- (b) Ms. Chan Shui Sheung Ivy as executive Director.”

By order of the Board of  
**PME Group Limited**  
**Cheng Kwok Woo**  
Chairman

Hong Kong, 11 May 2007

\* for identification purposes only



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## NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

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

5th Floor, Unison Industrial Centre  
Nos. 27-31 Au Pui Wan Street  
Fo Tan, Shatin  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association 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 meeting to represent the member.
2. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's head office and principal place of business in Hong Kong at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.