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PME GROUP LIMITED

以美宜集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

**VERY SUBSTANTIAL ACQUISITION:
ADJOURNMENT OF EGM
AND
EXTENSION OF CONDITIONS FULFILLMENT DATE**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

In view of the difference between the recent market price of the Proactive Share and the price of the Sale Shares of HK\$17.72 per Sale Share, the Purchaser and the Vendor have entered into arm's length negotiations in respect of the possibility to amend the terms and conditions of the Sale and Purchase Agreement, including but not limited to possible downward adjustment to the price of the Sale Shares. As such, the Directors propose to adjourn the voting on the Transaction Resolutions at the coming EGM on 18 September 2007 until further notice. The Company will comply with the Listing Rules in this regard.

Further announcement(s) will be made in respect of any material developments of the further negotiations and the possible amendments to the terms and conditions of the Sale and Purchase Agreement. A supplemental circular contains the updated information of the Acquisition and a notice of the adjourned EGM for the Transaction Resolutions will be despatched to the Shareholders as and when appropriate. The Company will despatch the supplemental circular and the notice of the adjourned EGM to the Shareholders not less than 14 days before the date of the adjourned EGM to be held to consider the Transaction Resolutions in compliance with Rule 14.52 of the Listing Rules.

To facilitate further negotiations between the Vendor and the Purchaser, pursuant to an extension letter dated 14 September 2007 the Vendor and the Purchaser have agreed to extend the last date for fulfillment of the conditions in the Sale and Purchase Agreement from 30 September 2007 to 31 December 2007 (or such other date as the Vendor and the Purchaser may agree in writing).

Save as disclosed herein, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09(1) of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders and potential investor are advised to exercise caution when dealing in the Shares.

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Reference is made to the announcement and the circular (the “**Circular**”) of the Company dated 4 July 2007 and 22 August 2007 respectively in relation to, among other matters, the very substantial acquisition on the part of the Company involving the acquisition of the Sale Shares from the Vendor by the Purchaser. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Circular.

In view of the difference between the recent market price of the Proactive Share and the price of the Sale Shares of HK\$17.72 per Sale Share, the Purchaser and the Vendor have entered into arm’s length negotiations in respect of the possibility to amend the terms and conditions of the Sale and Purchase Agreement, including but not limited to possible downward adjustment to the price of the Sale Shares. The closing price per Proactive Share as quoted on the Stock Exchange on 14 September 2007, being the date of this announcement, is HK\$11.02 per Proactive Share.

As such, the Directors propose to defer the voting on the resolutions (the “**Transaction Resolutions**”) approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the Proposed Change of Name at the coming EGM to be held on 18 September 2007 until further notice. The Company will comply with the Listing Rules in this regard.

Further announcement(s) will be made in respect of any material developments of the further negotiations and the possible amendments to the terms and conditions of the Sale and Purchase Agreement. A supplemental circular contains the updated information of the Acquisition and a notice of the adjourned EGM for the Transaction Resolutions will be despatched to the Shareholders as and when appropriate. The Company will despatch the supplemental circular and the notice of adjourned EGM to the Shareholders not less than 14 days before the date of the adjourned EGM to be held to consider the Transaction Resolutions in compliance with Rule 14.52 of the Listing Rules.

Approval from the Shareholders will only be sought for resolutions numbered 2, 3 and 4 as set out in the notice of EGM in the Circular relating to the grant of New General Mandate, the extension of the New General Mandate to the repurchase mandate and the re-election of Mr. Chow as an independent non-executive Director at the coming EGM to be held on 18 September 2007.

To facilitate further negotiations between the Vendor and the Purchaser, pursuant to an extension letter dated 14 September 2007 the Vendor and the Purchaser have agreed to extend the last date for fulfillment of the conditions in the Sale and Purchase Agreement from 30 September 2007 to 31 December 2007 (or such other date as the Vendor and the Purchaser may agree in writing).

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

Hong Kong, 14 September 2007

* *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, Ms. Chan Yim Fan, Ms. Yeung Sau Han Agnes and Ms. Chan Shui Sheung Ivy as executive Directors; and (2) Messrs Anthony Francis Martin Conway, Leung Yuen Wing, Soong Kok Meng and Chow Fu Kit Edward as independent non-executive Directors.