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**THE 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 stockbroker or other registered dealer in securities, 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 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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**PME GROUP LIMITED**

**必美宜集團有限公司\***

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

**DISCLOSEABLE TRANSACTION**

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A letter from the board of directors of PME Group Limited is set out on pages 4 to 9 of this circular.

\* *for identification purpose only*

13 June 2008

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:*

“Acquisition”	the acquisition by the Purchaser of the Sale Shares subject to and upon the terms and conditions of the Share Sale and Purchase Agreement
“associates”	has the meaning ascribed to this term under the Listing Rules
“BMI”	B M Intelligence International Limited, a company incorporated in the Cayman Islands and the issued BMI Shares of which are listed on GEM
“BMI Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of BMI
“Board”	the board of Directors from time to time
“Company”	PME Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Share Sale and Purchase Agreement
“Consideration”	the aggregate consideration of HK\$99,948,800 for the Acquisition
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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

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## DEFINITIONS

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“Latest Practicable Date”	11 June 2008, 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
“Mr. Lo”	Mr. Lo Wah Wai, the legal and beneficial owner of the entire issued share capital of each of the Vendors
“PRC”	the People’s Republic of China
“Purchaser”	One Express Group Limited, being the purchaser named in the Share Sale and Purchase Agreement, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Sale Shares”	515,200,000 issued BMI Shares, representing approximately 27.10% of the entire issued share capital of BMI, which are fully paid up or credited as fully paid and are beneficially owned by the Vendors
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Sale and Purchase Agreement”	the Share Sale and Purchase Agreement dated 21 May 2008 and entered into between the Vendors, the Purchaser and the Company for the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Mangreat Assets Corporation, Williamsburg Invest Limited and Homelink Venture Corporation, companies incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly and beneficially owned by Mr. Lo

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## DEFINITIONS

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“HK\$” Hong Kong dollars, the lawful currency for the time being of Hong Kong

“%” per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Cheng Kwok Woo  
Mr. Cheng Kwong Cheong  
Ms. Yeung Sau Han Agnes  
Ms. Chan Shui Sheung Ivy  
Mr. Tin Ka Pak

*Registered office:*

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

*Independent non-executive Directors:*

Mr. Leung Yuen Wing  
Mr. Soong Kok Meng  
Mr. Chow Fu Kit Edward

*Head office and principal  
place of business:*

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

13 June 2008

*To the Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 27 May 2008 in which the Board announced that on 21 May 2008 after trading hours, the Vendors, the Purchaser and the Company have entered into a Share Sale and Purchase Agreement in relation to acquisition of 515,200,000 ordinary shares of BMI, a company listed on the GEM of the Stock Exchange at Consideration of HK\$99,948,800, representing approximately 27.10% of the issued capital of BMI.

The Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

\* for identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with further details regarding the Acquisition.

### SHARE SALE AND PURCHASE AGREEMENT

**Date:** 21 May 2008

**Parties:** (1) the Vendors;  
(2) the Purchaser; and  
(3) the Company as the guarantor.

The Vendors are incorporated in the British Virgin Islands with limited liability and are principally engaged in investment holdings. The entire issued share capital of each of the Vendors are wholly and beneficially owned by Mr. Lo.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and Mr. Lo is an Independent Third Party.

The Purchaser, a wholly owned subsidiary of the Company, is incorporated in the British Virgin Islands and is principally engaged in investment holdings. The Company has agreed to guarantee the performance by the Purchaser of its obligations in the Share Sale and Purchase Agreement.

### Asset to be acquired

Pursuant to the Share Sale and Purchase Agreement, the Purchaser has agreed to acquire the Sale Shares comprising an aggregate of 515,200,000 BMI Shares of HK\$0.01 each in the share capital of BMI, representing about 27.10% of the entire issued share capital of BMI as at the date of entering into of the Share Sale and Purchase Agreement and the entire shareholding interest held by the Vendors in BMI.

BMI is incorporated in the Cayman Islands with limited liability and the issued BMI Shares (including the Sale Shares) are listed on GEM.

Under the Share Sale and Purchase Agreement, the Purchaser is not subject to any restriction on further sale of the Sale Shares.

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## LETTER FROM THE BOARD

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### Consideration

The Consideration for the Acquisition is HK\$99,948,800, which shall be satisfied by the Purchaser in cash in the following manner:

- (a) a deposit and part payment of the Consideration in the sum of HK\$5,000,000 was paid upon signing of the Share Sale and Purchase Agreement;
- (b) part payment of the Consideration in the sum of HK\$65 million shall be payable on or before 28 November 2008; and
- (c) the balance of the Consideration in the sum of HK\$29,948,800 shall be payable on or before 31 August 2009.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendors. Based on the trading prices below, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and in the interests of the Shareholders as a whole. The Consideration will be financed by internal resources of the Group.

### The Sale Shares

The consideration payable for each Sale Share is equivalent to approximately HK\$0.194 per Sale Share, representing:

- (a) a discount of approximately 25.38% to the closing price of HK\$0.26 per BMI Share as quoted on the Stock Exchange on 21 May 2008, being the last trading day of the Shares immediately before the entering into of the Share Sale and Purchase Agreement;
- (b) a discount of approximately 24.51% to the average of the closing prices of HK\$0.257 per BMI Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 21 May 2008, being the last trading day of the Shares immediately before the entering into of the Share Sale and Purchase Agreement; and
- (c) a discount of approximately 37.42% to the closing price of HK\$0.31 per BMI Share as quoted on the Stock Exchange at the Latest Practicable Date.

Based on the closing price of HK\$0.26 per BMI Share as quoted on the Stock Exchange on 21 May 2008, being the last trading day of the BMI Shares immediately before the entering into of the Share Sale and Purchase Agreement, the market capitalisation of the Sale Shares amounts to approximately HK\$133,952,000.

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## LETTER FROM THE BOARD

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The Sale Shares represent approximately 27.10% of the existing issued share capital of BMI and the entire shareholding interest held by the Vendors in BMI. Immediately following Completion, the Company will become the largest substantial shareholder of BMI based on the existing issued share capital of BMI.

### **Conditions**

Completion of the Share Sale and Purchase Agreement is conditional upon the satisfaction of the following:

- (a) where required, the compliance of all applicable announcements, circular, shareholders' approval and any other requirements under the Listing Rules or otherwise of the Stock Exchange and the SFC by the Vendors or the Purchaser in relation to the sale and purchase of the Sale Shares under this Agreement and any present and future transactions contemplated under this Agreement; and
- (b) all consents or approval of any relevant governmental or regulatory authorities (including but not limited to the Stock Exchange and the SFC) or other relevant third parties in Hong Kong, Cayman Islands or elsewhere which are required or appropriate for the entry in to and the implementation of this Agreement having been obtained, including all filings with any relevant governmental authorities or other relevant third parties in Hong Kong, Cayman Islands or elsewhere which are required or appropriate for the entering into and the implementation of this Agreement having been made.

If any of the conditions set out in (a) and (b) are not satisfied on or before completion date, through no fault of the Vendors or the Purchaser or due to the fault of the Vendors, the Purchaser shall have no obligations to purchase the Sale Shares and unless the parties agree to an extension of the completion date all liabilities of the parties in this Agreement shall cease whereupon all deposits and part payment (as the case may be) paid hereunder shall be returned to the Purchaser. Save for the aforesaid and save in respect of prior breaches of this Agreement, no party shall have any claim against the others. The above conditions have not yet been satisfied as at the Latest Practicable Date.

### **Completion**

Subject to the satisfaction of the conditions mentioned above, Completion is expected to take place on or before 30 June 2008 or on such later date as the Vendors and the Purchaser may agree at the Purchaser's office or such other place as the parties may agree.

Upon Completion, the Company will be interested in approximately 27.10% of the issued share capital of BMI. There will be no implication under the Hong Kong Code on Takeovers and Mergers for the Acquisition. One of the Company's executive directors is currently an executive director of BMI. Subject to the approval of the board of directors and the shareholders of BMI, the Company may nominate additional director to the board of directors of BMI upon Completion.

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## LETTER FROM THE BOARD

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### INFORMATION ON BMI

BMI is a company incorporated in the Cayman Islands with limited liability which together with its subsidiaries is principally engaged in the provision of business, accounting and corporate development advisory services, company secretarial services, translation services, assets valuation services and funds and wealth management services. BMI is a company listed on GEM of the Stock Exchange.

Reference is also made to the circular and the announcement of BMI dated 13 July 2007 and 25 February 2008 respectively, in which BMI announced that it is planning to invest in the internet café business in the PRC and has entered into a letter of intent to invest in the business of research and development of medical engineering, biological engineering and tissue engineering in a company in the PRC. As disclosed in the 2007 third quarterly report of BMI, it was disclosed that in view of the potential downside risks due to the looming of sub-prime lending problem in the United States, BMI foresaw that the demand for their professional services would have the risk to slow down. They would keep on searching for new investment opportunities to widen the revenue sources.

As disclosed in the audited consolidated financial statements of BMI prepared in accordance with the Hong Kong Financial Reporting Standards, the turnover, loss before taxation and net loss after taxation for the financial year ended 30 April 2007 were approximately HK\$64,952,000, HK\$860,000 and HK\$374,000 respectively. As disclosed in the audited consolidated financial statements of BMI, the turnover, profit before taxation and net profit after taxation for the year ended 30 April 2006 were approximately HK\$42,427,000, HK\$1,777,000 and HK\$1,777,000 respectively.

The audited consolidated total assets and net assets of BMI as at 30 April 2007 were approximately HK\$51,313,000 and HK\$36,996,000 respectively. The unaudited consolidated total assets and net assets of BMI as at 31 October 2007 were approximately HK\$60,184,000 and HK\$39,031,000 respectively.

### REASONS FOR THE ACQUISITION

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

Reference is also made to the circular and the announcement of BMI dated 13 July 2007 and 25 February 2008 respectively, in which BMI announced that it is planning to invest in the internet café business in the PRC and has entered into a letter of intent to invest in the business of research and development of medical engineering, biological engineering and tissue engineering in a company in the PRC.

As the Group is actively looking for investment projects with potential capital appreciation, the Directors believe that the diversification to new businesses areas in the internet café business and research and development of medical engineering, biological engineering and tissue engineering in the PRC developed by BMI other than those currently engaged by the Group would bring positive impact to the result of the Group.

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## LETTER FROM THE BOARD

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In addition, the Consideration represents a 25.38% discount to the market value of the Sale Shares as at 21 May 2008.

The Group intends to hold the Sale Shares as long term investment and recorded as available-for-sale investments under non-current assets in the accounts of the Group. As the BMI Shares are listed on the GEM of the Stock Exchange, the Group is able to realise the investments in the Sale Shares in the open market, which represent an efficient mean for the realisation of the investments in the Sale Shares.

Although the Company will only hold approximately 27.10% of shareholdings in BMI immediately upon Completion of the Acquisition, the Directors consider that the value of the Sale Shares will steadily grow in parallel with the development of the new businesses of BMI in future.

In view of the growth potentials of BMI, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **FINANCIAL EFFECT OF THE ACQUISITION**

Immediately after the Acquisition, the net asset value of the Group would remain materially unchanged as the increase in non-current assets as a result of the Acquisition would be offset by the corresponding decrease in the current assets as a result of the decrease in bank balances and cash. There is no other significant effect to the earnings and liabilities of the Group immediately after the Acquisition.

### **LISTING RULES IMPLICATION**

The Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

### **ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
On behalf of the Board  
**PME Group Limited**  
**Cheng Kwok Woo**  
*Chairman*

## 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) Director's 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 and its associated corporations (within the meaning of Part XV of the SFO) (i) which 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which 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:

Name of Director	Number or attributable number of Shares held or short positions	Nature of interests		Approximate percentage or attributable percentage of shareholding (%)
		Interest of controlled corporation	Beneficial owner	
Mr. Cheng Kwok Woo	379,338,000 (L)	318,438,000 (Note 1)	54,400,000 (Note 2) 6,500,000 (Note 3)	23.73
Mr. Cheng Kwong Cheong	379,338,000 (L)	318,438,000 (Note 1)	54,400,000 (Note 2) 6,500,000 (Note 3)	23.73
Ms. Yeung Sau Han Agnes	15,000,000 (L)	–	15,000,000 (Note 3)	0.94
Ms. Chan Shui Sheung Ivy	15,000,000 (L)	–	15,000,000 (Note 3)	0.94

L: Long Position

*Notes:*

1. These Shares are held by PME Investments (BVI) Co., Ltd. (“PME Investments”), a company incorporated in the British Virgin Islands. 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.
2. Each of Mr. Cheng Kwok Woo and Mr. Cheng Kwong Cheong personally holds 54,400,000 Shares.
3. The interests in Shares represent the Shares to be allotted and issued upon the exercise of the share options granted to Mr. Cheng Kwok Woo, Mr. Cheng Kwong Cheong, Ms. Yeung Sau Han Agnes and Ms Chan Shui Sheung Ivy under the share option scheme of the Company respectively.

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 or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which 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 persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares 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 was 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 member of the Group:

<b>Name of Shareholder</b>	<b>Number or attributable number of Shares held or short positions</b>	<b>Nature of interests</b>	<b>Approximate percentage or attributable percentage of shareholding (%)</b>
PME Investments	318,438,000 (L) (Note 1)	Beneficial owner	19.92

Name of Shareholder	Number or attributable number of Shares held or short positions	Nature of interests	Approximate percentage or attributable percentage of shareholding (%)
Ms. Cheng Wai Ying	318,438,000 (L)	Interest of controlled corporation	22.07
	<i>(Note 1)</i>		
Ms. Tsang Sui Tuen	34,400,000 (L)	Beneficial owner	23.73
	<i>(Note 2)</i>		
Ms. Wan Kam Ping	379,338,000 (L)	Interest of spouse	23.73
	<i>(Note 3)</i>		
Mr. Cheng Yau Kuen	379,338,000 (L)	Interest of spouse	23.73
	<i>(Note 4)</i>		
	352,838,000 (L)	Interest of spouse	22.07
	<i>(Note 5)</i>		

L: Long Position

*Notes:*

1. PME Investments is an investment holding company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned as to one-third by each of Mr. Cheng Kwok Woo, Mr. Cheng Kwong Cheong and Ms. Cheng Wai Ying.
2. Ms. Cheng Wai Ying personally holds 34,400,000 Shares.
3. Ms. Tsang Sui Tuen is the spouse of Mr. Cheng Kwok Woo and is accordingly deemed to have interests in the Shares that Mr. Cheng Kwok Woo has interests in.
4. Ms. Wan Kam Ping is the spouse of Mr. Cheng Kwong Choeng and is accordingly deemed to have interests in the Shares that Mr. Cheng Kwong Cheong has interests in.
5. Mr. Cheng Yau Kuen is the spouse of Ms. Cheng Wai Ying and is accordingly deemed to have interests in the Shares that Ms. Cheng Wai Ying has interests in.

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, interests or short positions in the Shares or underlying Shares, 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 was 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 member of the Group.

As at the Latest Practicable Date, save as disclosed, none of the Directors was a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares 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.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, 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. LITIGATION**

As at the Latest Practicable Date, no member of the Group 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.

### **5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### **6. MISCELLANEOUS**

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company is located at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong.
- (c) Tricor Secretaries Limited, the transfer office of the Company in Hong Kong, is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Li Chak Hung, *CPA, FCCA*. The qualified accountant of the Company is Ms. Yip Chui Ling, *CPA, FCCA*.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.