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**PRIVATE PLACING OF NON-LISTED WARRANTS:
EXTENSION OF CONDITIONS FULFILLMENT DATE
AND
AMENDMENT OF CONDITIONS**

The Board announces that after arm's length negotiation between the Company and the Placing Agent, the Company and the Placing Agent have entered into a supplemental agreement to extend the last date for fulfilling the conditions in the Placing Agreement from 30 June 2008 to 30 September 2008 and to amend the conditions of the Placing Agreement. Save for the extension and the amendment, all other terms and conditions of the Placing Agreement will remain unchanged.

Reference is made to the Company's announcement dated 10 April 2008 (the "Announcement") in relation to, among other matters, private placing of 319,000,000 non-listed warrants to be issued by the Company. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

The Board announces that, after arm's length negotiation between the Company and the Placing Agent, the Company and the Placing Agent have entered into a supplemental agreement on 30 June 2008 to extend the last date for fulfilling the conditions in the Placing Agreement from 30 June 2008 to 30 September 2008 and to amend the conditions of the Placing Agreement by insertion of the following new condition:

"the passing of the necessary resolution(s) by the shareholders of the Company at a general meeting approving the Placing Agreement and this agreement and all transactions contemplated hereby, including the granting of a specific mandate to the Directors to issue and allot the subscription shares, if required"

as further condition of the Placing Agreement.

Save for the extension and the amendment, all other terms and conditions of the Placing Agreement will remain unchanged.

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

Hong Kong, 2 July 2008

* *for identification purpose only*

As at the date of this announcement, the Board comprises (1) Mr. Cheng Kwok Woo, Mr. Cheng Kwong Cheong, Ms. Yeung Sau Han Agnes, Ms. Chan Shui Sheung Ivy and Mr. Tin Ka Pak as executive Directors; and (2) Messrs Leung Yuen Wing, Soong Kok Meng and Chow Fu Kit Edward as independent non-executive Directors.