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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)

DISCLOSABLE TRANSACTION: DISPOSAL OF LISTED SECURITIES

Reference is made to the announcements of the Company dated 28 April 2009 and 30 April 2009 in relation to the First Disposal and the Second Disposal respectively.

The Board announces that on 4 May 2009, 5 May 2009, 6 May 2009 and 11 May 2009, Betterment further disposed in aggregate of 22,000,000 ZZNode Shares on the open market at total consideration of HK\$26,280,800 (excluding stamp duty and related expenses), representing approximately HK\$1.195 per Sale Share.

As the applicable percentage ratios for the Third Disposal itself, and the applicable percentage ratios for the First Disposal, Second Disposal and Third Disposal in aggregate are both more than 5% but less than 25%, the Third Disposal itself, and the First Disposal, the Second Disposal and the Third Disposal in aggregate constituted discloseable transactions on the part of the Company pursuant to Chapter 14 of the Listing Rules.

THE FIRST DISPOSAL AND THE SECOND DISPOSAL

Reference is made to the announcements of the Company dated 28 April 2009 and 30 April 2009 in relation to the First Disposal and the Second Disposal respectively. On 27 April 2009, Betterment, a subsidiary of the Company, disposed 35,000,000 ZZNode Shares on the open market at total consideration of HK\$34,700,000 (excluding stamp duty and related expenses), representing approximately HK\$0.991 per ZZNode Share. On 29 April 2009, Betterment disposed 30,000,000 ZZNode Shares on the open market at total consideration of HK\$30,000,000 (excluding stamp duty and related expenses), representing HK\$1.00 per ZZNode Share.

THE THIRD DISPOSAL

On 4 May 2009, 5 May 2009, 6 May 2009 and 11 May 2009, Betterment further disposed in aggregate of 22,000,000 ZZNode Shares on the open market at total consideration of HK\$26,280,800 (excluding stamp duty and related expenses), representing approximately HK\$1.195 per Sale Share.

The total consideration of HK\$26,280,800 (excluding stamp duty and related expenses) have been and will be settled by the counterparties in cash on the second business day immediate after the dates of the respective disposals.

As the Third Disposal was conducted in the open market, the identity of the counterparties of the Third Disposal can not be ascertained.

The Sale Shares represent approximately 5.43% of the existing total issued shares of ZZNode. The book value of the Sale Shares as at 31 December 2008 was approximately HK\$5,231,000.

INFORMATION OF ZZNODE

ZZNode is a company incorporated in the Cayman Islands with limited liability which together with its subsidiaries are principally engaged in the provision of operational support system (OSS) software development and integrated services to telecommunications operators in China as well as mobile communication network optimisation services. ZZNode is a company listed on the main board of the Stock Exchange.

As stated in the 2008 Annual Report of ZZNode, ZZNode had an audited net asset value of RMB\$84,778,803 at 31 December 2008. The attributable loss before and after tax of the Sale Shares for the year ended 31 December 2008 were approximately RMB1,842,345 and RMB1,794,097 respectively. The attributable loss before and after taxation of the Sale Shares for the year ended 31 December 2007 were approximately RMB1,095,454 and RMB1,056,525 respectively.

REASONS FOR THE THIRD DISPOSAL

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in manufacturing and trading of polishing materials and equipments and investment.

The Directors considered that the recent financial crisis and credit crunch in global financial market will inevitably slow down the development of the global economy. Taking into account the low liquidity of the ZZNode Shares traded in the market in recent months and the substantial amount of ZZNode Shares to be disposed of, and the Third Disposal was conducted on the open market, the Directors considered that the terms of the Third Disposal are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Third Disposal represents a good opportunity for the Group to realise its investment in ZZNode Shares and to strengthen the cash position of the Group.

FINANCIAL EFFECT OF THE THIRD DISPOSAL

Subject to audit, it is presently estimated that the Group will record a gain of approximately of HK\$20,955,000 arising from the Third Disposal as calculated by the net proceeds of approximately HK\$26,186,000 from the Third Disposal less the book value of the Sale Shares of approximately HK\$5,231,000 as at 31 December 2008.

USE OF PROCEEDS

It is expected that the net proceeds from the Third Disposal of approximately HK\$26,186,000 will be used for general working capital of the Group and to fund any potential investments available to the Group in the future.

GENERAL

As the applicable percentage ratios for the Third Disposal itself, and the applicable percentage ratios for the First Disposal, the Second Disposal and the Third Disposal in aggregate are both more than 5% but less than 25%, the Third Disposal itself, and the First Disposal, the Second Disposal and the Third Disposal in aggregate constituted discloseable transactions on the part of the Company pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	the board of Directors of the Company from time to time
“Betterment”	Betterment Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and is a subsidiary of the Company
“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
“Directors”	directors of the Company
“First Disposal”	the disposal of 35,000,000 ZZNode Shares by Betterment on 27 April 2009
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Sale Share(s)”	22,000,000 ZZNode Shares, representing approximately 5.43% of the existing entire issued share capital of ZZNode, which are fully paid up or credited as fully paid and are beneficially owned by Betterment
“Second Disposal”	the disposal of 30,000,000 ZZNode Shares by Betterment on 29 April 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Disposal”	the disposal of the Sale Shares by Betterment on 4 May 2009, 5 May 2009, 6 May 2009 and 11 May 2009
“ZZNode”	ZZNode Technologies Company Limited, a company incorporated in the Cayman Islands and the issued ZZNode Shares are listed on main board of the Stock Exchange
“ZZNode Share(s)”	share(s) of HK\$0.10 each in the capital of ZZNode
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“RMB”	Renminbi, the lawfully currency of the PRC
“%”	per cent.

On behalf of the Board
PME Group Limited
Tin Ka Pak
Executive Director

Hong Kong, 12 May 2009

As at the date of this announcement, the Board comprises 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 Mr. Leung Yuen Wing, Mr. Soong Kok Meng and Mr. Chow Fu Kit Edward as independent non-executive directors.

** For identification purpose only*