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(incorporated in the Cayman Islands with limited liability)
(Stock Code: 379)

DISCLOSEABLE TRANSACTION ACQUISITION OF CONVERTIBLE BONDS AND SHARES IN CHINA SCIENCES

On 8 December 2008, Gold Max, a wholly-owned subsidiary of the Company, acquired from the Vendor the China Sciences CB in a principal amount of HK\$5,000,000 at a cash consideration of HK\$6,300,000.

From 10 November 2008 to 12 May 2009, Betterment and Express Advantage, the subsidiaries of the Company, acquired a total of 226,080,000 China Sciences Shares through the open market at a total consideration of HK\$21,424,583 (excluding stamp duty and related expenses), equivalent to an average price of approximately HK\$0.095 per China Sciences Share. The 226,080,000 China Sciences Shares acquired represent approximately 2.77% of the entire issued share capital of China Sciences as at the date of this announcement.

As the applicable percentage ratio for the Series of Acquisitions is more than 5% but less than 25%, the Series of Acquisitions constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

THE SERIES OF ACQUISITIONS

Acquisition of China Sciences CB

The Board announces that on 8 December 2008, Gold Max, a wholly-owned subsidiary of the Company, acquired from the Vendor the China Sciences CB in a principal amount of HK\$5,000,000 at a cash consideration of HK\$6,300,000. The consideration has been fully satisfied by the Group's internal resources.

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors of the Company having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Principal terms of the China Sciences CB

Issuer:	China Sciences Conservational Power Limited
Principal amount:	HK\$200,000,000
Conversion price:	HK\$0.05 per Conversion Share
Denomination:	HK\$1,000,000 each
Coupon rate:	2% per annum, payable by China Sciences annually in arrears on dates falling one year after the date of issue of the Convertible Bonds and on the anniversary of such dates for each year thereafter
Maturity date:	Two years following the date of issue of the Convertible Bonds
Conversion period:	The Convertible Bonds are convertible on any business day within a period of two years following the date of issue of the Convertible Bonds at the Conversion Price of HK\$0.05 per Conversion Share
Conversion Shares:	On the basis of the Conversion Price, a total of 4,000,000,000 Conversion Shares will be issued upon full conversion of the Convertible Bonds. The Conversion Shares shall upon issue rank <i>pari passu</i> in all respects with the then issued China Sciences Shares.
Conversion rights:	The Convertible Bonds are convertible from time to time, in amounts of not less than HK\$1,000,000 on each conversion, on any business day commencing on the day following the date of issue of the Convertible Bonds and prior to the maturity date. It is a term of the Convertible Bonds that no conversion is allowed unless the minimum public float requirement set out in Rule 8.08 of the Listing Rules is met after the conversion.
Voting:	Holder(s) of the Convertible Bond(s) will not be entitled to attend or vote at any shareholders' meetings of China Sciences by reason only of it being the holder(s) of the Convertible Bond(s)
Adjustment:	The Conversion Price will be subject to adjustments (customarily for share consolidation, share subdivision and other adjustment events relating to the issue of securities)

Acquisition of China Sciences Shares

From 10 November 2008 to 12 May 2009, Betterment and Express Advantage, the subsidiaries of the Company, acquired a total of 226,080,000 China Sciences Shares through the open market at a total consideration of HK\$21,424,583 (excluding stamp duty and related expenses), equivalent to an average price of approximately HK\$0.095 per China Sciences Share. The 226,080,000 China Sciences Shares acquired represent approximately 2.77% of the entire issued share capital of China Sciences as at the date of this announcement.

The consideration has been and will be fully satisfied in cash by the Group's internal resources. As the Acquisition was conducted through the open market, the identity of the counterparty of the Acquisition cannot be ascertained and there shall be no restriction for any subsequent sale of the China Sciences Shares acquired by the Group.

INFORMATION OF CHINA SCIENCES

China Sciences is incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 351).

China Sciences, together with its subsidiaries, is principally engaged in municipal solid waste incineration and power generation business in the PRC. As stated in the annual report of China Sciences as at 31 December 2008, China Sciences had audited consolidated net asset value of approximately HK\$356 million. The attributable loss before and after taxation of China Sciences for the year ended 31 December 2008 are approximately HK\$1,127,916 and HK\$1,127,833 respectively. The attributable loss before and after taxation of China Sciences for the year ended 31 December 2007 are approximately HK\$986,895 and HK\$980,081 respectively.

REASONS FOR AND BENEFITS OF THE SERIES OF ACQUISITION

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

The consideration for the acquisition of China Sciences CB was determined after arm's length negotiation between Gold Max and the Vendor and the basis of determining and arriving at the consideration was by reference to the net asset value of China Sciences of approximately HK\$381,022,000 as at 31 October 2008. The consideration of HK\$0.063 per Conversion Share represents a discount of approximately 22% to the closing price of HK\$0.081 per China Sciences Share as quoted on the Stock Exchange on 5 December 2008 and a discount of approximately 22% to the average of the closing prices of approximately HK\$0.081 per China Sciences Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 5 December 2008. As such, the Directors consider that the consideration of China Sciences CB is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The acquisition of 226,080,000 China Sciences Shares is for the purpose of diversifying the equity investment of the Group and taking into account the upward trend of share price of China Sciences Share since its resumption on 2 October 2008. The consideration for the Acquisition of HK\$0.095 per China Sciences Share represents a discount of approximately 14% to the closing price of HK\$0.104 per China Sciences Share as quoted on the Stock Exchange of the Last Trading Day and a premium of approximately 1.7% to the average of the closing prices of approximately HK\$0.0934 per China Sciences Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day. As the relevant acquisitions were through the open market, the Directors believe that the terms of such acquisitions are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratio for the Series of Acquisition is more than 5% but less than 25%, the Series of Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of 226,080,000 China Sciences Shares
“Betterment”	Betterment Enterprises Limited, a subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of the Directors
“China Sciences”	China Sciences Conservational Power Limited incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 351)
“China Sciences CB”	the convertible bonds issued by China Sciences in a principal amount of HK\$5,000,000 with an initial conversion price of HK\$0.05
“China Science Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of China Sciences
“Company”	PME Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 379)
“Conversion Share(s)”	on the basis of the initial conversion price of HK\$0.05, a total of 4,000,000,000 China Sciences Shares will be issued upon full conversion of the China Sciences CB
“Convertible Bonds”	the convertible bonds issued by China Sciences in a principal amount of HK\$200,000,000
“Director(s)”	the director(s) of the Company
“Express Advantage”	Express Advantage Limited, a wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability
“Gold Max”	Gold Max Asia Limited, a wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	11 May 2009, being the last trading day before the date of the Acquisitions
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Series of Acquisitions”	The acquisition of China Sciences CB and 226,080,000 China Sciences Shares
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning as ascribed thereto under the Listing Rules
“Vendor”	Right Source Investment Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

By Order of the Board
PME Group Limited
Tin Ka Pak
Executive Director

Hong Kong, 13 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*