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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)

**MAJOR TRANSACTION,
UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS
AND
RESUMPTION OF TRADING**

THE ACQUISITION

The Board announces that on 19 May 2009 and 2 June 2009, the Purchaser, being a wholly-owned subsidiary of the Company, entered into the Formal Agreement and the Supplemental Agreement, respectively, with the Vendor, the Target Company and the Guarantor pursuant to which the Vendor will sell and the Purchaser will acquire the Sale Shares, representing 49% of the entire issued share capital of the Target Company, at the Consideration of HK\$200,000,000.

The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed "Conditions" below.

The Acquisition constitutes a major transaction on the part of the Company under Rule 14.06 of the Listing Rules. A circular containing, among other matters, further details of the Acquisition and notice of the EGM, will be despatched to the Shareholders as soon as practicable and in compliance with the Listing Rules.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increase in the trading volume and the price of the Shares and wishes to state that it is not aware of any reasons for such increases.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 11:11 a.m. on 18 May 2009 pending for the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 4 June 2009.

Reference is made to the announcements (the “Announcements”) of the Company dated 15 January 2008, 30 January 2008, 29 April 2008, 30 September 2008, 5 January 2009 and 4 May 2009 respectively, in relation to, among other matters, the entering into of the Heads of Agreement regarding the Proposed Transaction. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcements.

FORMAL AGREEMENT

Date: 19 May 2009

Parties: (1) Crown Sunny Limited as the Vendor;
(2) Smart Genius Limited as the Purchaser;
(3) Giant Billion Limited as the Target Company; and
(4) Mr. Wu Jia Neng as the Guarantor.

The Vendor is incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Vendor and the Guarantor 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.

Asset to be acquired:

Pursuant to the Formal Agreement, the Purchaser has agreed to acquire the Sale Shares comprising an aggregate of 1,470 shares of HK\$1.00 each in the issued share capital of the Target Company, representing 49% of the entire issued share capital of the Target Company as at the date of the Formal Agreement.

The Target Company is incorporated in Hong Kong with limited liability and is principally engaged in investment holdings. The entire issued share capital of the Target Company is beneficially owned by the Vendor.

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

Consideration:

The total Consideration for the Sale Shares is HK\$200,000,000, which has been and shall be satisfied by the Purchaser in the following manner:

- (a) HK\$80,000,000 has been paid by the Purchaser to the Vendor as deposits pursuant to the MOU and the Heads of Agreement dated 15 January 2008 and 30 January 2008 respectively;
- (b) HK\$60,000,000 shall be paid by the Purchaser procuring the issuance of the Convertible Bonds by the Company to the Vendor; and

- (c) HK\$60,000,000 shall be paid by the Purchaser through the issuance of the Promissory Notes to the Vendor.

The Consideration for each Sale Share is equivalent to approximately HK\$136,054 per Sale Share.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor. The Consideration was agreed with reference to the preliminary valuation of the PRC Company of approximately HK\$420 million. The preliminary valuation report was prepared by an independent valuer based on the market approach which provides indications of value by comparing the subject to similar businesses, business ownership interests, and securities that have been sold in the market. Having considered the above and the factors described under the section headed "Reasons for the Acquisition" below, the Directors are of the view that the terms of the Formal Agreement are fair and reasonable and on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

Conditions:

Completion of the Acquisition is conditional upon the satisfaction of the following:

- (a) all necessary consents and approvals required to be obtained on the part of the Vendor and the Purchaser in respect of the Formal Agreement and the transactions contemplated therein having been obtained;
- (b) each of the warranties and information given by the Vendor as contained in the Formal Agreement remaining true and accurate in all material respects up to Completion;
- (c) the approval of the Shareholders, the Directors and the relevant regulatory organizations (including, but not limited to, the Stock Exchange and the SFC, etc.) in respect of the Formal Agreement and the transactions contemplated therein, including, but not limited to, the Acquisition and the issue of the Convertible Bonds;
- (d) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Conversion Shares;
- (e) the Purchaser being satisfied with the results of the due diligence investigations including, but not limited to, the assets, liabilities, operation and trading position of the Target Group;
- (f) the approval for the establishment and operation of the PRC Company granted by the relevant governmental departments in the PRC and the registered capital of the PRC Company being fully paid upon its establishment by the Target Company;
- (g)
 - (i) an agreement entered into between the PRC Company and Zhongtujian in relation to the exclusive technology and consulting service (the "Exclusive Agreement");
 - (ii) the approval by the shareholders of Zhongtujian in respect of the Exclusive Agreement and the transactions contemplated therein;
 - (iii) the approval by the shareholders of Tiankong Haikuo in relation to the shareholders approval of Zhongtujian in respect of the Exclusive Agreement and the transactions contemplated therein;
 - (iv) a call option agreement entered into between the PRC Company and Ms. Wu and Ms. Mai, the shareholders of Zhibode (the "Call Option Agreement");

- (v) a power of attorney entered into between the PRC Company and Ms. Wu and Ms. Mai, the shareholders of Zhibode (the “Power of Attorney”); and
- (vi) a share pledge agreement entered into between the PRC Company and Ms. Wu and Ms. Mai, the shareholders of Zhibode (the “Share Pledge Agreement”);
- (h) the obtaining of a PRC legal opinion (in form and substance reasonably satisfactory to the Purchaser) from a PRC legal adviser appointed by the Purchaser in relation to, among other things, the PRC legal aspects of the condition (g) above;
- (i) all approvals, consents, authorizations and licenses in relation to the Channel granted by the State Administration of Radio Film and Television and/or relevant governing bodies to CDP;
- (j) the obtaining of the exclusive rights for external operation and promotion of the Channel and the exclusive rights for the operation and promotion of new media business by Zhongtujian; and
- (k) the obtaining of a valuation report (in form and substance reasonably satisfactory to the Purchaser) from a professional valuation company appointed by the Purchaser on the basis that the market value of the Target Group shall not be less than HK\$400,000,000 after the PRC Company is in operation.

The Purchaser may at any time waive in writing the conditions (e) and (k) set out above. All other conditions are incapable of being waived. If the conditions are not fulfilled (or as the case may be, waived by the Purchaser) on or before 4:00 p.m. on 31 December 2009 (or such later date as the parties to the Formal Agreement may agree), the Formal Agreement shall cease and determine and thereafter neither party to the Formal Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares. No application will, however, be made for the listing of the Convertible Bonds on any stock exchanges.

Completion:

Completion is expected to take place on the 7th Business Day after the fulfillment (or waiver) of the conditions (or such other date as the parties to the Formal Agreement may agree) mentioned above.

Upon Completion of the Acquisition, the Target Company will become an associated corporation of the Company.

Guarantee:

The performance and obligation of the Vendor under the Agreement is unconditionally and irrevocably guaranteed by Mr. Wu. Mr. Wu undertakes to compensate the Purchaser for any liabilities, losses, damages, costs and expenses incurred as a result of any default or delay in performance under the Agreement by the Vendor.

Principal terms of the Convertible Bonds:

Issuer:	The Company
Principal amount:	HK\$60,000,000
Interest rate:	3% per annum on the outstanding principal amount. Payable annually in arrears on the anniversary of the date of issue of the Convertible Bonds and on the basis of 365 days per year
Conversion Price:	HK\$0.20 per Conversion Share
Maturity date:	The date falling on the 3rd anniversary of the date of issue of the Convertible Bonds, such date being a Business Day and if such date not being a Business Day, the immediately next Business Day
Ranking:	The Convertible Bonds constitute direct unconditional, unsubordinated, unsecured and general obligations of the Company and rank at least <i>pari passu</i> and rateably without preference equally with all other present and future unsubordinated and unsecured obligations of the Company
Transferability:	The Convertible Bonds or any part(s) thereof may be assigned or transferred to any third party during the period commencing from the date of issue of the Convertible Bonds and until the 10 th Business Day prior to the maturity date of the Convertible Bonds. Any assignment or transfer of the Convertible Bonds shall be in respect of the whole or any part(s) of the outstanding principal amount of the Convertible Bonds, provided that the principal amount of the Convertible Bonds to be assigned or transferred shall not be less than HK\$500,000 on each transfer or assignment.
Redemption:	The Company shall repay the outstanding principal amount and interest of the Convertible Bonds on the maturity date of the Convertible Bonds
Conversion:	the Bondholder has the right to convert on any Business Day from the date of issue of the Convertible Bonds but prior to 5 Business Days prior to the maturity date, the whole or any part(s) of the principal amount of the Convertible Bonds
Voting:	the Bondholder shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being the bondholders
Limitation on conversion:	The Company shall not issue any Conversion Shares thereof if, upon such issue: i) Crown Sunny Limited and the parties acting in concert with it or any such other party shall be interested in 30% (or such amount as may from time to time that may trigger a mandatory general offer or considered by the SFC as a change in control of the Company) or more of the then enlarged issued share capital of the Company at the date of the relevant conversion; and/or ii) the Company will be in breach of the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules.

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)

Events of default: The Convertible Bonds contains customary events of default provisions. Upon the happening of an event of default, the Bondholder may give notice to the Company declaring the outstanding Convertible Bonds to be immediately due and payable

Based on the conversion price of HK\$0.20 per Conversion Share, a maximum number of 300,000,000 Conversion Shares will be issued and allotted upon exercise of the conversion rights attached to the Convertible Bonds in full, which represents: (i) approximately 17.03% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 14.55% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares. There are no restrictions on the transfer or subsequent sale of the Conversion Shares upon their issue.

The Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Bonds will rank *pari passu* in all respects with all other Shares in issue.

The Conversion Price of the Convertible Bonds represents:

- (i) a discount of approximately 50% to the closing price of HK\$0.40 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 31.55% to the average of the closing price of approximately HK\$0.2922 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 44.29% to the NAV of approximately HK\$0.359 per Share

No application will be made for the listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Principal terms of the Promissory Notes:

Issuer: The Purchaser

Principal amount: HK\$60,000,000

Interest rate: 5% per annum on the outstanding principal amount. Payable annually in arrears on the anniversary of the date of issue of the Promissory Notes and on the basis of 365 days per year

Maturity date: The date falling on the 3rd anniversary of the date of issue of the Promissory Notes

Transferability: The Promissory Notes or any part(s) thereof may be assigned or transferred to any third party commencing from the date of issue of the Promissory Notes. Any assignment or transfer of the Promissory Notes shall be in respect of the whole or any part(s) of the outstanding principal amount of the Promissory Notes, provided that the principal amount of the Promissory

Notes to be assigned or transferred shall not be less than HK\$500,000 on each transfer or assignment.

Redemption: The Promissory Notes or any part(s) thereof may be redeemed during the period commencing from three months after the date of issue of the Promissory Notes and until the date prior to the maturity date of the Promissory Notes. Any redemption of the Promissory Notes shall be in respect of the whole or any part(s) of the outstanding principal amount of the Promissory Notes, provided that the principal amount of the Promissory Notes to be redeemed shall not be less than HK\$500,000 on each redemption.

Call Option Agreement:

Under the Call Option Agreement, Ms. Wu and Ms. Mai will grant to the PRC Company an option to require Ms. Wu and Ms. Mai to transfer 100% equity interest in Zhibode to the PRC Company at the transfer price of RMB100,000 at any time within ten years upon signing of the Call Option Agreement.

Power of Attorney:

Under the Power of Attorney, Ms. Wu and Ms. Mai will authorize the PRC Company to act as the sole agent i) to sign and execute the Call Option Agreement; and ii) to sign and execute the Share Pledge Agreement.

Share Pledge Agreement:

Under the Share Pledge Agreement, Ms. Wu and Ms. Mai will pledge their 100% interest in shares of Zhibode to the PRC Company.

No consideration will be paid by the Target Company nor the PRC Company when entering into the Call Option Agreement, the Power of Attorney and the Share Pledge Agreement.

A summary and/or conclusion of the PRC legal opinion will be included in the circular to be despatched to the Shareholders.

INFORMATION OF GIANT BILLION

Giant Billion has entered into a framework agreement with Zhongtujian for a possible investment of more than 51% equity interest in Zhongtujian while Zhongtujian has entered into a co-operation agreement with CDP for the operation and marketing of the Channel. The Channel may include programs of handball, bowling, petanque, billiards, sepak takraw, cricket and squash. CDP was established by CCTV and is specialized in launching, programming and operation of the CCTV digital pay television channels.

Under the Formal Agreement, the PRC Company will be established by Giant Billion to carry out the principal business of marketing, promotion, business consulting, and technical services including, but not limited to, connecting the business relationship among sports player, sports association, coach, supplier, advertiser and related government departments, and enhancing the development of sports competition in schools, provinces, and in the public, etc. Pursuant to the Exclusive Agreement, the PRC Company will provide exclusive technology and consulting services to Zhongtujian for a service income base on the annual profit of Zhongtujian. Upon the fulfillment of the conditions (i) and (j) above, Zhongtujian will have the exclusive rights for the operation and promotion of the Channel under CDP.

As stated in the management financial statements of Giant Billion as at 31 March 2009, Giant Billion had unaudited net liabilities of approximately HK\$55,200. The attributable loss before and after taxation of Giant Billion for the year ended 31 March 2009 are both approximately HK\$2,352. The attributable loss before and after taxation of Giant Billion for the year ended 31 March 2008 are both approximately HK\$5,831.

REASONS FOR THE ACQUISITION

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

The Directors are of the view that there is a great potential in the media and advertising business in the PRC. In addition, given that the consideration of the Acquisition shall be satisfied by the Company with the Convertible Bonds, the Directors are of the view that the Acquisition provides the Company the opportunity to diversify its investment with good potential.

In view of the growing potential of Giant Billion, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition, including but not limited to the issue of the Convertible Bonds, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

RISKS AND RESTRICTIONS OF OPERATIONS OF GIANT BILLION

Restrictions of media business in the PRC

Pursuant to “Provisions on Guiding Direction of Foreign Investment”(指導外商投資方向規定), “Foreign Investment Industrial Guidance Catalogue”(外商投資產業指導目錄) and “Interim Measures on the Business Management of Digital Pay Channel of Radio Film and Television”(廣播電視有綫數字付費頻道業務管理暫行辦法) (together the “Guidelines”), media business in the PRC is restricted to domestic-funded companies established in the PRC. As at the date of the Formal Agreement, Zhongtujian is a domestic-funded company incorporated in the PRC. As such, Zhongtujian carrying out media-related business would not contravene the Guidelines. However, there is no guarantee that new policies and guidelines in relation to the media-related business will not be introduced that render the existing arrangement under the Formal Agreement to become unenforceable.

Political and economic consideration

In the past 30 years, PRC government introduced various policies, some of which are unprecedented or experimental. Amendment and update to such are expected. In case such arise and the change in policies relate to the operation of Giant Billion and the PRC Company, their business may be adversely affected especially if there are changes in the area of laws and regulations (or the interpretation thereof), introduction of measures to further control the economy, imposition of taxes, levies and fees, and imposition of restrictions on currency conversion and remittances abroad.

In addition, there can be no assurance that the PRC government will either continue to pursue its current policies of open door or that such policies will not be significantly altered. Any changes in the policy of the PRC government may also further affect the operation and business of Giant Billion and the PRC Company.

Legal and regulatory considerations

Under the current PRC legal system, written statutes instead of court decisions are binding precedents on subsequent uses with similar facts. As discussed above, interpretation of PRC laws may be subject to policy changes reflecting domestic political changes. There have been laws and regulations governing economic matters introduced in the PRC in the past and further may also be introduced in the future. New laws and regulations may also affect the operation and business of Giant Billion and the PRC Company.

Taxation

The operation and business of Giant Billion and PRC Company are assumed to be conducted under the current taxation system. As current tax laws may be revised or amended in the future, the after-taxation profit of Giant Billion and the PRC Company may be affected.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing and the enlarged shareholding structure of the Company as at the date of this announcement and immediately after the exercise of the conversion rights attached to the Convertible Bonds in full (assuming there are no other changes in the issued share capital of the Company) are set out below:

Shareholders	As at the date of this announcement		Immediately after the exercise of the conversion rights attached to the Convertible Bonds in full	
	Number of Shares	%	Number of Shares	%
PME Investments (BVI) Co., Ltd., and its associates	461,638,000	26.21	461,638,000	22.40
The Vendor	-	-	300,000,000	14.55
Public Shareholders	1,299,462,000	73.79	1,299,462,000	63.05
Total	1,761,100,000	100.00	2,061,100,000	100.00

As at the date of this announcement, the existing authorised share capital of the Company consists of 10,000,000,000 Shares out of which 1,761,100,000 Shares are issued and fully paid up.

As at the date of this announcement, there are 46,000,000 outstanding share options.

LISTING RULES IMPLICATION

The Acquisition constitutes a major transaction on the part of the Company under Rule 14.06 of the Listing Rules and the Acquisition is subject to the approval of the Shareholders at the EGM. To the best belief, information and knowledge of the Directors, after making reasonable enquiries, no Shareholders have a material interest in the Acquisition and are required to abstain from voting at the EGM.

GENERAL

A circular containing, among other matters, further details of the Acquisition and the notice of the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the Listing Rules.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the recent increase in the trading volume and the price of the Shares and wishes to state that it is not aware of any reasons for such increases.

Save as disclosed in this announcement, the Board confirms that there are no other 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 of the Listing Rules, which is or may be of a price-sensitive nature.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 11:11 a.m. on 18 May 2009 pending for the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 4 June 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition by the Purchaser of the Sale Shares subject to and upon the terms and conditions of the Formal Agreement
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Bondholder(s)”	the holder(s) of the Convertible Bonds
“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCTV”	China Central Television
“CDP”	央視風雲傳播有限公司 (China DTV Production Co., Ltd.), a company incorporated in the PRC
“Channel”	a digital sports television channel of “小球競技”
“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 Formal Agreement
“Consideration”	the aggregate consideration of HK\$200,000,000 for the Acquisition
“Conversion Shares”	the Shares falling to be allotted and issued upon the exercise of the conversion right attaching to the Convertible Bonds

“Convertible Bonds”	the non-listed convertible bonds on the aggregate principal amount of HK\$60,000,000 to be issued by the Company to the Vendor to satisfy part of the Consideration under the Acquisition
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the Shareholders to consider and, if thought fit, approve the Formal Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds
“Formal Agreement”	the Formal Agreement dated 19 May 2009 and entered into among the Vendor, the Purchaser, the Target Company and the Guarantor for the sale and purchase of the Sale Shares
“Group”	the Company and its subsidiaries
“Guarantor” or “Mr. Wu”	Mr. Wu Jia Neng, the sole director and the sole shareholder of the Vendor
“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
“Last Trading Day”	18 May 2009, being the last trading day of the Shares before the date of the Formal Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Mai”	Ms. Mai Lian Ai, one of the shareholders of Zhibode
“Ms. Wu”	Ms. Wu Shao Di, one of the shareholders of Zhibode
“NAV”	the audited consolidated net asset value of the Company as at 31 December 2008
“PRC”	the People’s Republic of China
“PRC Company”	a wholly foreign owned enterprise to be established by the Target Company under the laws of the PRC and according to the conditions precedent of the Formal Agreement
“Promissory Notes”	the promissory notes issued by the Purchaser in the principal amount of HK\$60,000,000 with an interest rate of 5% per annum
“Purchaser”	Smart Genius Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Sale Shares”	1,470 issued shares of Giant Billion, representing approximately 49% of the entire issued share capital of Giant Billion as at the date of the Formal Agreement, which are fully paid up or credited as fully paid and are beneficially owned by the Vendor

“SFC”	the Securities and Futures Commission
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the Supplemental Agreement dated 2 June 2009 and entered into among the Vendor, the Purchaser, the Target Company and the Guarantor
“Target Company” or “Giant Billion”	Giant Billion Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	The Target Company and its subsidiaries
“Tiankong Haikuo”	北京天空海闊廣告有限公司 (Beijing Tiankong Haikuo Advertising Co., Ltd.), a company incorporated in the PRC and owned by Zhibode and Ms. Ling Li Hua as to 70% and 30% respectively
“Vendor”	Crown Sunny Limited, a company incorporated in the British Virgin Islands with limited liability
“Zhibode”	北京知博德諮詢有限公司 (Beijing Zhibode Consulting Co., Ltd.), a company incorporated in the PRC and owned by Ms. Wu and Ms. Mai as to 50% and 50% respectively, is principally engaged in business, management and investment consulting in the PRC
“Zhongtujian”	北京中體健文化傳播有限公司 (Beijing Zhongtujian Cultural Broadcast Co., Ltd.), a company incorporated in the PRC and wholly-owned by Tiankong Haikuo
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 3 June 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*