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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)

VARIATION OF TERMS OF DISCLOSEABLE TRANSACTION

Reference is made to the Circular of the Company dated 13 June 2008 in relation to a discloseable transaction in which the Board announced that on 21 May 2008, 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 China Bio-Med at Consideration of HK\$99,948,800, representing approximately 27.10% of the then issued capital of China Bio-Med.

The Deposit of HK\$5,000,000 and HK\$60,900,000 of the Second Payment have been duly paid in accordance with the terms and conditions of the Share Sale and Purchase Agreement, the Balance of the Consideration is HK\$34,048,800.

On 6 July 2009, the Vendors, the Purchaser and the Company have entered into a deed of settlement to settle the Balance by way of payment of cash in the sum of HK\$12,000,000 on or before 31 July 2009; and the remainder of the Balance of HK\$22,048,800 shall be satisfied by way of 44,097,600 ordinary shares in the Company valued at HK\$0.50 each on or before 30 September 2009.

This announcement was made pursuant to Rule 14.36 of the Listing Rules.

The Discloseable Transaction

Reference is made to the circular (“Circular”) of the Company dated 13 June 2008 in relation to a discloseable transaction 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 China Bio-Med Regeneration Technology Limited (“China Bio-Med”) (formerly known as “B M Intelligence International Limited”), a company listed on the GEM of the Stock Exchange at Consideration of HK\$99,948,800, representing approximately 27.10% of the then issued capital of China Bio-Med. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise stated.

Pursuant to the Share Sale and Purchase Agreement, the Consideration was to be satisfied in three tranches; namely, (1) a deposit and part payment of the Consideration in the sum of HK\$5,000,000, which was paid upon signing of the Share Sale and Purchase Agreement (the “Deposit”), (2) part payment of the Consideration in the sum of HK\$65,000,000 which is payable on or before 28 November 2008 (the “Second Payment”) and (3) the balance of the Consideration in the sum of HK\$29,948,800 shall be payable on or before 31 August 2009. The Deposit and HK\$60,900,000 of the Second Payment have been duly paid in accordance with the terms and conditions of the Share Sale and Purchase Agreement, the balance of the Consideration is HK\$34,048,800 (the “Balance”).

Variation of Terms

On 6 July 2009, the Vendors, the Purchaser and the Company have entered into a deed of settlement (the “Deed”) to settle the Balance in the following manner:

- (i) Payment of cash in the sum of HK\$12,000,000 (the “Cash Consideration”) on or before 31 July 2009; and
- (ii) the remainder of the Balance of HK\$22,048,800 shall be satisfied by way of 44,097,600 Shares in the Company valued at HK\$0.50 per Share (the “Consideration Shares”) on or before 30 September 2009.

The issuing price of the Consideration Shares was after arm’s length negotiation between the Vendors, the Purchaser and the Company. The issuing price of HK\$0.50 per Share represents (i) a premium of approximately 54.32% to the average closing price of HK\$0.324 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the trading day immediate before the date of this announcement and (ii) a premium of approximately 39.28% to the net asset value of HK\$0.359 per Share as at 31 December 2008.

The 44,097,600 Consideration Shares with an aggregate nominal value of HK\$440,976 represent (i) approximately 2.50% of the existing issued share capital of the Company of 1,761,100,000 Shares; and (ii) approximately 2.44% of the Company’s issued share capital of 1,805,197,600 Shares as enlarged by the issue of the Consideration Shares.

The Cash Consideration will be satisfied with the internal financial resources of the Company while the Consideration Shares will be satisfied by way of issuing new Shares of the Company under the general mandate (“General Mandate”) to allot, issue and deal with Shares granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 15 June 2009 subject to the limit up to 20% of the then issued share capital of the Company as at the date of the annual general meeting. Under the General Mandate, the Company is authorised to issue 351,720,000 Shares. As at the date of this announcement, no Share has been issued under the General Mandate. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Consideration Shares.

Implication of Listing Rules

The purpose of this announcement is to update the Shareholders the status of the discloseable transaction referred to in the Circular. Save for the abovementioned amendments, all other terms of the Share Sale and Purchase Agreement shall remain unchanged.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

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

Hong Kong, 6 July 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*