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LAPSE OF PLACING AGREEMENT

As informed by the Placing Agent, the Placing has not been successful on or before 20 August 2009, being the long stop date for the fulfillment of the conditions in the Placing Agreement. As such, the Placing Agreement has lapsed.

Reference is made to the announcement (the “Announcement”) of the Company dated 22 May 2009 in relation to a placing of 159,000,000 Placing Shares by the Placing Agent on a best effort basis at a price of HK\$0.35 per Placing Share. Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

As informed by the Placing Agent, the Placing has not been successful on or before 20 August 2009, being the long stop date for the fulfillment of the conditions in the Placing Agreement. As such, the Placing Agreement has lapsed.

The Directors are of the view that the lapse of the Placing Agreement will not cause any negative impact to the operation and working capital of the Company.

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

Hong Kong, 20 August 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*