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## **MAJOR AND CONNECTED TRANSACTION SECOND SUPPLEMENTAL AGREEMENT**

On 28 April 2010, the Vendors and the Purchaser entered into the second supplemental agreement to amend certain provisions relating to the Consideration under the Agreement.

Reference is made to the announcements of the Company dated 9 December 2009 and 12 April 2010 (the "Announcements") in relation to, among other matters, the Agreement (as amended by the supplemental agreement dated 9 April 2010) and the Disposal. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise stated.

In view of the prolonged completion of the Disposal, on 28 April 2010, the Vendors and the Purchaser entered into the second supplemental agreement to amend certain provisions relating to the Consideration under the Agreement, the details of which are as follow:

The aggregate Consideration for the Sale Shares and the Sale Loans shall be calculated by using the following formula based on the consolidated management accounts of Magic Horizon as at the date of Completion:

Net asset value or net asset deficit + TG Sale Loan + PMEI Sale Loan + HK\$304,000

Where:

- (a) The consideration for the Sale Shares shall be HK\$10;
- (b) The consideration for the TG Sale Loan shall be calculated by using the following formula: TG Sale Loan / (TG Sale Loan + PMEI Sale Loan)\*(Consideration – HK\$10); and
- (c) The consideration for the PMEI Sale Loan shall be calculated by using the following formula: PMEI Sale Loan / (TG Sale Loan + PMEI Sale Loan)\*(Consideration – HK\$10).

The Consideration shall be paid in cash to the relevant Vendors in the following manner:

- (a) HK\$6,600,001 shall be paid to the relevant Vendors within 30 calendar days after the execution of the Agreement (and which has been paid as at the date of this announcement); and
- (b) the balance of the Consideration shall be paid to the relevant Vendors within fourteen (14) calendar days after Completion.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendors with reference to (i) the consolidated net assets or net liabilities of Magic Horizon Group; (ii) the TG Sale Loan; and (iii) the PMEI Sale Loan, as at the date of Completion.

Save as disclosed above, all other terms of the Agreement (as amended by the supplemental agreement dated 9 April 2010) shall remain unchanged.

By Order of the Board  
**PME Group Limited**  
**Cheng Kwok Woo**  
*Chairman*

Hong Kong, 30 April 2010

*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*