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## **GRANT OF SHARE OPTIONS AND CHANGE OF CHIEF EXECUTIVE OFFICER**

The Board announces that on 27 May 2010, the Company granted 181,000,000 share options to five eligible participants under the Scheme, subject to, in the case of the Share Options granted to Ms. Yeung Sau Han Agnes, the approval by the independent shareholders of the Company and the acceptance of the Grantees.

The Board is also pleased to announce that with effect from 1 June 2010, Ms. Yeung Sau Han Agnes, an executive director of the Company, will be designated as the CEO of the Group and Mr. Cheng Kwong Cheong, an executive director of the Company, will cease to act as the CEO of the Group, but shall continue to act as an executive director of the Company.

### **GRANT OF SHARE OPTIONS**

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The board of directors (the "Board") of PME Group Limited (the "Company") announces that on 27 May 2010, the Company granted 181,000,000 share options (the "Share Options") to five eligible participants (the "Grantees") to subscribe for ordinary shares of HK\$0.01 each of the Company (the "Shares") under the share option scheme adopted by the Company on 23 October 2002 (the "Scheme"), subject to, in the case of the Share Options granted to Ms. Yeung Sau Han Agnes, the approval by the independent shareholders of the Company and the acceptance of the Grantees. Details of the Share Options granted are as follows:

Date of Grant	:	27 May 2010
Exercise price of Share Options granted	:	HK\$0.64 per Share (being the highest of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of grant; (ii) the average closing price of HK\$0.64 per Share as quoted on the Stock Exchange for the last five business days immediately preceding the date of grant; and (iii) the nominal value of the Share)

Number of Share Options granted : 181,000,000 (each Share Option shall entitle the holder to subscribe for one Share)

Closing price of the Shares on the date of grant : HK\$0.64

Validity period of the Share Options : From 27 May 2010 to 26 May 2015

A total of 181,000,000 Share Options were granted to the directors of the Company, details of which are as follows:

<b>Grantees</b>	<b>Position</b>	<b>Number of Share Options granted</b>
Ms. Yeung Sau Han Agnes (“Ms. Yeung”)( <i>Note</i> )	Executive director	175,000,000
Mr. Cheng Kwok Woo	Executive director	1,500,000
Mr. Cheng Kwong Cheong	Executive director	1,500,000
Ms. Chan Shui Sheung Ivy	Executive director	1,500,000
Mr. Tin Ka Pak	Executive director	1,500,000
Total		<u>181,000,000</u>

*Note:* As the total number of the Shares to be issued upon exercise of the Share Options granted to Ms. Yeung in the 12-month period up to and including the date of grant exceeds 1% of the issued share capital of the Company, the grant of the Share Options to Ms. Yeung is subject to the approval by the independent shareholders of the Company at the forthcoming extraordinary general meeting of the Company.

In accordance with Rule 17.04(1) of the Listing Rules, the grant of the Share Options to each of the executive directors of the Company has been approved by the independent non-executive directors of the Company.

A circular containing, among other matters, further details for the grant of the Share Options to Ms. Yeung Sau Han Agnes, a letter of advice from the independent board committee of the Company and a notice of the extraordinary general meeting will be despatched to the shareholders of the Company as soon as practicable.

## **CHANGE OF CHIEF EXECUTIVE OFFICER**

The Board is also pleased to announce that with effect from 1 June 2010, Ms. Yeung Sau Han Agnes, an executive director of the Company, will be designated as the chief executive officer (the “CEO”) of the Group and Mr. Cheng Kwong Cheong, an executive director of the Company, will cease to act as the CEO of the Group, but shall continue to act as an executive director of the Company. Mr. Cheng Kwong Cheong has confirmed that he has no disagreement with the Board.

The Board considers that the change of the CEO is in line with the present operations of the Board and the Group, and is beneficial to the Group’s overall business development as a whole.

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

Hong Kong, 27 May 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*