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## **CONTINUING CONNECTED TRANSACTION SUPPLEMENTAL AGREEMENT**

On 22 November 2010, the Supplier and the Processor entered into the supplemental agreement to amend certain provisions of the Master Processing Agreement.

Reference is made to the announcement of the Company dated 9 December 2009 (the “Announcement”) in relation to, among other matters, the Agreement, the Disposal and the continuing connected transaction under the Master Processing Agreement. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

On 22 November 2010, the Supplier and the Processor entered into the supplemental agreement to amend certain provisions of the Master Processing Agreement, the details of which are as follows:

1. The Supplier and/or its subsidiaries and nominees shall supply the following raw materials (the “Materials”) to the Processor and/or its subsidiaries or nominees for further processing for a term of three years commencing from the date of the Completion at the following consideration:
  - (a) polishing compound at HK\$2,913 per ton;
  - (b) polishing wheel at HK\$34,244 per ton; and
  - (c) polishing sand at HK\$6,725 per ton.
2. The charge to be paid by the Supplier and/or its subsidiaries and nominees to the Processor and/or its subsidiaries and nominees for processing the Materials shall be paid within thirty (30) calendar days upon the delivery of the processed Materials and presentation of the invoice/demand note to the Supplier and/or its subsidiaries and nominees by the Processor and/or its subsidiaries and nominees.

Save as disclosed above, all other terms of the Master Processing Agreement shall remain unchanged.

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

Hong Kong, 22 November 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*