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COMPLETION OF MAJOR AND CONNECTED TRANSACTION

The Board is pleased to announce that all applicable conditions precedent have been satisfied, and that the Completion took place on 30 December 2010.

Reference is made to the circular (the "Circular") of the Company dated 13 December 2010 in relation to, among other matters, the Agreement, the Disposal, the Master Processing Agreement and the Continuing Connected Transaction. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Circular.

The Board is pleased to announce that all applicable conditions precedent have been satisfied, and that the Completion took place on 30 December 2010.

Upon Completion, Magic Horizon Group has ceased to be subsidiaries of the Company.

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

Hong Kong, 30 December 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*