
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in PME Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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PME GROUP LIMITED

必美宜集團有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 379)

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong on Monday, 13 June 2011 at 2:30 p.m. is set out on pages 15 to 18 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the head office and principal place of business of the Company at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
General Mandate and Repurchase Mandate	4
Re-election of Retiring Directors	5
AGM	5
Voting at AGM	6
Responsibility Statement	6
Recommendation	6
Further Information	6
Appendix I – Explanatory Statement	7
Appendix II – Details of Retiring Directors Proposed to be Re-elected at the AGM	12
Notice of AGM	15

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened on 13 June 2011 and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the re-election of retiring Directors
“Articles of Association”	the articles of association of the Company
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Company”	PME Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of granting the general mandate
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of granting the repurchase mandate

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



(incorporated in the Cayman Islands with limited liability)
(Stock Code: 379)

Executive Directors:

Mr. Cheng Kwok Woo (*Chairman*)
Mr. Cheng Kwong Cheong (*Vice-Chairman*)
Ms. Yeung Sau Han Agnes (*CEO*)
Ms. Chan Shui Sheung Ivy
Mr. Tin Ka Pak

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Chow Fu Kit Edward
Mr. Leung Yuen Wing
Mr. Lam Kwok Hing Wilfred

*Head office and principal place
of business:*

5th Floor
Unison Industrial Centre
Nos. 27-31 Au Pui Wan Street
Fo Tan, Shatin
Hong Kong

28 April 2011

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the General Mandate and the Repurchase Mandate to the Directors; and (ii) the re-election of retiring Directors.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the proposed re-election of retiring Directors, and the notice of the AGM.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

General Mandate

At the AGM, an ordinary resolution will be proposed that the Directors be given an unconditional general mandate to allot, issue and deal with additional Shares or securities convertible into Shares, options, warrants or similar rights to subscribe for any Shares (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles of Association or upon the exercise of rights of subscription or conversion under the terms of any securities or bonds convertible into Shares) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued Shares as at the date of granting the general mandate.

As at the Latest Practicable Date, the Company had an aggregate of 2,904,197,600 Shares in issue. Subject to the passing of the resolution for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 580,839,520 Shares.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed that the Directors be given an unconditional general mandate to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued Shares as at the date of granting the repurchase mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 290,419,760 Shares.

The General Mandate and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law (Law 3 of 1961, as consolidated and revised) or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

LETTER FROM THE BOARD

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF RETIRING DIRECTORS

According to article 87(1) of the Articles of Association and the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Listing Rules, every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

In accordance with article 87(1) of the Articles of Association and the CG Code, Ms. Yeung Sau Han Agnes, Mr. Tin Ka Pak and Mr. Leung Yuen Wing shall retire from office by rotation at the AGM. Being eligible, each of Ms. Yeung Sau Han Agnes and Mr. Tin Ka Pak will offer herself/himself for re-election as executive Director, and Mr. Leung Yuen Wing will offer himself for re-election as independent non-executive Director.

According to article 86(3) of the Articles of Association, any Director appointed either to fill a casual vacancy or as an addition to the Board shall be subject to re-election by the Shareholders at the first general meeting after his/her appointment.

Mr. Lam Kwok Hing Wilfred, who was appointed as an independent non-executive Director on 14 April 2011, shall hold office only until the AGM in accordance with article 86(3) of the Articles of Association. Being eligible, Mr. Lam Kwok Hing Wilfred will offer himself for re-election as independent non-executive Director.

At the AGM, ordinary resolutions will be proposed to re-elect each of Ms. Yeung Sau Han Agnes and Mr. Tin Ka Pak as executive Director, and each of Mr. Leung Yuen Wing and Mr. Lam Kwok Hing Wilfred as independent non-executive Director.

Particulars relating to each of Ms. Yeung Sau Han Agnes, Mr. Tin Ka Pak, Mr. Leung Yuen Wing and Mr. Lam Kwok Hing Wilfred are set out in Appendix II to this circular.

AGM

A notice convening the AGM to be held at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong on Monday, 13 June 2011 at 2:30 p.m. is set out on pages 15 to 18 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of retiring Directors.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the head office and principal place of business of the Company at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VOTING AT AGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the AGM must be taken by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board considers the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully
For and on behalf of the Board of
PME Group Limited
Cheng Kwok Woo
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. Repurchase of securities from connected parties

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,904,197,600 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 290,419,760 fully paid Shares, representing 10% of the issued share capital of the Company.

3. Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its shareholders as a whole.

4. Funding of repurchases

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and Articles of Association of the Company for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2010, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	0.830	0.365
May	0.880	0.580
June	0.710	0.610
July	0.660	0.560
August	0.710	0.540
September	0.770	0.540
October	0.860	0.640
November	1.020	0.700
December	0.860	0.700
2011		
January	0.750	0.640
February	0.680	0.600
March	0.700	0.500
April (up to the Latest Practicable Date)	0.650	0.500

6. Disclosure of interests and minimum public holding

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares/underlying Shares then in issue:

Name of Shareholders	Notes	Number of Shares/underlying Shares held or short positions	Percentage holding	Percentage holding should Repurchase Mandate be exercised in full
PME Investments (BVI) Co., Ltd. ("PMEI")	1	318,438,000 (L)	10.96%	12.18%
		318,438,000 (S)	10.96%	12.18%
Mr. Cheng Kwok Woo	1	380,838,000 (L)	13.11%	14.57%
		318,438,000 (S)	10.96%	12.18%
Mr. Cheng Kwong Cheong	1	374,338,000 (L)	12.89%	14.32%
		318,438,000 (S)	10.96%	12.18%
Ms. Tsang Sui Tuen	2	380,838,000 (L)	13.11%	14.57%
		318,438,000 (S)	10.96%	12.18%
Ms. Wan Kam Ping	3	374,338,000 (L)	12.89%	14.32%
		318,438,000 (S)	10.96%	12.18%
Crown Sunny Limited	4	300,000,000 (L)	10.33%	11.48%
Mr. Wu Jia Neng	5	300,000,000 (L)	10.33%	11.48%
Worldkin Development Limited	6	3,920,000,000 (L)	134.98%	149.97%
		3,000,000,000 (S)	103.30%	114.78%
Mr. Wong Lik Ping	7	3,920,000,000 (L)	134.98%	149.97%
		3,000,000,000 (S)	103.30%	114.78%
Yardley Finance Limited	8	3,000,000,000 (L)	103.30%	114.78%
Mr. Chan Kin Sun	9	3,000,000,000 (L)	103.30%	114.78%
Shanxi Coal Transportation and Sales Group (HK) Co., Limited (山西煤炭運銷集團(香港)有限公司, "Shanxi Coal HK")	10	3,320,000,000 (L)	114.32%	127.02%
Shanxi Coal Transportation and Sales Group Co., Limited (山西煤炭運銷集團有限公司, "Shanxi Coal")	11	3,320,000,000 (L)	114.32%	127.02%
Mr. Ng Leung Ho	12	520,000,000 (L)	17.91%	19.89%
Mr. Kong Xian Yong	13	308,330,000 (L)	10.62%	11.80%

L: Long Position

S: Short Position

Notes:

1. PMEI is the beneficial owner of 318,438,000 Shares of the Company. Each of Mr. Cheng Kwok Woo and Mr. Cheng Kwong Cheong owned 50% of the entire issued share capital of PMEI. Each of them is accordingly deemed to be interested in the entire interests of PMEI in the Company. In addition, Mr. Cheng Kwok Woo personally holds 60,900,000 Shares and Mr. Cheng Kwong Cheong personally holds 54,400,000 Shares. Furthermore, each of Mr. Cheng Kwok Woo and Mr. Cheng Kwong Cheong has been granted 1,500,000 share options under the shares option scheme of the Company.
2. Ms. Tsang Sui Tuen is the spouse of Mr. Cheng Kwok Woo and is accordingly deemed to have interests in 380,838,000 Shares/underlying Shares that Mr. Cheng Kwok Woo has interests in.
3. Ms. Wan Kam Ping is the spouse of Mr. Cheng Kwong Cheong and is accordingly deemed to have interests in 374,338,000 Shares/underlying Shares that Mr. Cheng Kwong Cheong has interests in.
4. The interests represent the convertible bonds to be issued by the Company at a principal amount of HK\$60,000,000 at a conversion price of HK\$0.2 per conversion share.
5. Mr. Wu Jia Neng holds entire equity interests of Crown Sunny Limited and is accordingly deemed to have interests in 300,000,000 underlying Shares of the Company that Crown Sunny Limited has interests in.
6. The interests represent the convertible bonds issued by the Company at a principal amount of HK\$117,600,000 at a conversion price of HK\$0.03 per conversion share.
7. Mr. Wong Lik Ping holds entire equity interests of Worldkin Development Limited and is accordingly deemed to have interests in 3,920,000,000 underlying Shares of the Company that Worldkin Development Limited has interests in.
8. The interests represent the convertible bonds issued by the Company at a principal amount of HK\$90,000,000 at a conversion price of HK\$0.03 per conversion share.
9. Mr. Chan Kin Sun holds entire equity interests of Yardley Finance Limited and is accordingly deemed to have interests in 3,000,000,000 underlying Shares of the Company that Yardley Finance Limited has interests in.
10. The interests represent the convertible bonds issued by the Company at a principal amount of HK\$90,000,000 at a conversion price of HK\$0.03 per conversion share and 320,000,000 Shares.
11. Shanxi Coal holds entire equity interests of Shanxi Coal HK and is accordingly deemed to have interests in 3,320,000,000 Shares/underlying Shares of the Company that Shanxi Coal HK has interests in.
12. Mr. Ng Leung Ho personally holds 520,000,000 Shares of the Company.
13. The interests represent the convertible bonds issued by the Company at the principal amount of HK\$6,000,000 at a conversion price of HK\$0.03 per conversion share and 108,330,000 Shares.

As at the Latest Practicable Date, PMEI and its associates held 456,738,000 Shares/underlying Shares, representing approximately 15.73% of the issued share capital of the Company. On the basis of the current shareholding of PMEI and its associates and assuming that no further Shares are issued or repurchased prior to the AGM, an exercise of the Repurchase Mandate in full will result in the shareholdings of PMEI and its associates increasing to approximately 17.47%. Accordingly, PMEI and its associates will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise any of the Repurchase Mandate to such an extent that will result in a requirement of PMEI and its associates, to make a mandatory offer under the Takeovers Code. Moreover, the Company would not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

7. Shares repurchase made by the Company

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

The details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

(1) Ms. Yeung Sau Han Agnes

Ms. Yeung Sau Han Agnes, aged 45, is the Chief Executive Officer of the Group. She joined the Group in May 2007 and is responsible for the Group's overall operations and development. She graduated from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a higher diploma in fashion design. She is also an executive director of China Railway Logistics Limited, which is listed on the Stock Exchange. She was an executive director of PNG Resources Holdings Limited from November 2002 to January 2007, Heng Xin China Holdings Limited from July 2007 to March 2009 and China Bio-Med Regeneration Technology Limited from June 2007 to December 2009, which are listed on the Stock Exchange. Other than disclosed above, Ms. Yeung did not hold any directorship in any other listed companies in the past three years. She does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or controlling Shareholders. She has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles of Association. Ms. Yeung is currently entitled to an annual salary of HK\$240,000 and a discretionary bonus, which are determined by reference to her level of responsibilities, remuneration policy of the Company and the prevailing market conditions. As at the Latest Practicable Date, Ms. Yeung has 199,280,000 Shares/underlying Shares of the Company, representing approximately 6.86% of the entire issued share capital of the Company. Save as disclosed above, Ms. Yeung does not have, and is not deemed to have, any other interests or short positions in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

There is no information relating to Ms. Yeung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

(2) Mr. Tin Ka Pak

Mr. Tin Ka Pak, aged 35, joined the Group in May 2008 and is responsible for investment projects and investor relationship of the Group. He holds a Bachelor degree of Business Administration from Oxford Brookes University in the United Kingdom. He has been working in companies listed on the Stock Exchange to assist the chairman and CEO in group management, strategic planning, sales and marketing development, investment evaluation, and investor relationship. He is also an executive director of China Bio-Med Regeneration Technology Limited and China Oriental Culture Group Limited, which are listed on the Stock Exchange. Other than disclosed above, Mr. Tin did not hold any directorship in any other listed companies in the past three years. Mr. Tin does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or controlling

**APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

Shareholders. He has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Tin is entitled to an annual salary of HK\$696,000 and a discretionary bonus, which are determined by reference to his level of responsibilities, remuneration policy of the Company and the prevailing market conditions. As at the Latest Practicable Date, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no information relating to Mr. Tin that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

(3) Mr. Leung Yuen Wing

Mr. Leung Yuen Wing, aged 44, was appointed as an independent non-executive Director in September 2004. He had held managerial positions in various renowned accounting firms, an investment bank and two listed companies. He is currently the Corporate Finance Director of Samvo Group whose headquarters is in London and engaged in the online entertainment business. He is a member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants. Other than disclosed above, Mr. Leung did not hold any directorship in any other listed companies in the past three years. Mr. Leung does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or controlling Shareholders. He has entered into a service contract with the Company pursuant to which his term of appointment shall continue until 30 September 2011 subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Leung is currently entitled to an annual director's fee of HK\$180,000 which was determined by reference to his qualification, remuneration benchmark in the industry and the prevailing market conditions. As at the Latest Practicable Date, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no information relating to Mr. Leung that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

**APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

(4) Mr. Lam Kwok Hing Wilfred

Mr. Lam Kwok Hing Wilfred, aged 52, was appointed as an independent non-executive Director on 14 April 2011. He is a Justice of the Peace of the Hong Kong Special Administrative Region and was awarded the Queen's Badge of Honour in January 1997. He holds a bachelor degree of Law with honours from The University of Hong Kong and is a practising solicitor in Hong Kong. He also holds a professional qualification of Estate Agent's (Individual) Licence in Hong Kong.

Being an active member in social and charity activities, Mr. Lam is a Support Force Commander of the Civil Aid Service, Ex Officio Member, N.T. Heung Yee Kuk, chairman of the Friends of the Community Chest (Kwai Tsing), Honorary Advisor of (Kwai Tsing) Junior Police Call, member of and former chairman of the Kwai Tsing District Fight Crime Committee and director of the Kwai Tsing District Community Development Fund in Hong Kong. He is also an executive member of the liaison association of the Chinese People's Political Consultative Conference, Guangdong Province.

Mr. Lam is a senior associate of Philip KH Wong, Kennedy YH Wong & Co., Solicitors & Notaries; the group vice president of 3D-GOLD Jewellery (HK) Limited and director of Business Operations (China) Department and Aide-de-Camp of Brand Promotion of Hong Kong Resources Holdings Company Limited, a company listed on the main board of the Stock Exchange; the non-executive vice-chairman and non-executive director of National Arts Holdings Limited, a company listed on the growth enterprise market of the Stock Exchange and the independent non-executive director of The Hong Kong Building and Loan Agency Limited and Value Convergence Holdings Limited, both listed on the main board of the Stock Exchange.

Save as disclosed above, Mr. Lam did not hold any directorship in any other listed public companies in the past three years. Mr. Lam does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or controlling Shareholders. He has entered into a service contract with the Company pursuant to which his term of appointment shall continue until 13 April 2012 subject to retirement by rotation and re-election in accordance with the Articles of the Association. Mr. Lam is currently entitled to an annual director's fee of HK\$180,000 which was determined by reference to his experience, and duties and responsibilities in the Company as well as the current market conditions. As at the Latest Practicable Date, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Other than the fact that a bankruptcy order was made against Mr. Lam on 28 August 2003, but which was subsequently discharged by the High Court on 18 September 2007, the Board is not aware of any information in relation to Mr. Lam's appointment which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange.

NOTICE OF AGM



(incorporated in the Cayman Islands with limited liability)
(Stock Code: 379)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of PME Group Limited (the “Company”) will be held at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong on Monday, 13 June 2011 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and Auditor for the year ended 31 December 2010.
2. (a) To re-elect Ms. Yeung Sau Han Agnes as executive director;
(b) To re-elect Mr. Tin Ka Pak as executive director;
(c) To re-elect Mr. Leung Yuen Wing as independent non-executive director;
(d) To re-elect Mr. Lam Kwok Hing Wilfred as independent non-executive director; and
(e) To authorise the board of directors of the Company to fix the directors’ remuneration.
3. To re-appoint SHINEWING (HK) CPA Limited as the auditor of the Company and to authorise the board of directors of the Company to fix their remuneration.
4. To, as special business, consider and, if thought fit, passing the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF AGM

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of the resolution no. 5),
- and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

NOTICE OF AGM

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To, as special business, consider and, if thought fit, passing the following resolution as an ordinary resolution:

“**THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, the Companies Law or any other applicable law of Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

NOTICE OF AGM

6. “**THAT** the directors of the Company be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

Yours faithfully,
For and on behalf of
the board of directors of
PME Group Limited
Cheng Kwok Woo
Chairman

Hong Kong, 28 April 2011

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business:

5th Floor
Unison Industrial Centre
Nos. 27-31 Au Pui Wan Street
Fo Tan, Shatin
Hong Kong

Notes:

1. A member entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the AGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the head office and principal place of business of the Company at 5th Floor, Unison Industrial Centre, Nos. 27-31 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the AGM or any adjournment thereof, should he so wish.
3. In the case of joint holders of Shares, any one of such holders may vote at the AGM, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. In relation to proposed resolution no. 2 above, Ms. Yeung Sau Han Agnes, Mr. Tin Ka Pak and Mr. Leung Yuen Wing and Mr. Lam Kwok Hing Wilfred will retire from their offices at the AGM pursuant to article 87(1) and article 86(3) of the Articles of Association of the Company respectively and the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules, and being eligible, will offer themselves for re-election at the AGM.
5. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue new Shares other than the Shares which may fall to be issued under the share option schemes of the Company or any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of whole or part of a dividend which may be approved by shareholders of the Company.
6. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.