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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)

**APPOINTMENT OF CHAIRMAN AND EXECUTIVE DIRECTOR,
RE-DESIGNATION OF DIRECTOR, AND CHANGES IN CHAIRMAN OF
NOMINATION COMMITTEE
AND MEMBER OF REMUNERATION COMMITTEE**

The Board of Directors (the “Board”) of PME Group Limited (the “Company”) is pleased to announce that, with effective from 9 August 2012:

- (1) Mr. Wong Lik Ping (“Mr. Wong”) was appointed as Chairman and an Executive Director of the Company, Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company; and
- (2) Due to job re-arrangement, Mr. Cheng Kwok Woo (“Mr. Cheng”) resigned as Chairman of the Company, Chairman of the Nomination Committee and a member of the Remuneration Committee, and was re-designated from Executive Director to Non-Executive Director.

Mr. Cheng has confirmed that he has no disagreement with the Board and he is not aware of any matter relating to his resignation that ought to be brought to the attention of the shareholders of the Company.

Mr. Wong Lik Ping, aged 51, was appointed in September 2001 as chairman and an executive director of Shougang Fushan Resources Group Limited (formerly known as Fushan International Energy Group Limited, Stock Code: 639), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and was re-designated as vice-chairman in March 2009. Mr. Wong was appointed as chairman and an executive director of Theme International Holdings Limited (Stock Code: 990), a company listed on Main Board of the Stock Exchange. Mr. Wong is a member of the Shenzhen Committee of Chinese People’s Political Consultative Conference. He has extensive experience in trading business, financial industry and investments in a wide range of businesses in China.

Mr. Wong is the sole director and the sole shareholder of Worldkin Development Limited (“Worldkin”), a substantial shareholder of the Company. Worldkin is currently holding 1,520,000,000 shares of the Company, representing approximately 20.87% of the issued share capital of the Company. Worldkin is also currently holding the Company’s convertible bonds in the amount of HK\$100,200,000. These convertible bonds entitle the holder to convert into new shares of the Company at a conversion price of HK\$0.03 per share. Mr. Wong currently has a beneficial interest in 4,860,000,000 shares and underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”).

Save as disclosed above, Mr. Wong does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Wong has no fixed term of service with the Company but is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association of the Company. Mr. Wong will not receive any director remuneration.

Mr. Cheng Kwok Woo, aged 55. He joined the Group in 1990 and acted as Chairman and an Executive Director of the Company since 2002. He has over 25 years of experience in the trading and manufacturing of abrasive products. Mr. Cheng is also a director of certain subsidiaries of the Company and a director of a jointly controlled entity of the Company in the PRC. Save as disclosed above, Mr. Cheng has not been a director in any other listed companies in the last three years. Mr. Cheng has entered into a service agreement with the Company as Non-Executive Director for a term of one year commencing from 9 August 2012 but is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association of the Company. Based on his position, his level of responsibilities, remuneration policy of the Company and the prevailing market conditions, Mr. Cheng is entitled to an annual emolument of HK\$964,000 and a bonus to be determined by the Board at their absolute discretion. Mr. Cheng currently has personal interests of 62,400,000 shares and underlying shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rules 13.51(2) of the Rules Governing the Listing of the Securities on the Stock Exchange, nor there are other matters relating to Mr. Wong and Mr. Cheng that need to be brought to the attention of the shareholders of the Company.

The Board would like to extend a warm welcome to Mr. Wong for joining the Company. The Board also takes this opportunity to acknowledge the invaluable contributions of Mr. Cheng to the Company.

By Order of the Board
PME GROUP LIMITED
Yeung Sau Han Agnes
Director

Hong Kong, 9 August 2012

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Ms. Yeung Sau Han Agnes, Ms. Chan Shui Sheung Ivy and Mr. Lai Ka Fai as Executive Directors; (2) Mr. Cheng Kwok Woo as Non-Executive Director, and (3) Mr. Leung Yuen Wing, Mr. Lam Kwok Hing Wilfred and Mr. Goh Choo Hwee as Independent Non-Executive Directors.

** For identification purpose only*