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DISCLOSEABLE TRANSACTION

The Board announces that on 21 May 2008 after trading hours, the Vendors, the Purchaser and the Company have entered into a Share Sale and Purchase Agreement in relation to acquisition of 515,200,000 ordinary shares of BMI, a company listed on the GEM of the Stock Exchange at Consideration of HK\$99,948,800, representing approximately 27.10% of the issued capital of BMI.

The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed "Conditions" below.

The Acquisition constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules. A circular containing, among other matters, further details of the Acquisition will be despatched to the shareholders of the Company as soon as practicable and in compliance with the Listing Rules.

SHARE SALE AND PURCHASE AGREEMENT

Date: 21 May 2008

Parties: (1) the Vendors;
(2) the Purchaser; and
(3) the Company as the guarantor;

The Vendors are incorporated in the British Virgin Islands with limited liability and are principally engaged in investment holdings. The entire issued share capital of each of the Vendors are wholly and beneficially owned by Mr. Lo.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and Mr. Lo is an Independent Third Party.

The Purchaser, a wholly owned subsidiary of the Company, is incorporated in the British Virgin Islands and is principally engaged in investment holdings. The Company has agreed to guarantee the performance by the Purchaser of its obligations in the Share Sale and Purchase Agreement.

Asset to be acquired

Pursuant to the Share Sale and Purchase Agreement, the Purchaser has agreed to acquire the

Sale Shares comprising an aggregate of 515,200,000 BMI Shares of HK\$0.01 each in the share capital of BMI, representing about 27.10% of the entire issued share capital of BMI as at the date of this announcement and the entire shareholding interest held by the Vendors in BMI.

BMI is incorporated in the Cayman Islands with limited liability and the issued BMI Shares (including the Sale Shares) are listed on GEM.

Under the Share Sale and Purchase Agreement, the Purchaser is not subject to any restriction on further sale of the Sale Shares.

Consideration

The Consideration for the Acquisition is HK\$99,948,800, which shall be satisfied by the Purchaser in cash in the following manner:

- (a) a deposit and part payment of the Consideration in the sum of HK\$5,000,000 shall be payable upon signing of the Share Sale and Purchase Agreement;
- (b) part payment of the Consideration in the sum of HK\$65 million shall be payable on or before 28 November 2008;
- (c) the balance of the Consideration in the sum of HK\$29,948,800 shall be payable on or before 31 August 2009.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendors. Based on the trading prices below, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and in the interests of the Shareholders as a whole. The Consideration will be financed by internal resource of the Group.

The Sale Shares

The consideration payable for each Sale Share is equivalent to approximately HK\$0.194 per Sale Share, representing:

- (a) a discount of approximately 25.38% to the closing price of HK\$0.26 per BMI Share as quoted on the Stock Exchange on 21 May 2008, being the last trading day of the Shares immediately before the entering into of the Share Sale and Purchase Agreement; and
- (b) a discount of approximately 24.51% to the average of the closing prices of HK\$0.257 per BMI Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 21 May 2008, being the last trading day of the Shares immediately before the entering into of the Share Sale and Purchase Agreement.

Based on the closing price of HK\$0.26 per BMI Share as quoted on the Stock Exchange on 21 May 2008, being the last trading day of the BMI Shares immediately before the entering into of the Share Sale and Purchase Agreement, the market capitalisation of the Sale Shares amounts to approximately HK\$133,952,000.

The Sale Shares represent approximately 27.10% of the existing issued share capital of BMI and the entire shareholding interest held by the Vendors in BMI. Immediately following Completion, the Company will become the largest substantial shareholder of BMI based on the existing issued share capital of BMI.

Conditions

Completion of the Share Sale and Purchase Agreement is conditional upon the satisfaction of the following:

- (a) where required, the compliance of all applicable announcements, circular, shareholders' approval and any other requirements under the Listing Rules or otherwise of the Stock Exchange and the SFC by the Vendors or the Purchaser in relation to the sale and purchase of the Sale Shares under this Agreement and any present and future transactions contemplated under this Agreement; and
- (b) all consents or approval of any relevant governmental or regulatory authorities (including but not limited to the Stock Exchange and the SFC) or other relevant third parties in Hong Kong, Cayman Islands or elsewhere which are required or appropriate for the entry in to and the implementation of this Agreement having been obtained, including all filings with any relevant governmental authorities or other relevant third parties in Hong Kong, Cayman Islands or elsewhere which are required or appropriate for the entering into and the implementation of this Agreement having been made.

If any of the conditions set out in (a) and (b) are not satisfied on or before Completion Date, through no fault of the Vendors or the Purchaser or due to the fault of the Vendors, the Purchaser shall have no obligations to purchase the Sale Shares and unless the parties agree to an extension of the Completion Date all liabilities of the parties in this Agreement shall cease whereupon all deposits and part payment (as the case may be) paid hereunder shall be returned to the Purchaser. Save for the aforesaid and save in respect of prior breaches of this Agreement, no party shall have any claim against the others.

Completion

Subject to the satisfaction of the conditions mentioned above, Completion is expected to take place within 14 days after the signing of this Agreement or on such later date as the Vendors and the Purchaser may agree at the Purchaser's office or such other place as the parties may agree.

Upon Completion, the Company will be interested in approximately 27.10% of the issued share capital of BMI. There will be no implication under the Hong Kong Code on Takeovers and Mergers for the Acquisition. One of the Company's executive directors is currently an executive director of BMI. Subject to the approval of the board of directors and the shareholders of BMI, the Company may nominate additional director to the board of directors of BMI upon Completion.

INFORMATION ON BMI

BMI is a company incorporated in the Cayman Islands with limited liability which together with its subsidiaries is principally engaged in the provision of business, accounting and corporate development advisory services, company secretarial services, translation services, assets valuation services and funds and wealth management services. BMI is a company listed on GEM of the Stock Exchange.

Reference is also made to the circular and the announcement of BMI dated 13 July 2007 and 25 February 2008 respectively, in which BMI announced that it is planning to invest in the internet café business in the PRC and has entered into a letter of intent to invest in the business of research and development of medical engineering, biological engineering and tissue engineering in a company in the PRC. As disclosed in the 2007 third quarterly report of BMI,

it was disclosed that in view of the potential downside risks due to the looming of sub-prime lending problem in the United States, BMI foresaw that the demand for their professional services would have the risk to slow down. They would keep on searching for new investment opportunities to widen the revenue sources.

As disclosed in the audited consolidated financial statements of BMI prepared in accordance with the Hong Kong Financial Reporting Standards, the turnover, loss before taxation and net loss after taxation for the financial year ended 30 April 2007 were approximately HK\$64,952,000, HK\$860,000 and HK\$374,000 respectively. As disclosed in the audited consolidated financial statements of BMI, the turnover, profit before taxation and net profit after taxation for the year ended 30 April 2006 were approximately HK\$42,427,000, HK\$1,777,000 and HK\$1,777,000 respectively.

The audited consolidated total assets and net assets of BMI as at 30 April 2007 were approximately HK\$51,313,000 and HK\$36,996,000 respectively. The unaudited consolidated total assets and net assets of BMI as at 31 October 2007 were approximately HK\$60,184,000 and HK\$39,031,000 respectively

REASONS FOR THE ACQUISITION

The Group is principally engaged in manufacturing and trading of polishing materials and equipments.

Reference is also made to the circular and the announcement of BMI dated 13 July 2007 and 25 February 2008 respectively, in which BMI announced that it is planning to invest in the internet café business in the PRC and has entered into a letter of intent to invest in the business of research and development of medical engineering, biological engineering and tissue engineering in a company in the PRC.

As the Group is actively looking for investment projects with potential capital appreciation, the Directors believe that the diversification to new businesses areas in the internet café business and research and development of medical engineering, biological engineering and tissue engineering in the PRC developed by BMI other than those currently engaged by the Group would bring positive impact to the result of the Group.

In addition, the Consideration represents a 25.38% discount to the market value of the Sale Shares.

The Group intends to hold the Sale Shares as long term investment and recorded as available-for sale investments under non-current assets in the accounts of the Group. As the BMI Shares are listed on the GEM of the Stock Exchange, the Group is able to realise the investments in the Sale Shares in the open market, which represent an efficient mean for the realisation of the investments in the Sale Shares.

Although the Company will only hold approximately 27.10% of shareholdings in BMI immediately upon Completion of the Acquisition, the Directors consider that the value of the Sale Shares will steadily grow in parallel with the development of the new businesses of BMI in future.

In view of the growth potentials of BMI, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole

LISTING RULES IMPLICATION

The Acquisition constitutes discloseable transactions on the part of the Company under Rule 14.06 of the Listing Rules.

GENERAL

A circular containing, among other matters, further details of the Acquisition will be despatched to the Shareholders as soon as reasonable practicable and in compliance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“ Acquisition ”	the acquisition by the Purchaser of the Sale Shares subject to and upon the terms and conditions of the Share Sale and Purchase Agreement
“ BMI ”	B M Intelligence International Limited, a company incorporated in the Cayman Islands and the issued BMI Shares of which are listed on GEM
“ BMI Share(s) ”	share(s) of HK\$0.01 each in the capital of BMI
“ Board ”	the board of Directors from time to time
“ 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
“ Completion ”	completion of the sale and purchase of the Sale Shares in accordance with the Share Sale and Purchase Agreement
“ Consideration ”	the aggregate consideration of HK\$99,948,800 for the Acquisition
“ Directors ”	directors of the Company
“ GEM ”	the Growth Enterprise Market of the Stock Exchange
“ Group ”	the Company and its subsidiaries
“ Hong Kong ”	the Hong Kong Special Administrative Region of the PRC
“ Independent Third Party ”	the counterparty and its ultimate beneficial owners being third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“ Listing Rules ”	the Rules Governing the Listing of Securities on the Stock Exchange
“ Mr. Lo ”	Mr. Lo Wah Wai, the legal and beneficial owner of the entire

	issued share capital of each of the Vendors and an executive director of BMI
“PRC”	the People’s Republic of China
“Purchaser”	One Express Group Limited, being the purchaser named in the Share Sale and Purchase Agreement, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Share Sale and Purchase Agreement”	the Share Sale and Purchase Agreement dated 21 May 2008 and entered into between the Vendors, the Purchaser and the Company for the sale and purchase of the Sale Shares
“Sale Shares”	515,200,000 issued BMI Shares, representing approximately 27.10% of the entire issued share capital of BMI, which are fully paid up or credited as fully paid and are beneficially owned by the Vendors
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Mangreat Assets Corporation, Williamsburg Invest Limited and Homelink Venture Corporation, companies incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is wholly and beneficially owned by Mr. Lo
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

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

Hong Kong, 27 May 2008

* *for identification purpose only*

As at the date of this announcement, the Board comprises (1) 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 (2) Messrs Leung Yuen Wing, Soong Kok Meng and Chow Fu Kit Edward as independent non-executive Directors.