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COMPLETION ANNOUNCEMENT

The Board is pleased to announce that the Acquisition of the Sale Shares by the Purchaser has been completed on 19 December 2007.

Reference is made to the announcement (the “Announcement”) of the Company dated 18 December 2007 in relation to, among other matters, the discloseable transaction on the part of the Company involving the Acquisition of the Sale Shares in China Railway. Capitalised terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

The Board is pleased to announce that with all the conditions of the Sale and Purchase Agreement having been fulfilled, the Acquisition of the Sale Shares by the Purchaser has been completed on 19 December 2007.

Immediately after the Completion, the Company is currently interested in 71,000,000 China Railway Shares, representing approximately 14.51% of the issued share capital of China Railway and becomes a substantial shareholder (as defined in the Listing Rules) of China Railway.

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

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

Hong Kong, 19 December 2007

** 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 and Ms. Chan Shui Sheung Ivy as executive Directors; and (2) Messrs Leung Yuen Wing, Soong Kok Meng and Chow Fu Kit Edward as independent non-executive Directors.