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**VERY SUBSTANTIAL ACQUISITION  
SECOND SUPPLEMENTAL AGREEMENT  
AND  
FURTHER DELAY IN DESPATCH OF THE CIRCULAR**

The Board announced that, after trading hours on 31 December 2010, Able Winner (an indirect wholly owned subsidiary of the Company) entered into a second supplemental agreement with the Vendor, pursuant to which (i) the long stop date of the Agreement is agreed to be extended to 28 February 2011; and (ii) if at Completion there is any outstanding shareholder's loan or director's loan, Able Winner shall be provided with a written undertaking that all the shareholder's loan and director's loan be unconditionally waived or an assignment of loan entered into by the Vendor in favour of Able Winner to assign the said loan at a consideration of HK\$1.

As additional time is required for the Company to finalise the information to be contained in the Circular, including, but not limited to, the indebtedness statement and the working capital sufficiency statement of the Enlarged Group, the Company expects that the despatch of the Circular will further be delayed from 31 December 2010 to (on or before) 24 January 2011.

Reference is made to the announcements of the Company dated 8 November 2010 and 8 December 2010 (the "Announcements"), in relation to, among other matters, the Acquisition of terminal and port operations in Lanshan Harbour, Rizhao Port, Shandong Province, the PRC, and the announcement of the Company dated 20 December 2010 (the "Delay Announcement") in relation to the delay in despatch of the Circular. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise stated.

**SECOND SUPPLEMENTAL AGREEMENT**

On 31 December 2010, Able Winner (an indirect wholly owned subsidiary of the Company) entered into a second supplemental agreement with the Vendor (the "Second Supplemental Agreement"), to amend the terms of the Agreement (as amended by the supplemental agreement).

Pursuant to the Agreement (as amended by the supplemental agreement), if the conditions are not fulfilled (or waived by the Purchaser by notice in writing to the Vendor) on or before 31 December 2010 (or such later date as may be agreed between the Vendor and the Purchaser), the Agreement (as amended by the supplemental agreement) and everything therein contained shall, subject to the liability of any party to the others in respect of any antecedent breaches of the terms thereof, be null and void and of no effect.

Pursuant to the Second Supplemental Agreement, the long stop date of the Agreement is agreed to be extended to 28 February 2011.

It is a condition precedent to the Completion that any shareholders' loan, directors' loans and third parties' loans of the Target being repaid (if any). Pursuant to the Second Supplemental Agreement, if at Completion there is any outstanding shareholder's loan or director's loan, Able Winner shall be provided with a written undertaking that all the shareholder's loan and director's loan be unconditionally waived or an assignment of loan entered into by the Vendor in favour of Able Winner to assign the said loan at a consideration of HK\$1.

Save as disclosed above, all other terms of the Agreement (as amended by the supplemental agreement) shall remain unchanged.

### **FURTHER DELAY IN DESPATCH OF THE CIRCULAR**

As stated in the Delay Announcement, a circular (the "Circular") containing, among other things, the details of the Acquisition and a notice to convene the EGM will be despatched to the Shareholders on or before 31 December 2010.

As additional time is required for the Company to finalise the information to be contained in the Circular, including, but not limited to, the indebtedness statement and the working capital sufficiency statement of the Enlarged Group, the Company expects that the despatch of the Circular will be further delayed from 31 December 2010 to (on or before) 24 January 2011.

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

Hong Kong, 31 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*