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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)

Interim Results Announcement
For the six months ended 30 June 2011

The board of directors ("Board" or "Directors") of PME Group Limited ("Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries ("Group") for the six months ended 30 June 2011 together with the comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2011

		Six months ended 30 June	
		2011	2010
		(Unaudited)	(Restated)
	Notes	***HK$'000***	*HK$'000*
Turnover	3	**93,422**	95,679
Revenue	4	**93,422**	68,047
Cost of sales		**(71,186)**	(59,670)
Gross profit		**22,236**	8,377
Other income, gain or loss		**30,778**	5,400
Selling and distribution expenses		**(4,812)**	(5,563)
Administrative expenses		**(28,855)**	(29,387)
Change in fair value of held for trading investments		**(18,888)**	(43,845)
Gain on disposals of held for trading investments		**-**	7,276
Change in fair value of convertible bonds designated as financial assets at fair value through profit or loss		**(29,636)**	(23,434)
Gain on disposals of convertible bonds designated as financial assets at fair value through profit or loss		**-**	500
Change in fair value of derivative financial assets		**(3,710)**	-
Return on advances and charge over assets granted to an associate		**392**	1,234
Share of results of associates		**(4,029)**	16,782
Finance costs	5	**(20,327)**	(7,713)
Loss before taxation		**(56,851)**	(70,373)
Taxation	6	**(2,188)**	(149)
Loss for the period	7	**(59,039)**	(70,522)

	Notes	Six months ended 30 June **2011** **(Unaudited)** ***HK$'000***	 2010 (Restated) *HK$'000*
Other comprehensive income (loss)			
Exchange difference arising on translation to presentation currency		**55**	-
Recognition of fair value change on available-for-sale investments		**(32,967)**	(16,266)
Other comprehensive loss income for the period		**(32,912)**	(16,266)
Total comprehensive loss for the period		**(91,951)**	(86,788)
Loss for the period attributable to:			
- Owners of the Company		**(59,022)**	(70,485)
- Non-controlling interests		**(17)**	(37)
		(59,039)	(70,522)
Total comprehensive loss attributable to:			
- Owners of the Company		**(91,934)**	(86,751)
- Non-controlling interests		**(17)**	(37)
		(91,951)	(86,788)
Loss per share	9		
- Basic		**(HK 1.94cents)**	(HK 3.90cents)
- Diluted		**(HK 1.94cents)**	(HK 3.90cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	**30 June 2011 (Unaudited)** *HK$'000*	31 December 2010 (Restated) *HK$'000*
Non-Current Assets			
Property, plant and equipment		**442,115**	18,513
Investment property		**4,700**	4,700
Available-for-sale investments		**77,703**	110,171
Interests in associates		**339,637**	343,666
Goodwill		**36,831**	-
Sea use rights		**65,504**	-
Prepaid lease payments		**6,476**	-
Club debentures		**350**	350
Deferred tax assets		**324**	12
		973,640	477,412
Current Assets			
Inventories		**30,571**	30,394
Debtors, bills receivable, deposits and prepayments	10	**141,557**	126,070
Convertible bond designated as financial assets at fair value through profit or loss		**77,098**	106,734
Derivative financial assets		**7,242**	10,952
Amounts due from associates		**51,829**	52,806
Loan receivables		**14,979**	72,980
Prepaid lease payments		**214**	-
Taxation recoverable		**574**	574
Held for trading investments		**64,876**	81,564
Deposits placed with financial institutions		**1,120**	927
Pledged deposit		**6,650**	6,200
Bank balances and cash		**194,940**	265,898
		591,650	755,099
Current Liabilities			
Creditors and accruals	11	**167,546**	23,169
Taxation payable		**40,807**	36,743
Obligation under a finance lease		**543**	543
Loan payable		**15,000**	-
Bank and other loans		**88,566**	9,357
		312,462	69,812
Net Current Assets		**279,188**	685,287
Total Assets less Current Liabilities		**1,252,828**	1,162,699
Non-Current Liabilities			
Obligation under a finance lease		**691**	960
Convertible bonds		**213,465**	229,101
Bank and other loans		**16,158**	-
Port construction fee refund		**149,437**	-
Promissory note		**53,281**	51,377
		433,032	281,438
		819,796	881,261
Capital and Reserves			
Share capital		**40,642**	25,442
Reserves		**778,058**	854,706
Equity attributable to owners of the Company		**818,700**	880,148
Minority interests		**1,096**	1,113
		819,796	881,261

NOTES

1. BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2010 except for change in the accounting treatment of interest in jointly controlled entities under HKAS 31 "Interest in Joint Ventures" ("HKAS 31").

In the current interim period, the Group recognises its interests in jointly controlled entities using proportionate consolidation rather than using the equity method of accounting. The Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entities are combined with the Group's similar line items, line by line, in the consolidated financial statements. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entities recognised at the date of acquisition is recognised as goodwill. The goodwill is presented separately in the consolidated statement of financial position. Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a business or a jointly controlled entity. When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

The effect of adopting of using proportionate consolidation under HKAS 31 on the condensed consolidated statement of financial position of the Group at 31 December 2010 is as follows:

	At 31 December 2010		
	Original stated *HK$'000*	Adjustments *HK$'000*	Restated *HK$'000*
Property, plant and equipment	17,585	928	18,513
Interests in a jointly controlled entity	8,044	(8,044)	-
Inventories	25,976	4,418	30,394
Debtors, bills receivable, deposits and prepayments	124,029	2,041	126,070
Bank balances and cash	263,003	2,895	265,898
Creditors and accruals	(21,709)	(1,460)	(23,169)
Reserves	(853,928)	(778)	(854,706)

The effect of adopting of using proportionate consolidation under HKAS 31 on the condensed consolidated statement of comprehensive income of the Group for the six months ended 30 June 2010 is as follows:

	For the six months ended 30 June 2010		
	Original stated *HK$'000*	Adjustments *HK$'000*	Restated *HK$'000*
Turnover	87,979	7,700	95,679
Revenue	60,347	7,700	68,047
Cost of sales	(53,763)	(5,907)	(59,670)
Gross profit	6,584	1,793	8,377
Other income	5,398	2	5,400
Selling and distribution expenses	(5,351)	(212)	(5,563)
Administrative expenses	(28,654)	(733)	(29,387)
Change in fair value of held for trading investments	(43,845)	-	(43,845)
Gain on disposals of held for trading investments	7,276	-	7,276
Change in fair value of convertible bonds designated as financial assets at fair value through profit or loss	(23,434)	-	(23,434)
Gain on disposals of convertible bonds designated as financial assets at fair value through profit or loss	500	-	500
Return on advances and charge over assets granted to an associate	1,234	-	1,234
Share of results of associates	16,782	-	16,782
Share of result of a jointly controlled entity	755	(755)	-
Finance costs	(7,713)	-	(7,713)
Loss before taxation	(70,468)	95	(70,373)
Taxation	(54)	(95)	(149)
Loss for the period	(70,522)	-	(70,522)

In additions, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA in the current interim period.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except of the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28
HKFRS 1 (Amendments)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK (IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK (IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and / or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards and amendments that have been issued but are not yet effective. The following new or revised standards and amendments have been issued after the date of the consolidated financial statements for the year ended 31 December 2010 were authorized for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]

[1] Effective for annual periods beginning on or after 1 January 2013

The directors of the Company anticipate that the application of the new and revised standards will not have material impact on the results and financial position of the Group.

3. TURNOVER

Turnover represents the amounts received and receivable from sales of polishing materials and equipment, net of allowances and returns, and provision of terminal and logistics services, gross proceeds from sales of held for trading investments and interest income during the period.

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
Sales of polishing materials and equipment	**57,601**	68,044
Provision of terminal and logistics services	**35,821**	-
Gross proceeds from sales of held for trading investments	**-**	27,632
Interest income	**-**	3
	93,422	95,679

4. SEGMENTAL INFORMATION

Information reported to the Board, being the chief operating decision maker, for the purpose of resource allocation and performance assessment focuses on the nature of the operations of the Group.

The Group's operating and reportable segments are as follows:

Polishing materials and equipment	-	sales of polishing materials and equipment
Terminal and logistics services	-	loading and discharging services, storage services, and leasing of terminal facilities and equipment
Investment	-	investments in held for trading investments, convertible bonds, available-for-sale investments, derivative financial assets and associates

The analysis of the revenue and segment result of the Group by reporting segments is as follows:

	Revenue		Segment result	
	Six months ended 30 June			
	2011	2010	**2011**	2010
	(Unaudited)	(Restated)	**(Unaudited)**	(Restated)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Revenue				
Polishing materials and equipment	**57,601**	68,044	**(8,806)**	(6,688)
Terminal and logistics	**35,821**	-	**12,942**	-
Investment	**-**	3	**(38,449)**	(59,162)
	93,422	68,047	**(34,313)**	(65,850)
Unallocated corporate expenses			**(2,668)**	(2,208)
Unallocated other income, gain or loss			**457**	5,398
Finance costs			**(20,327)**	(7,713)
Loss before taxation			**(56,851)**	(70,373)

5. FINANCE COSTS

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
Interest on bank overdrafts and bank borrowings wholly repayable within five years	**976**	248
Interest on margin loans	**180**	81
Effective interest expenses on promissory note wholly repayable within five years	**3,395**	2,846
Effective interest expenses on convertible bonds	**15,745**	4,538
Finance lease charges	**31**	-
	20,327	7,713

6. TAXATION

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
- Hong Kong	**364**	54
- Other jurisdictions	**1,824**	95
	2,188	149

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging / (crediting):		
Depreciation of property, plant and equipment	**4,414**	4,123
Share-based payments	**-**	2,155
Release of prepaid lease payments	**107**	145
Cost of inventories sold	**53,076**	53,763
Reversal of impairment loss on loan receivable and interest receivable	**(27,000)**	-

8. DIVIDEND

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

9. LOSS PER SHARE

The calculation of the loss per share is based on the following data:

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Restated)
	HK$'000	*HK$'000*
Loss attributable to owners of the Company for the purpose of loss per share	**(59,022)**	(70,485)

	Number of shares	
	30 June 2011	30 June 2010
	(Unaudited)	(Restated)
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**3,038,562**	1,807,966
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	**3,038,562**	1,807,966

Diluted loss per share for the period ended 30 June 2011 and 2010 are the same as the basic loss per share. The computation of diluted loss per share for the six months ended 30 June 2011 and 2010 does not assume the conclusion of the Company's outstanding convertible bonds and the exercise of the Company's share options since their exercise would result in a reduction in loss per share.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group has a policy of allowing average credit period of 0 to 90 days to its trade debtors. In addition, for certain customers with long-established relationship and good past repayment histories, a longer credit period may be granted.

The aged analysis of the trade debtors of HK$61,282,000 (31 December 2010: HK$48,103,000 as restated) which are included in the Group's debtors, deposits and prepayments is as follows:

	30 June 2011 (Unaudited) ***HK$'000***	31 December 2010 (Restated) *HK$'000*
Within 30 days	**18,970**	14,925
31 to 60 days	**22,527**	21,558
61 to 90 days	**6,075**	6,445
Over 90 days	**13,710**	5,175
	61,282	48,103
Bills receivable	**66,170**	-
Other debtors, deposits and prepayments	**14,105**	77,967
	141,557	126,070

11. CREDITORS AND ACCRUALS

The aged analysis of the trade creditors of HK$8,474,000 (31 December 2010: HK$11,108,000) which are included in the Group's creditors and accruals is as follows:

	30 June 2011 (Unaudited) ***HK$'000***	31 December 2010 (Restated) *HK$'000*
Within 30 days	**3,367**	4,433
31 to 60 days	**3,178**	4,740
61 to 90 days	**1,375**	1,905
Over 90 days	**554**	30
	8,474	11,108
Other creditors and accruals	**159,072**	12,061
	167,546	23,169

At 30 June 2011, other creditors and accruals included an amount of processing fees of HK$1,447,000 (31 December 2010: HK$Nil) payable to a related company.

12. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2011 and 31 December 2010.

13. CAPITAL COMMITMENTS

	30 June 2011 (Unaudited) *HK$'000*	31 December 2010 (Restated) *HK$'000*
Contracted for but not provided:		
- Acquisition of a subsidiary	**-**	401,074
- Acquisition of property, plant and equipment	**245,821**	-

14. PLEDGE OF ASSETS

As at 30 June 2011, the Group's leasehold land and buildings, plant and machinery and pledged bank deposits with carrying value of approximately HK$187,852,000, HK$69,880,000 and HK$6,650,000 respectively and the available-for-sale investments and held for trading investments with a total carrying value of approximately HK$64,876,000 have been pledged to banks and financial institutions to secure the credit facilities granted to the Group.

As at 31 December 2010, the Group's pledged bank deposits with carrying value of approximately HK$6,200,000 and the available-for-sale investments and held for trading investments with a total carrying value of approximately HK$40,200,000 have been pledged to banks and financial institutions to secure the credit facilities granted to the Group.

15. OPERATING LEASE COMMITMENTS

The Group as lessee

As at 30 June 2011, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	30 June 2011 (Unaudited) *HK$'000*	31 December 2010 (Restated) *HK$'000*
Within one year	**1,678**	1,678
In the second to fifth years inclusive	**1,539**	2,378
	3,217	4,056

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Financial Performance

The Group's turnover for the six months ended 30 June 2011 decreased by 2.4% to HK$93.4 million as compared with the corresponding period in 2010. The decrease in turnover was mainly due to decrease in sales of polishing materials and equipment and sales of held for trading investments. The terminal and logistics operation acquired during the period contributed turnover of HK$35.8 million for the period. Segmental revenue of polishing materials and equipment division decreased by 15.3% for the six months ended 30 June 2011, as compared with the same period last year. The decrease in the revenue of polishing materials and equipment division was due to poor performance of the PRC export industries, which led to a decrease in demand for the Group's products.

The Group completed its acquisition of the terminal and port operation, Rizhao Lanshan Wansheng Harbour Company Limited (日照嵐山萬盛港業有限責任公司, "Rizhao Lanshan"), on 28 April 2011. Rizhao Lanshan is engaged in provision of terminal and logistic services including loading and discharging, storage and transfer of iron ore, steel products, timber and other goods and leasing of terminal facilities and equipment in Lanshan Harbour, Rizhao Port, Shandong Province of the PRC. Rizhao Lanshan has contributed revenue of HK$35.8 million to the Group during the period, representing approximately 38.3% of the Group's total revenue for the period.

Loss for the six months ended 30 June 2011 attributable to the owners of the Company was approximately HK$59.0 million (six months ended 30 June 2010: loss of HK$70.5 million), which was mainly due to decrease in fair value of held for trading investments and decrease in fair value of convertible bonds designated as financial assets at fair value through profit or loss.

Liquidity and Financial Resources

As at 30 June 2011, the Group had interest-bearing bank borrowings and other loans of approximately HK$104.7 million (31 December 2010: HK$9.4 million), which were to mature within five years. The Directors expect that all the bank borrowings will be repaid by internally generated funds or rolled over upon maturity and will continue to provide funding to the Group's operations.

As at 30 June 2011, the Group's leasehold land and buildings, plant and machinery and pledged bank deposits with carrying value of approximately HK$187,852,000, HK$69,880,000 and HK$6,650,000 respectively and the available-for-sale investments and held for trading investments with a total carrying value of approximately HK$64,876,000 have been pledged to banks and financial institutions to secure the credit facilities granted to the Group.

As at 31 December 2010, the Group's pledged bank deposits with carrying value of approximately HK$6,200,000 and the available-for-sale investments and held for trading investments with a total carrying value of approximately HK$40,200,000 have been pledged to banks and financial institutions to secure the credit facilities granted to the Group.

As at 30 June 2011, current assets of the Group amounted to approximately HK$591.7 million (31 December 2010: HK$755.1 million). The Group's current ratio (measured as total current assets to total current liabilities) was approximately 1.89 times as at 30 June 2011 as compared with 10.82 times as at 31 December 2010. At 30 June 2011, the Group had total assets of approximately HK$1,565.3 million (31 December 2010: HK$1,232.5 million) and total liabilities of approximately HK$745.5 million (31 December 2010: HK$351.3 million), representing a gearing ratio (measured as total liabilities to total assets) of 47.6% as at 30 June 2011 as compared with 28.5% as at 31 December 2010. The high variances in the current ratio and gearing ratio were due to the acquisition of terminal and port operation during the period.

Foreign Exchange Exposures

The Group's purchases and sales are mainly denominated in United States dollars, Hong Kong dollars and Renminbi. The operating expenses of the Group are either in Hong Kong dollars or Renminbi. The Group's treasury policy is in place to monitor and manage its exposure to fluctuation in exchange rates.

Outlook

It is expected that there is still full of uncertainty in terms of the economic situation of the United States and Europe. The export of the PRC will be adversely affected due to decrease in demand for consumer goods. The management predicts that demand for the Group's polishing products will continue to decrease. The costs of raw materials have been increasing, but it is difficult to transfer all the cost increases to the customers as the market competition is very keen. The Directors remain cautious of the outlook of the polishing product business. The Group will continue to enforce cost-saving measures, concentrate on selling products with high profit margin and expand its distribution network.

Looking for the second half of 2011, we believe that global uncertainties will remain as it takes time and efforts for the United States and certain European countries to deleverage their respective economies and the PRC's government will continue to make use of the monetary policies to control prices. In such a volatile market environment, the Group will adopt conservative and prudent approaches on the investment policies and investment portfolio of the Group, with a special emphasis on risk management. The Group will also actively explore suitable and secured investment opportunities with reasonable return in order to maximise the shareholders' value.

The newly acquired terminal and port operation performs satisfactorily. It provides stable revenue and profit to the Group. Benefiting from the government's economic policies and the economic development in south Shandong Province, the demand for terminal and logistics services in that area is expected to increase continuously. However, as affected by global economic downturn and the PRC government's policies on inflation control, the growth pace of the import and export will be slowed down. The newly developed Dongjiakou port and Gangyu port in Qingdao Harbour will also increase the competition of terminal and logistics operation in the neighborhood area.

Material acquisition of a subsidiary

In October 2010, the Group entered into a conditional sale and purchase agreement to acquire the entire issued share capital of Upmove International Limited ("Upmove") at a consideration of RMB343,679,250 (approximately HK$409,349,481). Upon the completion of the acquisition of Upmove, the Group indirectly own 50% of the equity interest in Rizhao Lanshan. Rizhao Lanshan is a sino-foreign joint venture company established in Mainland China and engaged in provision of terminal and logistic services including loading and discharging, storage and transfer of iron ore, steel products, timber and other goods and leasing of terminal facilities and equipment in Lanshan Harbour, Rizhao Port, Shandong province of China. Details of the acquisition are disclosed in the Company's circular dated 27 January 2011. The acquisition was completed on 28 April 2011.

Employees and Remuneration

As at 30 June 2011, the Group had approximately 160 employees (31 December 2010: 55 employees) in Hong Kong and Mainland China. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance. The Company also operates a share option scheme of which the Board may, at its discretion, grant options to employees of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2011.

CORPORATE GOVERNANCE

The Board considers that good corporate governance of the Company is crucial to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2011.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Following a specific enquiry, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2011.

AUDIT COMMITTEE REVIEW

The Company has established an Audit Committee, which consists of three independent non-executive Directors of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2011.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Cheng Kwok Woo, Ms. Yeung Sau Han Agnes and Ms. Chan Shui Sheung Ivy as executive directors; and Mr. Leung Yuen Wing, Mr. Chow Fu Kit Edward and Mr. Lam Kwok Hing Wilfred as independent non-executive directors.

On behalf of the Board
PME Group Limited
Cheng Kwok Woo
Chairman

Hong Kong, 29 August 2011

* *For identification purpose only*