PME GROUP LIMITED
必美宜集團有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 379)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE SALE OF INTERESTS IN TERMINAL AND LOGISTICS SERVICES BUSINESS AND RESUMPTION OF TRADING

THE DISPOSAL

On 21 December 2014, the Vendor (a wholly-owned subsidiary of the Company) and the Target Company entered into the Disposal Agreements with each of the Purchasers, pursuant to which the Vendor has conditionally agreed to transfer an aggregate of 50% equity interest in the Target Company to the Purchasers for a total consideration of RMB900,000,000 (equivalent to approximately HK$1,134,000,000). The Consideration shall be paid by the Purchasers in cash. Completion shall be conditional upon, among other things, the approval of the Disposal Agreements and the transactions contemplated thereunder by the Shareholders at the EGM.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal are 75% or more, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Disposals.

GENERAL

A circular containing, among other things, details of the Disposal Agreements and the Target Company, the financial information of the Group, the financial information of the Target Company, the notice convening the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 April 2015, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions set out in the sections headed "Conditions for the Disposal Agreements taking effect" and "Conditions Precedent" in this announcement, including the approval of the Disposal Agreements and the transactions contemplated thereunder by Shareholders at the EGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

Shareholders and investors should note that under Rule 14.82 of the Listing Rules, if the assets of a listed issuer consist wholly or substantially of cash or short-dated securities, it will not be regarded as suitable for listing and trading in its securities will be suspended. Upon completion of the Disposal, the Company's cash level will increase significantly. If the assets of the Company consist substantially of cash or short-dated securities after such completion, it may become a cash company under Rule 14.82 of the Listing Rules. It will not be regarded as suitable for listing and trading in its securities will be suspended. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Monday, 22 December 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 23 January 2015.

INTRODUCTION

On 21 December 2014, the Vendor (a wholly-owned subsidiary of the Company) and the Target Company entered into the Disposal Agreements with each of the Purchasers, pursuant to which the Vendor has conditionally agreed to transfer an aggregate of 50% equity interest in the Target Company to the Purchasers for a total consideration of RMB900,000,000 (equivalent to approximately HK$1,134,000,000), subject to the principal terms and conditions as summarised below.

DISPOSAL AGREEMENTS

Date

21 December 2014

Parties

Vendor	:	Upmove International Limited, a wholly-owned subsidiary of the Company
Target Company	:	日照嵐山萬盛港業有限責任公司 (Rizhao Lanshan Wansheng Harbour Company Limited**)
Purchasers	:	(i) PRC Party;
		(ii) Singapore Energy; and
		(iii) Shanghai Gulong

Assets to be disposed

50% equity interest in the Target Company from the Vendor to the Purchasers (as to 1% to the PRC Party, 39% to Singapore Energy and 10% to Shanghai Gulong).

The rights and obligations of Singapore Energy under the Disposal Agreements will be assigned to CEFC, a non-wholly owned subsidiary of Singapore Energy, after relevant approvals have been obtained by CEFC pursuant to Singapore Exchange's requirements. Singapore Energy shall procure CEFC to enter into relevant agreement(s) with the Vendor for such assignment of the rights and obligations of Singapore Energy under the Disposal Agreements.

Consideration

The Consideration is RMB900,000,000, which shall be settled by each of the Purchasers upon Completion. The Consideration to be paid in cash by each of the PRC Party, Singapore Energy and Shanghai Gulong to the Vendor is RMB18,000,000, RMB702,000,000 and RMB180,000,000, respectively.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchasers by making reference to many factors, including price-to-earnings ratio and the net assets value of the Target Company and the valuation report (the "Valuation Report") of the Target Company dated 15 September 2014 prepared by an independent PRC valuer, WanLong (Shanghai) Assets Appraisal Co., Ltd** (萬隆（上海）資產評估有限公司) (the "PRC Valuer") under income-based approach. The Valuation Report is required for the Disposal pursuant to the applicable laws and regulations in the PRC. In the Valuation Report, the PRC Valuer has performed valuation of the Target Company under the income-based approach and the asset-based approach separately, and selected the income-based approach as the adopted valuation methodology for the Valuation Report. The appraised value of the entire shareholders' equity of the Target Company as at 30 June 2014 was approximately RMB1,816,000,000 under income based approach based on the Valuation Report.

In determining the Consideration, the Company has made reference to, in addition to the Valuation Report, the price-to-earnings ratio (P/E Ratio) of approximately 4.36 times adopted for the original acquisition of the 50% equity interest in the Target Company by the Company which was completed on 28 April 2011, details of which are contained in the circular of the Company dated 27 January 2011. In determining such P/E Ratio, it has taken into account the size of the Target Company, the scale of the operation and the lack of control in the Target Company.

Based on (i) the Consideration of RMB900,000,000 (equivalent to approximately HK$1,134,000,000) for 50% equity interest in the Target Company, thereby implying a valuation of RMB1,800,000,000 (equivalent to approximately HK$2,268,000,000) for 100% equity interest in the Target Company; and (ii) the profit after tax of the Target Company for the year ended 31 December 2013 of approximately HK$349,060,000, the P/E Ratio as represented by the Consideration is therefore approximately 6.5 times. Considering that the terminal and logistics services business of the Target Company has remained steady since the Group's acquisition, the Company is of the view that higher P/E Ratio as represented by the Consideration in comparison with that adopted in the original acquisition is favourable.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal Agreements, which have been reached after arm's length negotiations amongst the parties thereto, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions for the Disposal Agreements taking effect

The effectiveness of the Disposal Agreements is conditional upon the following conditions having been fulfilled:

(a) the passing of a board resolution by the board of directors of the Target Company in a board meeting approving the share transfer as contemplated under the respective share transfer agreement, and the Vendor having entered into separate share transfer agreements with each of the Purchasers in relation to the Disposal;

(b) the PRC Party having agreed with the transfer of 39% equity interest in the Target Company from the Vendor to Singapore Energy and the transfer of 10% equity interest in the Target Company from the Vendor to Shanghai Gulong, having waived the right of first refusal for the share transfer to Singapore Energy and Shanghai Gulong as contemplated under the Disposal Agreements, and the Target Company having obtained the approval from the state-owned assets supervision and administration authorities for the Disposal Agreements and the transactions contemplated thereunder;

(c) the approval from the Shareholders as required under the Listing Rules for the Disposal Agreements and the transaction contemplated thereunder having been obtained by the Vendor;

(d) the approval for the assignment to CEFC of the rights and obligations of Singapore Energy under the Disposal Agreements for the transfer of 39% equity interest in the Target Company pursuant to Singapore Exchange's requirements having been obtained by CEFC;

(e) all internal approvals, if any, for the Disposal Agreements and the transaction contemplated thereunder having been obtained by each of the Vendor and the Purchasers; and

(f) the approval of the Disposal Agreements and the transaction contemplated thereunder by the relevant PRC commercial supervisory department having been obtained.

As at the date of this announcement, condition (b) above had been fulfilled.

Conditions Precedent

Completion is conditional upon fulfilment or waiver (if applicable) of the following conditions:

(a) the passing of a board resolution by the board of directors of the Target Company in a board meeting and of a resolution by the shareholders of Target Company in a shareholders' meeting approving the share transfer as contemplated under the Disposal Agreements, and the waiver of the right of first refusal by the PRC Party for the share transfer to Singapore Energy and Shanghai Gulong as contemplated under the Disposal Agreements;

(b) the approval of the Disposal Agreements and the transaction contemplated thereunder by the relevant PRC commercial supervisory department having been obtained;

(c) the approval of the Disposal Agreements and the transaction contemplated thereunder by the Shareholders in compliance with the Listing Rules having been obtained;

(d) all consent, permission, authorisation and approvals (such as the approvals from the relevant governmental authorities and securities regulatory authorities) which are required for the Disposal Agreements and the transaction contemplated thereunder having been obtained by the Vendor and the Purchasers;

(e) the warranties, representations and undertakings given by the parties to the Disposal Agreements being materially true and accurate; and

(f) the Vendor and the Purchasers having entered into separate share transfer agreement pursuant to the Disposal Agreements which are subject to the fulfilment of the above Conditions Precedent (unless waived by the parties by agreement).

If any of the Conditions Precedent has not been fulfilled or waiver by then (as the case may be), the Disposal Agreements shall cease and terminate, and no party shall have any claim against any of the others except in respect of any antecedent breach of the terms thereof.

If any of the Conditions Precedent is a mandatory requirement under the relevant PRC laws and regulations, such Conditions Precedent will not be waived. Neither the Vendor nor the Purchasers (so far as the Company is aware) has any intention to waive any of the Conditions Precedent as at the date of this announcement. Up to the date of this announcement, save as paragraph (f) above, the Conditions Precedent have yet to be satisfied.

Completion

The Consideration shall be paid by the Purchasers within 15 business days following the date on which the Disposal Agreements become effective in accordance with the terms of the Disposal Agreements. Registration with the relevant SAIC relating to the share transfer contemplated under the Disposal Agreements shall take place within 30 business days following the date of the full payment of the Consideration and within 15 business days following all the Conditions Precedent set out above have been fulfilled or waived (as the case may be), whichever is later. Completion shall take place on completion of the registration with the relevant SAIC.

The completion of each of the Disposal Agreements are inter-conditional and shall take place simultaneously. In the event that any one of the Disposal Agreements cannot be completed within the period to be agreed by the parties thereto, the transactions contemplated under the Disposal Agreements will not proceed.

Upon Completion, the Target Company will cease to be a jointly-controlled entity of the Company and its financial results will not be equity accounted for in the financial statements of the Group. Upon Completion, the Company will cease to have any equity interest in the Target Company.

INFORMATION ON THE GROUP AND THE TARGET COMPANY

The Group is principally engaged in manufacture and trading of polishing materials and equipment, investment in terminal and logistics services business, and investment in held for trading investments, convertible bonds, available-for-sale investments, derivative financial assets and associates.

The Group completed the acquisition of the 50% equity interest in the Target Company on 28 April 2011. Upon completion of the acquisition and as at the date of this announcement, the Target Company was owned as to 50% by the Group and as to 50% by the PRC Party.

The Target Company is a sino-foreign joint venture company established in the PRC and engaged in provision of terminal and logistics services including loading and discharging services, storage services, and leasing of terminal facilities and equipment in Lanshan Harbour, Rizhao Port, Shandong province of the PRC. The operation of the Target Company has berths capable of accommodating two 50,000-tonne, one 70,000-tonne and one 100,000-tonne vessels equipped with advanced facilities. Major customers of the Target Company include major steel manufacturers in the northern region of the PRC and major iron ore suppliers in India, Brazil and Australia.

Set out below are certain financial information of the Target Company (as disclosed in the audited consolidated financial statements of the Group) for each of the two years ended 31 December 2013:

	For the year ended 31 December 2012	**For the year ended 31 December 2013**
	HK$'000	*HK$'000*
Revenue	570,270	928,353
Profit before tax for the year	221,621	381,605
Profit after tax for the year	193,512	349,056

	As at 31 December 2012	**As at 31 December 2013**
	HK$'000	*HK$'000*
Net asset	1,252,470	1,525,888

As at 30 June 2014, the unaudited net asset value of the Target Company amounted to approximately RMB1,332 million (equivalent to approximately HK$1,678 million).

INFORMATION ON THE PURCHASERS

The PRC Party is a stock company incorporated in the PRC and the shares of which are listed on the stock exchange in Shanghai with stock code of 600017 and principally engaged in the provision of loading and unloading services, stockpiling services, and port management services in the PRC. As at the date of this announcement, the PRC Party owns 50% of the registered capital of the Target Company.

Singapore Energy is a limited liability company incorporated under the laws of Singapore and principally engaged in international trading of crude oil, fuel oil and petrochemical products. CEFC is an investment holding company incorporated in Bermuda and is listed on the Mainboard of the Singapore Exchange (stock code: Y35). CEFC is a non-wholly owned subsidiary of Singapore Energy, and together with its subsidiaries are principally engaged in the trading of petrochemical, and fuel oil and petroleum products.

Shanghai Gulong is a limited liability company incorporated under the laws of the PRC and principally engaged in business management and consulting service, investment and asset management.

Save as disclosed above, to the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of the Purchasers, CEFC and their respective ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) as at the date of this announcement.

REASONS FOR AND BENEFIT OF THE DISPOSAL

With a view of intense competition on peripheral terminal and logistic service, the Directors consider that the Disposal is a good opportunity to realise a considerable gain and generate cash inflow for the Group thereby strengthening the cash position of the Group. Improvement of the cash position of the Group will enable the Group to capture business growth which may arise in the long run.

The business segment of terminal and logistics services of the Group from the Target Company recorded the unaudited segment result of approximately HK$69.9 million for the six months ended 30 June 2014, representing approximately 12.4% decrease as compared with the corresponding unaudited segment result of approximately HK$79.8 million for the six months ended 30 June 2013. Considering that the profitability of the Target Company may not be able to maintain as past, the Directors consider that the Disposal represents an opportunity to the Group to realise its investment.

The Target Company is not a subsidiary of the Company and the Group does not have control in the Target Company and hence, the development and business of which are under constraint and any significant development and business of the Target Company have to be agreed by both the Group and the joint venture partner. Given the above, the Directors consider that the disposal of the Target Company will allow the Group to realise its investment with a capital gain, representing a favorable return for the holding period, which is in the interests of the Shareholders and the Group, and the Group can identify new investment opportunities which the Group will be able to obtain the controlling stakes for better management control.

Reference is made to the announcements of the Company dated 9 May 2014 and 12 August 2014 in relation to the memorandum of understanding in respect of the proposed investment in a finance leasing business. The Company is still in the process of discussing and negotiating the terms thereof with the respective vendor and obtaining the latest financial information, and no material progress has been reached up to the date of this announcement. The Directors will continue to negotiate with the respective vendor and will update the Shareholders for any material progress. In addition, the Group is also in discussion for an investment opportunity in a crane rental and service business. In addition to the aforesaid proposed transactions, the Company is currently exploring other new business opportunities with an aim to expand its business portfolio so as to broaden the revenue stream to the Group. As at the date of this announcement, the Company has not entered into any sale and purchase agreement for potential acquisition and therefore currently intends to use the net proceeds from the Disposals for the general working capital of the Group and for acquiring future business opportunities.

Immediately after Completion, the Group will no longer be engaged in the provision of terminal and logistics services. The Group will continue to be engaged in the sale of different types of industrial abrasive products under its own brand name and the trading of different types of industrial abrasive products under various brand names. The Group designs and manufactures polishing compounds and polishing wheels with its own brand name “Pme”. The buffing and polishing products are used by industries of different metal and non-metal products. The Group also trades different abrasive products including bonded, coated, non-woven and other abrasive products to the markets mainly in Hong Kong and the PRC.

To improve the profitability of the remaining business, the relevant operating subsidiaries of the Group plan to implement the following steps: (i) concentrating on the production of products with higher profit margin in order to improve the gross profit margin of the remaining business; (ii) recruiting additional salespersons for its marketing activities to expand its distribution network; (iii) dedicating on research and development of new products with higher profit margin in order to increase the competitiveness of its products; and (iv) streamlining its operations in order to lower its overhead expenses.

FINANCIAL EFFECTS OF AND USE OF PROCEEDS FROM THE DISPOSAL

It is expected that, subject to audit, the Company will realise a gain on the Disposal of approximately HK$105,466,000, which is calculated with reference to the Consideration less (i) the aggregate net book value of the Group's interests in the Target Company of approximately HK$956,084,000 as at 30 June 2014; and (ii) the estimated transaction costs and expenses attributable to the Disposal of RMB2,500,000 and estimated PRC tax of RMB55,000,000 (in aggregate equivalent to approximately HK$72,450,000).

The net proceeds from the Disposal (after deducting the estimated transaction costs and expenses related to the Disposal of approximately RMB2,500,000 and estimated PRC tax of RMB55,000,000) are estimated to be approximately HK$1,061,550,000, which the Company intends to apply (i) as to approximately HK$800,000,000 for investment opportunities in future and (ii) as to the remaining balance of approximately HK$261,550,000 for general working capital.

Reference is made to the announcement of the Company dated 25 July 2014 in relation to the provision of additional information to the annual report of the Company for the year ended 31 December 2013, regarding the issue of Shares pursuant to the subscription agreements dated 25 January 2013 entered into between the Group and Sino Life Insurance Co., Ltd. and On Tak Lee Trading Limited. The net proceeds from the subscriptions were approximately HK$355,000,000, of which (i) approximately HK$210,000,000 would be used for the development of terminal and logistics business of the Target Company; and (ii) balance of approximately HK$145,000,000 would be used for general working capital and future strategic investments of the Group. As at 31 December 2013, approximately HK$37,000,000 from the subscriptions was utilized for the general working capital (mainly administrative expenses) of the Company, and subsequently in February 2014, the Company used approximately HK$64,000,000 (equivalent to RMB50,000,000) from the subscriptions to increase the capital of the Target Company to further develop the terminal and logistics business. Following the Completion, the balance of the net proceeds originally intended for the development of terminal and logistics business of the Target Company of approximately HK$146,000,000 based on the aforesaid utilised amount would be reallocated for investment opportunities in the future.

Up to the date of this announcement, active discussions on possible investment opportunities are in progress and no legally-binding definitive documentation has been entered into by the Group. As such discussions are still on-going, there is no assurance that any investment or acquisition may ultimately materialise as a result thereof.

Based on the net proceeds of approximately HK$1,061,550,000 from the Disposal, and the condensed consolidated statement of financial position of the Group as at 30 June 2014 as shown in the interim report of the Company, the bank balances and cash is expected to increase from approximately HK$266,552,000 to HK$1,328,102,000. Based on the total assets of approximately HK$1,434,209,000 and equity attributable to Shareholders of approximately HK$1,289,830,000 as at 30 June 2014, the bank balances and cash will represent approximately 92.60% and 102.97% respectively to the total assets and net assets (excluding non-controlling interests) of the

Group. If the assets of the Company consist substantially of cash or short-dated securities after such completion, it may become a cash company under Rule 14.82 of the Listing Rules. It will not be regarded as suitable for listing and trading in its securities will be suspended. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares. The Directors are of the view that the high level of cash is a temporary position immediately after the Disposal and the Group will reduce its cash position after (i) the identification of appropriate investment opportunities and (ii) use of proceeds for general working capital.

The Group shall endeavor to identify appropriate investment opportunity and subject to the results of review/due diligence and subsequent negotiation, expect to enter formal agreement for such investment opportunity before the despatch of the circular for the Disposal which is envisaged to be on or before 30 April 2015.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal are 75% or more, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Agreements and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchasers, CEFC and their ultimate beneficial owners are Independent Third Parties, and no Shareholder has a material interest in the Disposal, and hence no Shareholder or his respective associates are required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Disposal on the terms and conditions of the Disposal Agreements and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, details of the Disposal Agreements and the Target Company, the financial information of the Group, the financial information of the Target Company, the notice convening the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 April 2015, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions set out in the sections headed "Conditions for the Disposal Agreements taking effect" and "Conditions Precedent" in this announcement, including the approval of the Disposal Agreements and the transactions contemplated thereunder by the Shareholders at the EGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

Shareholders and investors should note that under Rule 14.82 of the Listing Rules, if the assets of a listed issuer consist wholly or substantially of cash or short-dated securities, it will not be regarded as suitable for listing and trading in its securities will be suspended. Upon completion of the Disposal, the Company's cash level will increase significantly. If the assets of the Company consist substantially of cash or short-dated securities after such completion, it may become a cash company under Rule 14.82 of the Listing Rules. It will not be regarded as suitable for listing and trading in its securities will be suspended. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on Monday, 22 December 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 23 January 2015.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"CEFC"	中華能源國際有限公司 (CEFC International Limited), a company incorporated in Bermuda and is listed in the Mainboard of the Singapore Exchange (stock code: Y35). CEFC is a non-wholly owned subsidiary of Singapore Energy
"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 (stock code: 379)
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreements
"Conditions Precedent"	the conditions precedent to Completion as set out in the Disposal Agreements
"connected person(s)"	has the meaning ascribed to it under Chapter 14A of the Listing Rules
"Consideration"	the consideration for the Disposal payable by the Purchasers to the Vendor in the sum of RMB900,000,000
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of 50% of the equity interest in the Target Company by the Vendor to the Purchasers, on and subject to the terms and conditions of the Disposal Agreements
"Disposal Agreements"	the conditional framework agreement dated 21 December 2014 entered into between the Vendor, the Target Company and each of the Purchasers in respect of the Disposal and the separate share transfer agreements dated 21 December 2014 entered into between the Vendor and each of the Purchasers

"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Disposal Agreements and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who are third parties independent of the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"PRC Party"	日照港股份有限公司 (Rizhao Port Company Limited**), a stock company incorporated in the PRC and the shares of which are listed on the stock exchange in Shanghai (stock code: 600017) and owns as to 50% of the registered capital of the Target Company as at the date of this announcement
"Purchasers"	collectively means the PRC Party, Singapore Energy and Shanghai Gulong
"SAIC"	the State Administration of Industry and Commerce of the PRC or its competent local counterpart
"Shanghai Gulong"	上海谷隆投資有限公司 (Shanghai Gulong Investments Limited**), a limited liability company incorporated under the laws of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Singapore Energy"	新加坡石化發展有限公司 (Singapore Petrochemical & Energy Development Pte. Ltd.), a limited liability company incorporated under the laws of Singapore
"Singapore Exchange"	Singapore Exchange Ltd.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	日照嵐山萬盛港業有限責任公司 (Rizhao Lanshan Wansheng Harbour Company Limited**), a sino-foreign joint venture company established in the PRC

"Vendor"	Upmove International Limited, a wholly-owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

By Order of the Board
PME Group Limited
Wong Lik Ping
Chairman

Hong Kong, 22 January 2015

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Ms. Yeung Sau Han Agnes, Mr. Lai Ka Fai, Mr. Shi Chong and Mr. Feng Gang as Executive Directors; (2) Mr. Cheng Kwok Woo as Non-Executive Director, and (3) Mr. Goh Choo Hwee, Mr. Ho Hin Yip and Mr. U Keng Tin as Independent Non-Executive Directors.

* *For identification purpose only*

** *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.*