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PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of CPM Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and prospective investors of the Company that based on the preliminary information currently available to the Board and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 (the “**2025 Six-month Period**”), it is expected that the Group will record a significant loss attributable to the Shareholders for the 2025 Six-month Period in the amount between HK\$28.0 million and HK\$32.0 million, as compared with the loss attributable to the Shareholders of HK\$15.0 million for the six months ended 30 June 2024. The significant increase in the estimated amount of loss attributable to the Shareholders for the 2025 Six-month Period was primarily due to the following factors:

- (i) significant decrease in sales revenue of paint and coating products of the Group during the 2025 Six-month Period. The decrease in sales revenue was primarily due to the economic slowdown and the sluggish real estate market in Mainland China and Hong Kong and the intense competition in the paint and coating industry;
- (ii) significant decrease in gross profit which was mainly due to the decrease in sales revenue of paint and coating products of the Group; and
- (iii) fair value losses on investment properties of the Group in Mainland China during the 2025 Six-month Period, in contrast to fair value gains on investment properties of HK\$3.2 million for the six months ended 30 June 2024.

There were also other factors affecting the operating results of the Group for the 2025 Six-month Period, details of which will be included in the results announcement of the Company for the 2025 Six-month Period.

The Company is in the process of finalising the results of the Group for the 2025 Six-month Period. The above estimated amount of loss has yet to be reviewed or confirmed by the independent external auditors of the Company nor reviewed by the audit committee of the Board and may be different from the unaudited consolidated results of the Group for the 2025 Six-month Period. The results announcement of the Company for the 2025 Six-month Period will be published by the Company by the end of August 2025 in full compliance with the requirements under the Listing Rules.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
CPM Group Limited
Tsui Ho Chuen, Philip
Chairman and Managing Director

Hong Kong, 6 August 2025

As at the date of this announcement, the Board comprises Mr. Tsui Ho Chuen, Philip, and Mr. Li Guangzhong as executive Directors; Mr. Mak Chi Wah as non-executive Director; and Mr. Chua Joo Bin, Mr. Xia Jun and Ms. Meng Jinxia as independent non-executive Directors.