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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 information currently available to the Board and the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**FY2021**”), the Company would record a loss attributable to the Shareholders for the FY2021 in the amount between HK\$58.0 million and HK\$65.0 million, as compared with the same of HK\$10.8 million for the year ended 31 December 2020.

Although the estimated revenue amount of the Group during the FY2021 grew by approximately 18%, the loss attributable to the Shareholders for the FY2021 is expected to increase significantly, which was primarily due to the decrease in the amount of the gross profit, as well as the gross profit margin, as a result of (i) the significant increases in the international crude oil prices and the prices of a wide range of crude oil by-products; and (ii) the general increases in the costs of raw materials and the general price levels due to the economic recovery in Mainland China during the year of 2021. In addition, the absence of the gain on deposits paid for purchases of property, plant and equipment of HK\$9.35 million for the FY2021 also increased the loss attributable to the Shareholders for the FY2021.

There were also other factors affecting the operating results of the Group for the FY2021, details of which will be included in the results announcement of the Company. Information on the measures/initiatives implemented by the Group in response to the current adverse business environment will also be included in the results announcement of the Company.

The Company is in the process of finalising the annual results of the Group for the FY2021. The above estimate is only based on the information currently available to the Board and the unaudited consolidated management accounts of the Group for the FY2021 which has yet to be reviewed or audited by the independent external auditors of the Company nor reviewed by the audit committee of the Board. The above estimate may be different from the audited consolidated annual results of the Group for the FY2021. The results announcement of the Company for the FY2021 will be published by the Company by the end of March 2022 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
Executive Director and Managing Director

Hong Kong, 11 February 2022

As at the date of this announcement, the Board comprises Mr. Tsui Ho Chuen, Philip, Mr. Li Guangzhong and Mr. Wong Anders as executive Directors; Mr. Lam Ting Ball, Paul and Mr. Chong Chi Kwan as non-executive Directors; and Ms. Chiu Kam Hing, Kathy, Mr. Chua Joo Bin and Mr. Xia Jun as independent non-executive Directors.