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**RESIGNATION OF CHAIRMAN OF THE BOARD
AND NON-EXECUTIVE DIRECTOR,
APPOINTMENT OF HONORARY CHAIRMAN
AND
CHANGE OF CHAIRMAN OF THE BOARD**

The Board announces the following changes of the Company all with effect from 1 April 2023:

1. Mr. Lam Ting Ball, Paul has tendered his resignation as the chairman of the Board and a non-executive director of the Company due to his retirement and has been appointed as the Honorary Chairman; and
2. Mr. Tsui Ho Chuen, Philip has been appointed as the chairman of the Board.

RESIGNATION OF CHAIRMAN OF THE BOARD AND NON-EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of CPM Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Mr. Lam Ting Ball, Paul (“**Mr. Lam**”) has tendered his resignation as the chairman of the Board and a non-executive director of the Company with effect from 1 April 2023 due to his retirement.

Mr. Lam has confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board expresses its sincere gratitude to Mr. Lam for his valuable contribution to the Company during his tenure of office.

APPOINTMENT OF HONORARY CHAIRMAN

In recognition of Mr. Lam's invaluable contributions and devotion to the Company during his tenure of office, Mr. Lam has been appointed as the honorary chairman of the Company (the "**Honorary Chairman**") with effect from 1 April 2023.

As the Honorary Chairman, Mr. Lam is neither a director nor an officer of the Company, and he does not have any management role in the Company. Mr. Lam is not required to participate in the meetings of the Board. He will not receive any fee during his tenure of office.

CHANGE OF CHAIRMAN OF THE BOARD

The Board is pleased to announce that Mr. Tsui Ho Chuen, Philip ("**Mr. Tsui**") has been appointed as the chairman of the Board on a temporary basis with effect from 1 April 2023.

Mr. Tsui, aged 59, is the executive director and managing director of the Company and he has more than 38 years of experience in the paint and coating industry. Mr. Tsui graduated from the University of Hull with a bachelor of law degree in July 1989 and was admitted as a Hong Kong solicitor in March 1993. He is a non-executive director and a substantial shareholder of CNT Group Limited ("**CNT**") (stock code: 701), a substantial shareholder of the Company, through his controlled corporation which holds approximately 27.88% of CNT's total number of shares in issue. Mr. Tsui is also the nephew of Mr. Tsui Yam Tong, Terry, the chairman and an executive director of CNT. Mr. Tsui has been appointed as a committee member of the eighth, eleventh and twelfth sessions of the Chinese People's Political Consultative Conference of Jiangsu Province, respectively.

Mr. Tsui has a service agreement with the Company for a term of 3 years commenced from 9 June 2020. Mr. Tsui will not receive any additional emoluments in respect of his appointment as the chairman of the Board. Under the service agreement, Mr. Tsui is entitled to a basic salary of HK\$365,000 per month plus one month double pay and housing allowance, which are subject to annual review by the Board and the remuneration committee of the Board, by reference to Mr. Tsui's duties and responsibilities, performance, experiences, time commitment, market conditions and the corporate goals and objectives as set by the Board.

As at the date of this announcement, Mr. Tsui holds 10,000,000 share options of the Company.

The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) publicly censured Mr. Tsui in December 1999 for breaches of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as a result of dealings in the shares of CNT by the trustee of a discretionary trust in which Mr. Tsui by then was a discretionary beneficiary during the dealing prohibition period. The Stock Exchange considered that he had an obligation to inform the trustee not to deal when necessary.

Save as disclosed above, as at the date of this announcement, Mr. Tsui (i) does not have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company (having the meaning ascribed to it in the Listing Rules); (ii) does not hold any other position with the Group; (iii) has not held any directorships in other Hong Kong or overseas listed public companies in the last three years preceding the date of this announcement or other major appointments or professional qualifications; and (iv) does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, as at the date of this announcement, the Board is not aware of any other matters relating to the appointment of Mr. Tsui as the chairman of the Board that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

The code provision C.2.1 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the “**CG Code**”) stipulates that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Following the appointment of Mr. Tsui as the chairman of the Board, Mr. Tsui will assume the dual roles of the chairman of the Board and the managing director of the Company. After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Tsui, the Board is of the opinion that it is appropriate at the present stage for Mr. Tsui to hold both positions as the chairman of the Board and the managing director of the Company as it helps to maintain the continuity of the policies and the stability of the operations of the Company, and this structure can ensure the Company has consistent leadership. In addition, under the supervision by the Board which will consist of three executive directors, one non-executive director and three independent non-executive directors, the interests of the shareholders of the Company will be adequately and fairly represented. Also, as all major decisions are made in consultation with and approved by the members of the Board, the Board believes that this arrangement will not have negative influence on the balance of power and authorisation between the Board and the management of the Company. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances.

However, the Board will regularly review the effectiveness of this arrangement to ensure that it is appropriate to the circumstances of the Company. The Board will continue to review and consider splitting the roles of the chairman of the Board and the managing director of the Company at a time when the Group can identify a suitable candidate with capable leadership, knowledge and relevant skills and experience for the position. Owing to the business nature and scope of the Group as a whole, such appropriate candidate shall have profound understanding and experience on the business of the Group and therefore there is no definite timetable for such appointment.

On behalf of the board
CPM Group Limited
Tsui Ho Chuen, Philip
Executive Director and Managing Director

Hong Kong, 31 March 2023

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