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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1932)

**VOLUNTARY ANNOUNCEMENT
IN RELATION TO FIRE ACCIDENT
AT ONE OF THE PRODUCTION PLANTS**

The board (the “**Board**”) of directors (the “**Directors**”) of CPM Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to announce that in the morning of Friday, 28 July 2017, a fire accident occurred at the production plant operated by Hubei Giraffe Paint Mfg. Co., Ltd. (the “**Ezhou Production Plant**”), a non-wholly owned subsidiary of the Company, situated at Gedian Economic and Technological Development Zone, Ezhou City, Hubei Province, the People’s Republic of China (the “**PRC**”). As a result of the fire accident, certain raw materials, finished goods and fixture have been damaged. No person is injured or killed in the fire accident.

The Group has taken immediate steps after the fire accident, including assisting the relevant PRC government authorities in on-site investigation and assessing the damages to the building, inventories and the relevant production facilities. Based on the preliminary assessment conducted by the Group, the structure of the building is safe and there is no need for demolition. The cost of the damaged fixture and the inventory lost amounted to less than RMB1.0 million. However, the production activities at the Ezhou Production Plant have been suspended pending completion of the post-accident investigation by the relevant PRC government authorities. During this period, the production orders received by the Ezhou Production Plant will be shifted to other production facilities of the Group. The Group has four production plants in the PRC. The designed annual production capacity of the Ezhou Production Plant represented 13.1% of the total designed annual production capacity of the Group as of 31 December 2016.

In light of the foregoing, the Directors believe that the fire accident will neither cause material adverse impact on the overall financial position of the Group, nor will it cause material damage on the Group’s production, sales and operation. Further announcement on the impact of the fire accident would be made by the Company as and when appropriate.

By Order of the Board
CPM Group Limited
Tsui Ho Chuen, Philip
Executive Director and Managing Director

Hong Kong, 30 July 2017

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