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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 for the six months ended 30 June 2022 (the “**2022 Six-month Period**”), the Group would record a significant loss attributable to the Shareholders for the 2022 Six-month Period in the amount between HK\$47.0 million and HK\$54.0 million, as compared with the loss attributable to the Shareholders of HK\$16.8 million for the six months ended 30 June 2021. The significant increase in the estimated amount of loss of the Group during the 2022 Six-month Period was primarily due to the following reasons:

- (i) significant decreases in sales revenue of paint and coating products of the Group in Mainland China during the 2022 Six-month Period as a result of the sluggish real property market in Mainland China and the delayed completion of new residential and commercial property projects, both of which significantly impacted the demand for architectural paint and coating products of the Group;
- (ii) significant increases in the international crude oil prices because of geopolitical issues which have accelerated the prices of a wide range of crude oil by-products for the production of paint and coating products; and
- (iii) general increases in the price levels of raw materials and packaging materials in Mainland China and the payment of staff termination compensation as part of the optimisation of the business process of the Group.

There were also other factors affecting the operating results of the Group for the 2022 Six-month Period, details of which will be included in the results announcement of the Company for the 2022 Six-month Period. 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 for the 2022 Six-month Period.

The Company is in the process of finalising the interim results of the Group for the 2022 Six-month Period. The above estimate 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 interim results of the Group for the 2022 Six-month Period. The results announcement of the Company for the 2022 Six-month Period will be published by the Company by the end of August 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, 5 August 2022

*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 Ms. Chiu Kam Hing, Kathy, Mr. Chua Joo Bin and Mr. Xia Jun as independent non-executive Directors.*