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**VOLUNTARY ANNOUNCEMENT
NON-FATAL FIRE ACCIDENT
AT XINFENG PRODUCTION PLANT**

This announcement is made by the board of directors (the “**Board**”) of CPM Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

In evening of Wednesday, 3 July 2019, a fire accident was occurred at one of the warehouses within the production plant operated by The China Paint Mfg. Co., (Xinfeng) Ltd. (the “**Xinfeng Production Plant**”), a wholly-owned subsidiary of the Company, situated at Xinfeng County, Shaoguan City, Guangdong Province, the People’s Republic of China (the “**PRC**”). Certain consumable stores and fixture have been damaged in the accident, but no person is injured or killed in the accident.

Based on the preliminary assessment conducted by the Group, the structure of the warehouse building is safe and the cost of the damaged consumable stores and fixture lost amounted to less than RMB0.5 million. The production activities at the Xinfeng Production Plant have been suspended temporarily pending completion of the post-accident investigation by the relevant PRC government authorities. During this period, the scheduled production activities at the Xinfeng Production Plant will be transferred to other production facilities of the Group or third-party independent manufacturers. The annual production capacity of the Xinfeng Production Plant represented around one-fifth of the total annual production capacity of the Group as of 31 December 2018.

The Group is in the process of assessing the operational and financial impact of the non-fatal fire accident. The Company will make further announcement if there is any material development following the accident.

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

Hong Kong, 5 July 2019

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.