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## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2022 ANNUAL REPORT**

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**”) on certain supplemental information to the current disclosure in the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”). Unless the context otherwise requires, the capitalised terms used herein shall have the same meaning as those defined and used in the 2022 Annual Report.

The following sets forth the supplemental information to the 2022 Annual Report on the share option scheme adopted by the Company pursuant to Rules 17.07 and 17.09 of the Listing Rules.

### **“Share option scheme adopted by the Company on 4 June 2020 (the “Scheme”)**

As at 1 January 2022, the number of share options available for grant under the Scheme was 100,000,000 share options. As at 31 December 2022, there were 20,000,000 share options available for grant thereunder. There was no service provider sublimit set under the Scheme.

Any offer for the grant of the share options must be accepted by the relevant eligible participant not later than 21 days after the offer date or such longer or shorter period as the Board may specify from and inclusive of the offer date.

## **Remuneration committee (the “Remuneration Committee”) of the Board**

The primary objectives and duties of the Remuneration Committee are set forth in its terms of reference adopted in compliance with the requirements under the CG Code, which include, inter alia, making recommendations to the Board on the remuneration policy and structure for all the Directors and the senior management of the Company and on the establishment of a set of formal and transparent procedures for developing its remuneration policy and reviewing and approving matters related to share option schemes. During the year ended 31 December 2022, the Remuneration Committee held two meetings to review and approve the remuneration policy, remuneration packages of the Directors and senior management of the Company, and to consider, approve and make recommendation to the Board in relation to the grant of share options to eight grantees who are either the Directors or the employees of the Group.

### **Summary of matters relating to the Scheme reviewed by the Remuneration Committee**

#### *Grant of share options under the Scheme*

During the year ended 31 December 2022, 80,000,000 share options have been granted to three Directors and five employees of the Group (collectively, the “**Grantees**”), among of which 40,000,000 share options, representing 50% of the total share options granted, vested on and exercisable from the date of grant, i.e. 15 June 2022.

Having considered that the past performance and contributions to the Group of the Grantees and that the vesting period for the unvested share options is more than 12 months, the Remuneration Committee and the Board consider that the grant of such share options with a short vesting period:

- (i) aligns the interests of the Grantees with that of the Company and the shareholders of the Company as a whole;
- (ii) rewards and recognises the contribution of the Grantees to the Group;
- (iii) provides incentive to the Grantees to continue to work for the success and improved performance of the Group; and
- (iv) reinforces their commitment to long-term services to the Group. All of these are consistent with the purpose of the Scheme.

### *Performance target*

There is no performance target attached with the share options. The Remuneration Committee has noted that the purpose of the Scheme is to provide incentive or reward to the Grantees for their contribution to the Group and that the Scheme does not restrictively specify the contribution. The Remuneration Committee has also considered (a) the importance of the roles and responsibilities of the Grantees; (b) the past performance and contributions of the Grantees; and (c) the expected contributions of the Grantees to be made to the future development of the Group and is of the view that the grant of share options without any performance target aligns with the purpose of the Scheme.

### *Clawback mechanism*

There is no clawback mechanism attached to the share options. The share options granted shall lapse and cannot be exercised with immediate effect if the Grantees, who is an employee (including any director), ceases to be an employee of the Group or a Director on the ground including, but without limitation to, that he or she has been guilty of serious misconduct.

In respect of the share options granted during the year ended 31 December 2022, the Remuneration Committee considers that the Scheme is intended to reward eligible participants who have contributed to the business development of the Group and to encourage eligible participants to work towards enhancing the value of the Company for the benefit of the Company and its shareholders as a whole. In addition, the Remuneration Committee also consider that:

- (a) the Grantees are eligible participants under the Scheme who would contribute directly to the overall business performance and sustainable development of the Group;
- (b) the granting of share options to the Grantees is a recognition for their past contributions to the Group; and
- (c) the share options are subject to the terms of the Scheme which provides for circumstances under which the share options may lapse.

Saved as disclosed above, the Company did not make any grant of share options to the directors and/or senior managers of the Group as set forth in Rules 17.03F, 17.06B(7) and 17.06B(8) of the Listing Rules during the year ended 31 December 2022.”

The supplemental information provided in this announcement does not affect other information contained in the 2022 Annual Report. Save as disclosed in this announcement, the contents of the 2022 Annual Report remain unchanged.

On behalf of the Board  
**CPM Group Limited**  
**Tsui Ho Chuen, Philip**  
*Chairman and Managing Director*

Hong Kong, 29 June 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. Chong Chi Kwan as non-executive Director; and Mr. Chua Joo Bin, Mr. Xia Jun and Ms. Meng Jinxia as independent non-executive Directors.*