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**CNT GROUP LIMITED**

**北海集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 701)**

**PROPOSED SPIN-OFF AND LISTING OF  
CPM GROUP LIMITED  
ON THE MAIN BOARD OF THE STOCK EXCHANGE**

**RECORD DATE AND  
CLOSURE OF REGISTER OF MEMBERS**

The Board refers to the Announcement. The purpose of this announcement is providing the Shareholders and prospective investors with updated information on the Spin-Off and the Listing. This announcement is also issued pursuant to Rule 13.66(1) of the Listing Rules on the CNT Preferential Offer Record Date.

Subject to the final decision of the Board, CPM will become a non-wholly owned subsidiary of the Company following the Spin-Off and the Listing. There will be no Deed of Non-Competition to be entered into in favour of the CPM Group. As a result, the Spin-Off and the Listing would not require the approval of the Shareholders at the Special General Meeting. The Spin-Off and the Listing will constitute a deemed disposal of certain equity interest in CPM by the Company. Based on the current estimate of the size of the offering of the CPM Shares as part of the Listing, it would constitute a discloseable transaction (as such term is defined under the Listing Rules) for the Company. The Company will issue further announcement in full compliance with the applicable requirement under the Listing Rules as and when appropriate.

The terms of the CNT Preferential Offer have yet to be finalised and further announcement will be made by the Company when such detailed information is determined. Nevertheless, in order to qualify for the CNT Preferential Offer, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 15 June 2017. The last day for dealing in the Shares cum-entitlement to the CNT Preferential Offer will be Tuesday, 13 June 2017.

As the final dates of registration and issue of the CPM Prospectus have not yet been determined, the CNT Preferential Offer Record Date and the day on which the register of members of the Company is closed for the purpose of determining the entitlement of the CNT Qualifying Shareholders to the CPM Shares in the CNT Preferential Offer may change.

**In the event that there is any change in the CNT Preferential Offer Record Date and the closure of the register of members of the Company for determining the entitlement of the CNT Qualifying Shareholders to the CPM Shares in the CNT Preferential Offer, the Company will issue a further announcement and such revised CNT Preferential Offer Record Date and closure of the register of members of the Company will supersede and replace the relevant information set forth in this announcement.**

**There is no assurance that the Spin-Off and the Listing will take place or the relevant approvals be granted, or as to when it may take place or be granted. The Company will issue further announcement on the Spin-Off as and when appropriate.**

**The Spin-Off and the Listing are subject to, amongst other things, the approval of the Stock Exchange and the final decision of the Board and the board of CPM. Accordingly, Shareholders and prospective investors should be aware that we cannot assure that the Spin-Off and Listing will take place or the relevant approvals be granted, or as to when they will take place or be granted. Shareholders and prospective investors should exercise caution when dealing in or investing in the securities of the Company.**

## **INTRODUCTION**

The Board refers to the Announcement. The purpose of this announcement is providing the Shareholders and prospective investors with updated information on the Spin-Off and the Listing. This announcement is also issued pursuant to Rule 13.66(1) of the Listing Rules on the CNT Preferential Offer Record Date. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as used in the Announcement.

## **UPDATED INFORMATION ON THE SPIN-OFF AND THE LISTING AND THE IMPLICATIONS UNDER THE LISTING RULES**

The application for the Listing was renewed on 23 May 2017 because of lapse of the six-month period in the original application for the Listing dated 23 November 2016. Pursuant to the current arrangements under the Spin-Off and the Listing, CPM proposes to allot and issue such number of new CPM Shares to new investors representing not less than 25% of the enlarged number of CPM Shares in issue following completion of the Spin-Off and the Listing. On this basis, the Directors expect that, subject to the final decision of the Board, CPM will become a non-wholly owned subsidiary of the Company and that the operating results of the CPM Group will continue to be consolidated into the results of the Group following the Spin-Off and the Listing.

There will be no Deed of Non-Competition to be entered into in favour of the CPM Group as there will be clear delineation of business between the Group and the CPM Group following the Spin-Off and the Listing. CPM will not adopt the Share Option Scheme, and the Deed of Indemnity would not require the approval of the Shareholders as it would not constitute a connected transaction (as such term is defined under the Listing Rules) for the Company. As a result, the Spin-Off and the Listing would not require the approval of the Shareholders at the Special General Meeting. The Spin-Off and the Listing will constitute a deemed disposal of certain equity interest in CPM by the Company. Based on the current estimate of the size of the offering of the CPM Shares as part of the Listing, it would constitute a discloseable transaction (as such term is defined under the Listing Rules) for the Company. The Company will issue further announcement in full compliance with the applicable requirement under the Listing Rules as and when appropriate.

## **ASSURED ENTITLEMENT TO THE NEW CPM SHARES**

As part of the Spin-Off and the Listing, an assured entitlement to the CPM Shares will be provided to the CNT Qualifying Shareholders by way of preferential application for new CPM Shares. Further information on the CNT Preferential Offer will be set forth in further announcement to be issued by the Company on date on which the CPM Prospectus is issued for the purpose of the Listing and the related application forms to be posted to the CNT Qualifying Shareholders.

## **CNT PREFERENTIAL OFFER RECORD DATE**

The terms of the CNT Preferential Offer have yet to be finalised and further announcement will be made by the Company when such detailed information is determined. Nevertheless, for the purpose of implementing the CNT Preferential Offer for the benefit of the CNT Qualifying Shareholders, the Board announces that the CNT Preferential Offer Record Date for the purpose of the CNT Preferential Offer will be Friday, 16 June 2017. For the purpose of determining the entitlement of the CNT Qualifying Shareholders to the CPM Shares under the CNT Preferential Offer, the register of members of the Company will be closed on Friday, 16 June 2017 on which no transfers of Shares will be registered.

In order to qualify for the CNT Preferential Offer, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 15 June 2017. The last day for dealing in the Shares cum-entitlement to the CNT Preferential Offer will be Tuesday, 13 June 2017.

As the final dates of registration and issue of the CPM Prospectus have not yet been determined, the CNT Preferential Offer Record Date and the day on which the register of members of the Company is closed for the purpose of determining the entitlement of the CNT Qualifying Shareholders to the CPM Shares in the CNT Preferential Offer may change.

**In the event that there is any change in the CNT Preferential Offer Record Date and the closure of the register of members of the Company for determining the entitlement of the CNT Qualifying Shareholders to the CPM Shares in the CNT Preferential Offer, the Company will issue a further announcement and such revised CNT Preferential Offer Record Date and closure of the register of members of the Company will supersede and replace the relevant information set forth in this announcement.**

## **GENERAL INFORMATION**

**There is no assurance that the Spin-Off and the Listing will take place or the relevant approvals be granted, or as to when it may take place or be granted. The Company will issue further announcement on the Spin-Off as and when appropriate.**

**The Spin-Off and the Listing are subject to, amongst other things, the approval of the Stock Exchange and the final decision of the Board and the board of CPM. Accordingly, Shareholders and prospective investors should be aware that we cannot assure that the Spin-Off and Listing will take place or the relevant approvals be granted, or as to when they will take place or be granted. Shareholders and prospective investors should exercise caution when dealing in or investing in the securities of the Company.**

## DEFINITIONS USED IN THIS ANNOUNCEMENT

*Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as defined in the Announcement and set forth below:*

“Announcement”	the announcement of the Company dated 23 November 2016;
“CNT Non-Qualifying Shareholders”	Shareholders whose names appeared on the register of members of the Company at 4:30 p.m. on the CNT Preferential Offer Record Date, other than (a) the substantial shareholders (as such term is defined under the Listing Rules) of the Company; (b) Shareholders whose address(es) as shown in such register is/are in any of the Excluded Territories; (c) Shareholders who are otherwise known by the Company to be resident in any of the Excluded Territories on the CNT Preferential Offer Record Date; and (d) Shareholders who are directors of CPM and/or their respective close associates;
“CNT Preferential Offer”	the offer to the CNT Qualifying Shareholders for subscription of the CPM Shares to be offered by CPM on a preferential basis upon the terms and conditions set forth in the CPM Prospectus and the related application form to be issued by CPM;
“CNT Preferential Offer Record Date”	16 June 2017, being the record date for the CNT Preferential Offer in order to determine the entitlement of the CNT Qualifying Shareholders to the CPM Shares under the CNT Preferential Offer;
“CNT Qualifying Shareholders”	Shareholders whose names appeared on the register of members of the Company at 4:30 p.m. on the CNT Preferential Offer Record Date, excluding CNT Non-Qualifying Shareholder(s);
“CPM Prospectus”	the prospectus to be issued by CPM for the Listing;

“Excluded Territories”

in respect of the CNT Preferential Offer, such territory or territories which the directors of CPM consider it necessary or expedient, on account of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, to exclude the Shareholders having the recorded addresses within them from the CNT Preferential Offer; and

“Share(s)”

ordinary shares(s) in the capital of the Company with a par value of HK\$0.10 each.

By order of the Board  
**Lam Ting Ball, Paul**  
*Chairman*

Hong Kong, 1 June 2017

*As of the date of this announcement, the Board comprises Mr. Lam Ting Ball, Paul, Mr. Tsui Ho Chuen, Philip and Mr. Chong Chi Kwan as executive Directors; Mr. Chan Wa Shek, Mr. Zhang Yulin and Mr. Hung Ting Ho, Richard as non-executive Directors; and Sir David Akers-Jones, Mr. Danny T Wong, Dr. Steven Chow and Mr. Zhang Xiaojing as independent non-executive Directors.*