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**CNT GROUP LIMITED**

**北海集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 701)**

## **PROFIT WARNING**

This announcement is made by the Board pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and prospective investors of the Company that based on the preliminary information available to the Board and the unaudited consolidated management accounts of the Group, the profit attributable to the Shareholders for the six months ended 30 June 2017 is expected to decrease by approximately 90% to 98% when compared with the corresponding period in 2016.

The information contained in this announcement is based on the preliminary information available to the Board and the unaudited consolidated management accounts of the Group. This information has yet to be reviewed or confirmed by the auditor of the Company and the audit committee of the Company.

**Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of CNT Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of The Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and prospective investors of the Company that based on the preliminary information available to the Board and the unaudited consolidated management accounts of the Group, the profit attributable to the Shareholders for the six months ended 30 June 2017 is expected to decrease by approximately 90% to 98% when compared with the corresponding period in 2016.

The Board considers that the significant decrease in the Group's profit was mainly attributable to the reduced profit contribution from the paint business. The paint business has been spun-off as a separate company listed on the main board of the Stock Exchange since 10 July 2017. During the six months ended 30 June 2017, the significant decrease in profit contribution from the paint business was attributable to various factors, including the strategy in reducing the average selling prices of paint and coating products for the purpose of promoting the sales of paint and coating products and increasing the market share, increase in the cost of raw materials and the expenses incurred by the paint business for the listing on the main board of the Stock Exchange of approximately HK\$5 million. All of these resulted in estimated operating loss of the paint business for the six months ended 30 June 2017.

The Company is in the process of finalising the unaudited consolidated interim results of the Group for the six months ended 30 June 2017. The information contained in this announcement is based on the preliminary information available to the Board and the unaudited consolidated management accounts of the Group. This information has yet to be reviewed or confirmed by the auditor of the Company and the audit committee of the Company and may be different from the unaudited consolidated interim results of the Group for the six months ended 30 June 2017. The announcement on the operating results and financial performance of the Group for the six months ended 30 June 2017 will be published by the Company by the end of August 2017 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  
**CNT Group Limited**  
**Lam Ting Ball, Paul**  
*Chairman*

Hong Kong, 2 August 2017

*As at the date of this announcement, the Board comprises Mr. Lam Ting Ball, Paul, and Mr. Chong Chi Kwan as executive Directors; Mr. Tsui Ho Chuen, Philip, Mr. Chan Wa Shek, Mr. Zhang Yulin and Mr. Hung Ting Ho, Richard as non-executive Directors; and Mr. Wu Hong Cho, Mr. Danny T Wong and Mr. Zhang Xiaojing as independent non-executive Directors.*