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## **PROFIT WARNING**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of CNT 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 financial information currently available to the Board for the six months ended 30 June 2022 (the “**2022 Six-month Period**”), the Group is expected to record a significant amount of loss attributable to the Shareholders for the 2022 Six-month Period in the amount between HK\$43.0 million and HK\$49.0 million, as compared with the profit attributable to the Shareholders of HK\$4.3 million for the six months ended 30 June 2021.

The loss attributable to the Shareholders for the 2022 Six-month Period was primarily due to the combined effect of (a) the net fair value losses of approximately HK\$5.2 million recorded on the investment properties of the Group in Hong Kong and Mainland China as at 30 June 2022, as compared with the net fair value gains of approximately HK\$15.5 million as at 30 June 2021; and (b) the accounting consolidation of the significant amount of loss attributable to the shareholders of CPM Group Limited (“**CPM**”, together with its subsidiaries, the “**CPM Group**”), a non-wholly owned subsidiary of the Company. As disclosed in the announcement of CPM of even date, the significant amount of loss attributable to the shareholders of CPM for 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 CPM 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 CPM 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 CPM Group.

The Directors understand that further information on the measures/initiatives that would be taken by the CPM Group in response to the current adverse business environment will be included in the results announcement of CPM for the 2022 Six-month Period.

The Company is in the process of finalising the unaudited consolidated results of the Group for the 2022 Six-month Period. The above estimated amount of loss 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 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  
**CNT Group Limited**  
**Lam Ting Ball, Paul**  
*Chairman*

Hong Kong, 5 August 2022

*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. Wu Hong Cho as non-executive Directors; and Mr. Ko Kwok Fai, Dennis, Mr. Huang De Rui, Mr. Zhang Xiaojing, Ms. Lin Yingru and Mr. Cheng Wai Po, Samuel as independent non-executive Directors.*