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常茂生物化學工程股份有限公司

Changmao Biochemical Engineering Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 8208)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that, although there is an estimated increase in the Group's turnover for the year ended 31 December 2011, it is presently expected that the consolidated net profits of the Group for the year ended 31 December 2011 are likely decline as compared to the consolidated net profits for the year ended 31 December 2010.

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

This announcement is made by Changmao Biochemical Engineering Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that having assessed the currently available information, although there is an estimated increase in the Group's turnover for the year ended 31 December 2011, the Group is likely to record a decline in the consolidated net profits for the year ended 31 December 2011 as compared with the consolidated net profits for the year ended 31 December 2010. The Board believes that the Group's financial performance has been affected mainly by the decline in gross profit margin as a result of the increase in raw material cost and the deterioration of the results of the associate company of the Group for the year ended 31 December 2011.

**For identification purpose*

As the Company is still in the process of finalising its results for the year ended 31 December 2011, the information contained in this announcement is a preliminary estimate by the management of the Group according to the management accounts of the Group and is not based on any figure or information that has been audited or reviewed by the Company's auditor. Further details of the Group's performance will be disclosed when the Group's annual results for the year ended 31 December 2011 are announced.

Despite the lower profit for the year ended 31 December 2011, the Board considers that the Group's overall financial position is still healthy and the Board remains positive on the long term prospect of the Group.

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

By order of the Board
Changmao Biochemical Engineering Company Limited*
Rui Xin Sheng
Chairman

The PRC, 6 February 2012

**For identification purpose*

As at the date hereof, Mr. Rui Xin Sheng (Chairman) and Mr. Pan Chun are the executive directors of the Company, Mr. Zeng Xian Biao, Mr. Yu Xiao Ping, Mr. Wang Jian Ping and Ms. Leng Yi Xin are the non-executive directors of the Company, Prof. Ouyang Ping Kai, Prof. Yang Sheng Li and Ms. Wei Xin are the independent non-executive directors of the Company.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain at www.hkgem.com on the "Latest company announcements" page of the GEM website for at least 7 days from the date of its posting and on the Company's website at www.cmbec.com.hk.