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(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1418)

PROFIT WARNING

This announcement is made by Sinomax Group Limited (the “**Company**”, together with its subsidiaries, collectively 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, the Group is expected to record a loss after taxation of not less than approximately HK\$31.0 million as compared to the profit after taxation of approximately HK\$10.6 million for the six months ended 30 June 2019. The deterioration of result is mainly due to the slowdown in the Group’s business activities caused by the COVID-19 outbreak and the increase in the amount of PRC withholding tax levied on the distributed profits of the Company’s PRC subsidiaries.

Despite the Group's expected loss after taxation for the six months ended 30 June 2020, the Board considers that the Group will not breach any financial covenants under the facility agreements entered into between the Group and certain bank(s) in 2017 and 2018, as disclosed in the announcements of the Company dated 13 June 2018 and 21 January 2020 and the annual report of the Company for the year ended 31 December 2019. The Board will continue to review its financial information to ascertain whether the Group is able to satisfy the relevant financial covenants and make further announcement(s) as and when appropriate.

The Company is in the process of finalising the Group's unaudited consolidated financial results for the six months ended 30 June 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to it and such information has not been audited or reviewed by the Company's auditors or the audit committee of the Board and may be subject to adjustment. Shareholders and potential investors of the Company are advised to read the interim results announcement of the Company for the six months ended 30 June 2020 carefully, which is expected to be published by the end of August 2020.

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

By order of the Board
Sinomax Group Limited
Lam Chi Fan
Chairman

Hong Kong, 12 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. Lam Chi Fan (Chairman of the Board), Mr. Cheung Tung (President), Mr. Chen Feng, Mr. Lam Kam Cheung (Chief Financial Officer and Company Secretary) and Ms. Lam Fei Man; and the independent non-executive directors of the Company are Mr. Wong Chi Keung, Professor Lam Sing Kwong, Simon, Mr. Zhang Hwo Jie and Mr. Wu Tak Lung.