Sinomax Group Limited
盛諾集團有限公司

(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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions 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 and potential investors that, based on the unaudited consolidated financial statements of the Group and other information currently available to the Board. The Group expects the profit before tax for the financial year ended 31 December 2018 ("**FY2018**") will be within the range of approximately HK$27 million to HK$28 million (representing a decrease of approximately 51% to 53% as compared with the same period last year), whereas profit after tax for FY2018 will be within the range of approximately HK$3 million to HK$5 million (representing a decrease of approximately 90% to 94% as compared with the same period last year). Such decreases were mainly attributable to:

(1) the costs incurred in the trial-run of production in the Group's factory in United States of America (the "**U.S.**") and recruiting sales force in the U.S. in FY2018;

(2) the significant increase in the purchase price of a key raw material of polyurethane foam, namely toluene diisocyanate in FY2018, as compared with the same period last year; and

(3) additional import duties imposed on shipments for goods due to the outbreak of the U.S.-China and the U.S.-Canada trade war.

The Company is in the process of finalizing the Group's audited consolidated financial results for FY2018. 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 audit committee. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Company for FY2018 carefully, which is expected to be published in late March 2019.

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, 7 March 2019

As at the date of this announcement, the executive Directors 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 are Mr. Wong Chi Keung, Professor Lam Sing Kwong Simon, Mr. Fan Chun Wah Andrew, JP, Mr. Zhang Hwo Jie and Mr. Wu Tak Lung.