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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(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 Futures 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 a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (“**FY2021**”) and other information currently available to the Board, the Group is expected to record a profit after taxation for FY2021 of not less than HK\$20 million as compared to a profit after taxation for the year ended 31 December 2020 of approximately HK\$61 million. This was primarily attributable to:

1. the significant increase in transportation costs;
2. increase in the purchase price of raw materials of polyurethane foam in FY2021, as compared with the same period last year; and
3. decrease in government subsidies related to COVID-19 received in FY2020.

The Company is in the process of finalising the Group's audited consolidated financial results for FY2021. This announcement is made based on a preliminary review of the unaudited consolidated management accounts of the Group for FY2021 and other financial information currently available, which are subject to finalisation and possible adjustments upon review and audit by the Company's auditors or audit committee. Further details of the Group's financial results for FY2021 will be disclosed in the annual results announcement of the Company, which is expected to be published on 25 March 2022.

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, 8 February 2022

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. Zhang Hwo Jie and Mr. Wu Tak Lung.