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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION ACQUISITION OF INTELLECTUAL PROPERTY

Reference is made to the announcement of Sinomax Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 July 2025 in relation to the IP Acquisition Agreement (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcement.

In addition to the information as set forth in the Announcement, the Company wishes to provide the Shareholders and the public with supplemental information in respect of IP Acquisition Agreement as follows:

Basis of determining the Purchase Price

Pursuant to the License Agreement, the Group is required to pay a minimum quarterly royalty of US\$200,000 (equivalent to approximately HK\$1,560,000), amounting to US\$800,000 (equivalent to approximately HK\$6,240,000) annually to Kimberly. For illustrative purpose, this would amount to US\$4,000,000 (equivalent to approximately HK\$31,200,000) over a five-year horizon, excluding any potential increases or additional royalties based on sales performance. The Group expects to continue leveraging the Brand for at least eight to ten years, which supports the view that an illustrative 5-year benchmark for assessing cost-effectiveness is reasonable and conservative. By acquiring the Brand outright for the Purchase Price (i.e. US\$4,600,000), the Group effectively transitions from a licensee to a brand owner, eliminating ongoing royalty obligations and gaining full control over brand usage, marketing and expansion.

Further, the implied annual return of approximately 17.39% (calculated by dividing the annual minimum royalty payment of US\$800,000 under the License Agreement by the Purchase Price) represents the minimum yield based on the minimum amount of avoided annual royalty payments under the Licence Agreement. It is expected that if the funds for the Purchase Price were not deployed for the acquisition of the Acquired IP, they would likely remain idle in the Group's bank account, earning minimal interest. The Board is of the view that the implied annual return is significantly higher than such interest in the bank accounts as well as the prevailing deposit rates for USD in Hong Kong.

In view of the above, the Board considers that the Purchase Price was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Expected Payment Date of the Purchase Price

The Company expects that the Purchase Price will be settled in full on the Closing Date (which shall be on 25 November 2025, provided that all of the conditions to Closing are either satisfied or waived, or at such other time, date or place as Kimberly and Sinomax USA may mutually agree upon in writing).

Financial information of the Acquired IP

The table below sets forth (i) the net profit (both before and after tax) attributable to the Acquire IP; and (ii) the net sales generated by the Group through the sale of the products under the Acquired IP for the following respective periods:

	For the year ended 31 December 2023 (USD'000)	For the year ended 31 December 2024 (USD'000)	For the five months ended 31 May 2025 (USD'000)
Net profits (before tax)	1,312	1,373	499
Net profit (after tax)	1,036	1,085	394
Net sales	9,694	10,364	3,657

Save as disclosed above, all other information set forth in the Announcement remains unchanged. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 1 August 2025

As at the date of this announcement, the non-executive Director is Mr. Lam Chi Fan (Chairman of the Board); the executive Directors are 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, Mr. Zhang Hwo Jie and Dr. Cheung Wah Keung.

In this announcement, unless otherwise stated, the conversions of USD into HK\$ has been made at an exchange rate of US\$1: HK\$7.8 as set forth in the Announcement. Such conversion should not be construed as a representation that any amount has been, could have been or may be, exchanged at these or any other rate.