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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

PERFORMANCE HIGHLIGHTS

- Revenue for the six-month period ended 30 June 2026 increased by approximately HK$684.2 million or approximately 36.2% to approximately HK$2,576.3 million, as compared to approximately HK$1,892.1 million for the corresponding period last year.

- Gross profit increased by approximately HK$238.3 million or approximately 53.9% to approximately HK$680.7 million during the Reporting Period, as compared to approximately HK$442.4 million for the corresponding period last year.

- Profit for the Reporting Period decreased by approximately HK$10.4 million or approximately 34.1% to approximately HK$20.0 million, as compared to approximately HK$30.4 million for the corresponding period last year.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Sinomax Group Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six-month period ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

		Unaudited	
		For the six-month period ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**2,576,344**	1,892,127
Cost of sales		**(1,895,630)**	(1,449,684)
Gross profit		**680,714**	442,443
Selling and distribution expenses		**(386,246)**	(235,071)
Administrative expenses		**(184,850)**	(119,227)
Research and development costs		**(47,528)**	(39,175)
Net impairment losses of financial assets		**(11,915)**	(1,991)
Other income	*4*	**25,382**	16,842
Other losses, net		**(23,940)**	(10,534)
Operating profit		**51,617**	53,287
Finance costs	*5*	**(29,123)**	(24,749)
Share of profit of an associate		**–**	7,291
Profit before income tax		**22,494**	35,829
Income tax expense	*6*	**(2,448)**	(5,414)
Profit for the period	*7*	**20,046**	30,415
Profit for the period attributable to:			
Equity owners of the Company		**11,808**	26,911
Non-controlling interests		**8,238**	3,504
		20,046	30,415
		Cents	*Cents*
Earnings per share attributable to the equity holders of the Company	*8*		
– Basic		**0.67**	1.54
– Diluted		**0.67**	1.54

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Unaudited For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit for the period	**20,046**	30,415
Other comprehensive income		
Item that may be reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**29,268**	14,289
Total comprehensive income for the period	**49,314**	44,704
Total comprehensive income for the period attributable to:		
Equity owners of the Company	**39,602**	22,569
Non-controlling interests	**9,712**	22,135
	49,314	44,704

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	Note	Unaudited As at 30 June 2026 HK$'000	Audited As at 31 December 2025 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**403,994**	401,429
Right-of-use assets		**214,041**	307,670
Investment properties		**22,745**	22,986
Goodwill		**177,489**	177,286
Intangible assets		**45,626**	49,760
Deposits	*10*	**35,964**	33,765
Deferred tax assets		**50,291**	48,441
		950,150	1,041,337
Current assets			
Inventories		**677,943**	660,125
Trade and other receivables	*10*	**1,093,320**	1,006,788
Bill receivables	*11*	**147,581**	148,923
Trade receivables at fair value through other comprehensive income		**32,831**	16,442
Restricted bank deposits		**–**	2,588
Cash and cash equivalents		**262,936**	367,825
		2,214,611	2,202,691
Total assets		**3,164,761**	3,244,028

	Note	Unaudited As at 30 June 2026 *HK$'000*	Audited As at 31 December 2025 *HK$'000*
Equity			
Equity attributable to the Company's equity holders			
Capital and reserves			
Share capital		**175,000**	175,000
Reserves		**887,809**	856,957
Equity attributable to owners of the Company		**1,062,809**	1,031,957
Non-controlling interests		**37,443**	47,283
Total equity		**1,100,252**	1,079,240
Liabilities			
Non-current liabilities			
Lease liabilities		**168,836**	240,438
Deferred government grant	*12*	**–**	124
Deferred tax liabilities		**8,282**	12,159
		177,118	252,721
Current liabilities			
Trade and other payables	*12*	**958,768**	988,970
Bill payables	*13*	**59,626**	71,166
Contract liabilities		**7,899**	7,198
Unsecured bank borrowings	*14*	**735,543**	695,611
Lease liabilities		**97,934**	124,042
Taxation payable		**27,621**	25,080
		1,887,391	1,912,067
Total liabilities		**2,064,509**	2,164,788
Total equity and liabilities		**3,164,761**	3,244,028

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

1. BASIS OF PREPARATION

The condensed consolidated interim financial information of Sinomax Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The interim report does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this announcement should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025.

2. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of the amendments to standards as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Amendments to standards adopted by the Group

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards as issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated interim financial information:

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

The amendments to standards listed above did not have any significant impact on the amounts recognised in prior period and are not expected to significantly affect the current or future period.

New standards and amendments to standards and an interpretation not yet adopted

Certain new standards and amendments to standards and an interpretation have been published that are not mandatory for the financial year beginning on 1 January 2026 and have not been early adopted by the Group. These new standards and amendments to standards and an interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

HKFRS 18	Presentation and Disclosure in Financial Statements (1)
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (1)
Amendments to HKFRS 19	Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures (1)
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency (1)
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (1)
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (2)

(1) *Effective for the Group for annual period beginning on 1 January 2027*

(2) *Effective date to be determined*

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of profit or loss and providing management-defined performance measures within the financial statements.

The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18. Management is currently assessing the detailed implications of applying the new standard on the Group's condensed consolidated interim financial information and consolidated financial statements.

The directors of the Group will adopt the above new standards, amendments to existing standards and an interpretation when they become effective. Except for the above disclosed impact, the directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards, amendments to existing standards and an interpretation, none of which is expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new standards and amendments to standards and an interpretation when they become effective.

3. REVENUE AND SEGMENT INFORMATION

The Group sells health and household products, including quality visco-elastic pillows, mattress toppers and mattresses, to wholesalers and retailers and also directly to customers both through its retail network comprising self-operated stand-alone retail shops, concession counters in department stores and online platforms. The Group also sells polyurethane foam to furniture manufacturers.

Executive Directors have been identified as the chief operating decision maker ("**CODM**"). The Executive Directors review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group is currently organised into the following three geographical markets:

China market	Manufacture and sale of health and household products and polyurethane foam for customers located in the People's Republic of China (the "**PRC**"), Hong Kong and Macau.
North American market	Manufacture and sale of health and household products for customers located in the United States (the "**U.S.**"), Canada and other North American countries.
Europe and other overseas markets	Manufacture and sale of health and household products and foam for customers located in overseas except for those customers located in the China market and North American market.

Disaggregation of revenue from contracts with customers

Revenue recognised at a point in time during the periods is as follows:

Type of goods

	For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Sales of health and household products	**1,920,315**	1,324,940
Sales of polyurethane foam	**656,029**	567,187
Total	**2,576,344**	1,892,127

Geographical markets

	For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
China market		
– The PRC	**800,839**	665,904
– Hong Kong, Macau and others	**162,008**	126,637
	962,847	792,541
North American market		
– The U.S.	**1,023,960**	578,388
– Others	**114,920**	113,634
	1,138,880	692,022
Europe and other overseas markets	**474,617**	407,564
Total	**2,576,344**	1,892,127

4. OTHER INCOME

	For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest income	**1,641**	2,240
Government subsidies	**9,849**	690
Rental income	**4,418**	5,257
Others	**9,474**	8,655
	25,382	16,842

5. FINANCE COSTS

	For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest on bank borrowings	**18,289**	13,759
Interest on lease liabilities	**9,695**	9,513
Interest and charges on factoring of trade receivables	**1,139**	1,477
	29,123	24,749

6. INCOME TAX EXPENSE

	For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**250**	3,339
PRC Enterprise Income Tax	**243**	5,812
PRC withholding tax on distributed profits from PRC subsidiaries	**2,275**	1,077
Overseas Income Tax	**3,017**	222
	5,785	10,450
Deferred taxation	**(3,337)**	(5,036)
	2,448	5,414

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 30 June 2026 is 11%, compared to 15% for the six-month period ended 30 June 2025. The effective tax rate was lower in 2026 mainly due to the under-performance of certain subsidiaries in the PRC and tax incentive granted by PRC government, which are subject to lower statutory tax rates.

7. PROFIT FOR THE PERIOD

	For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging:		
Cost of inventories recognised as expenses including reversal of provision for inventories of HK$4,300,000 (30 June 2025: HK$1,351,000)	**1,529,888**	1,104,100
Total staff costs (included in cost of sales, selling and distribution expenses, administrative expenses and research and development costs)	**397,269**	312,243
Amortisation of intangible assets	**4,134**	889
Depreciation of property, plant and equipment	**39,599**	43,138
Depreciation of right-of-use assets	**60,153**	45,571
Depreciation of investment properties	**1,083**	1,124
Marketing expense	**107,068**	62,210
Professional fee	**13,231**	13,698
Transportation expense	**92,246**	52,162

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the six-month period ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the period attributable to owners of the Company	**11,808**	26,911

	For the six-month period ended 30 June	
	2026	2025
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,750,002,000**	1,750,002,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,750,002,000**	1,750,002,000

Diluted earnings per share equals basic earnings per share for the six-month periods ended 30 June 2026 and 2025 as there were no dilutive potential ordinary shares outstanding during the periods.

9. DIVIDEND

No interim dividends were paid, declared or proposed during the Reporting Period (30 June 2025: HK0.5 cents). A final dividend of HK0.5 cents per share for the year ended 31 December 2025 was approved by the shareholders in the annual general meeting of the Company held on 29 May 2026 and an amount of approximately HK$8,750,000 had been recognised in shareholders' equity during the six months ended 30 June 2026.

10. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Trade receivables, at amortised cost	**935,102**	862,385
Less: allowance for credit losses	**(35,878)**	(25,036)
Trade receivables, net	**899,224**	837,349
Deposits, prepayments and other receivables		
Prepayments for purchasing raw materials and operating expenses	**68,859**	108,194
Rental and other deposits	**80,437**	38,983
Other taxes recoverable	**76,532**	52,289
Others	**4,232**	3,738
	230,060	203,204
Total trade and other receivables	**1,129,284**	1,040,553
Less: Non-current portion of deposits	**(35,964)**	(33,765)
Current portion	**1,093,320**	1,006,788

The Group's retail sales are made through both its retail network comprising stand-alone retail shops and concession counters in department stores, and internet sales. The Group also sells health and household products directly to overseas wholesalers and retailers, and the polyurethane foam to furniture manufacturers in the PRC. Sales at self-operated retail shops and sales through retailers in the PRC and internet sales are transacted either by cash or credit cards. For sales made at concession counters, the department stores collect cash from the end customers and then repay the balance after deducting the concessionaire commission to the Group. The credit period granted to the department stores ranges from 30 days to 120 days. For sales to wholesalers, retailers and furniture manufacturers, the Group generally allows a credit period ranging from 7 days to 90 days.

The following is the aging analysis of trade receivables, net of allowance for credit losses, presented based on invoice date.

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Within 30 days	**432,001**	437,903
31 to 60 days	**192,589**	163,911
61 to 90 days	**139,719**	108,865
91 to 180 days	**65,756**	88,196
181 to 365 days	**69,159**	38,474
	899,224	837,349

11. BILL RECEIVABLES

The amount represents bill receivables which are not yet due at the end of the reporting periods. The following is the aging analysis of bill receivables based on their time to maturities as at the end of the reporting periods:

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Within 30 days	**19,195**	19,624
31 to 60 days	**37,395**	31,501
61 to 90 days	**20,907**	16,831
91 to 180 days	**70,025**	79,800
181 to 365 days	**59**	1,167
	147,581	148,923

Included in the bill receivables above amounting to approximately HK$114,295,000 as at the end of the Reporting Period (31 December 2025: HK$136,986,000) had been endorsed for settling the trade payables for which the maturity dates of the bill receivables have not yet fallen due as at the end of the Reporting Period. All bill receivables of the Group are with a maturity period of less than one year.

12. TRADE AND OTHER PAYABLES

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Trade payables	**642,328**	705,051
Accrued operating expenses	**141,766**	112,063
Accrued salaries	**69,893**	98,673
Other taxes payable	**32,373**	33,331
Accrued royalties	**5,717**	18,806
Refundable deposits received	**51,477**	14,405
Dividend payable	**8,750**	–
Deferred government grant	**407**	516
Other payables and accrued expenses	**6,057**	6,249
Total trade and other payables	**958,768**	989,094
Less: Non-current deferred government grant	**–**	(124)
Current portion	**958,768**	988,970

Included in the trade and other payables above amounting to HK$114,295,000 as at the end of the Reporting Period (31 December 2025: HK$136,986,000) had been settled by endorsed bills for which the maturity dates of the bill receivables are not yet fallen due as at the end of the Reporting Period.

The credit period of trade payables ranged from 30 to 60 days. The following is the aging analysis of trade payables based on invoice date.

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Within 30 days	**401,524**	435,405
31 to 60 days	**123,164**	143,809
61 to 90 days	**52,695**	38,882
91 to 180 days	**55,496**	77,634
Over 180 days	**9,449**	9,321
	642,328	705,051

13. BILL PAYABLES

Bill payables were guaranteed by the Company and certain of its subsidiaries and the following is the aging analysis of bill payables based on bill issue date.

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Within 30 days	**17,139**	11,864
31 to 60 days	**13,809**	10,960
61 to 90 days	**3,297**	11,242
91 to 180 days	**25,381**	37,100
	59,626	71,166

14. UNSECURED BANK BORROWINGS

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Trade financing	**454,572**	410,249
Revolving borrowings	**156,020**	184,820
Term borrowings	**124,951**	100,542
	735,543	695,611

The Group's bank borrowings carry interest at either variable rates or fixed rates. Variable-rate borrowings bear interest with reference to Hong Kong Interbank Offered Rate, Secured Overnight Financing Rate and Loan Prime Rate plus a specific margin of the relevant banks, while certain PRC bank borrowings bear interest at a fixed rate of 2.00% – 2.42% per annum.

As at 30 June 2026, the range of effective interest rates (which are also equal to the contracted interest rates) of the Group's borrowings are 2.00% – 6.69% (31 December 2025: 2.10% – 6.90%) per annum.

As at 30 June 2026, the maturities of the bank borrowings are within one year or are repayable on demand (31 December 2025: Same).

15. CAPITAL COMMITMENTS

	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated interim financial information	**18,609**	10,789

BUSINESS REVIEW

Revenue by operating segments

Revenue for the Reporting Period increased by approximately HK$684.2 million or approximately 36.2% to approximately HK$2,576.3 million, as compared to approximately HK$1,892.1 million for the corresponding period last year.

	For the six-month period ended 30 June		
	2026	2025	Changes
	HK$'000	*HK$'000*	*%*
China market	**962,847**	792,541	21.5%
North American market	**1,138,880**	692,022	64.6%
Europe and other overseas markets	**474,617**	407,564	16.5%
Total	**2,576,344**	1,892,127	36.2%

The sales in the China market increased by approximately 21.5% as compared to the corresponding period last year, and the increase was mainly due to increase in the market share of foam sales.

For the North American market, we diversified our customer base by developing business relationship with more new customers, as a result of which sales for the Reporting Period increased by 64.6%, as compared to the corresponding period last year.

In Europe and other overseas markets, we recorded an increase of sales of approximately 16.5% for the Reporting Period, as compared to the corresponding period last year. The increase was mainly due to increase in our sales to customers in Europe.

Gross Profit

With an increase of approximately 36.2% in the Group's revenue, gross profit (the "**GP**") increased by approximately HK$238.3 million or approximately 53.9% to approximately HK$680.7 million during the Reporting Period as compared to approximately HK$442.4 million for the corresponding period last year. The GP margin increased by approximately 3.0% for the Reporting Period from approximately 23.4% to approximately 26.4% as compared with the corresponding period last year.

The improvement was primarily attributable to a favorable change in sales mix, with a higher contribution from segments generating comparatively higher gross margins.

Costs and expenses

Selling and distribution costs for the Reporting Period increased by approximately HK$151.2 million or approximately 64.3% to approximately HK$386.2 million, as compared to approximately HK$235.1 million for the six-month period ended 30 June 2025. The increase was mainly due to the increase in channel fee of approximately HK$63.0 million, marketing and advertising expenses of approximately HK$44.9 million, and increase in transportation costs of approximately HK$40.1 million.

Administrative expenses for the Reporting Period increased by approximately HK$65.6 million or approximately 55% to approximately HK$184.9 million, as compared to approximately HK$119.2 million for the six-month period ended 30 June 2025. The increase was mainly due to increase in staff costs of approximately HK$47.9 million and computer system expenses of approximately HK$5.1 million.

Profit for the Reporting Period

As a result of the above, profit for the Reporting Period decreased by approximately HK$10.4 million or approximately 34.1% to approximately HK$20.0 million, as compared to approximately HK$30.4 million for the corresponding period last year.

LIQUIDITY, FINANCE AND CAPITAL RESOURCES

As at 30 June 2026, the Group had net current assets of approximately HK$327.2 million, as compared to approximately HK$290.6 million as at 31 December 2025.

Bank balances and cash as at 30 June 2026 decreased by approximately HK$104.9 million or approximately 28.5% to approximately HK$262.9 million as compared to approximately HK$367.8 million as at 31 December 2025.

Net cash generated from operating activities amounted to approximately HK$8.3 million for the Reporting Period as compared to net cash generated from operating activities amounting to approximately HK$33.8 million for the six-month period ended 30 June 2025.

Borrowings and pledge of assets

As at 30 June 2026, the Group had banking facilities amounting to approximately HK$1,658.1 million of which approximately HK$795.2 million was utilized (31 December 2025: banking facilities amounting to approximately HK$1,478.1 million of which approximately HK$766.8 million was utilized), which included unsecured bank borrowings and bill payables.

The Group did not have any assets pledged to secure its banking facilities as at 30 June 2026 (31 December 2025: Nil).

Capital expenditure

The Group's capital expenditure for the Reporting Period amounting to approximately HK$36.9 million was mainly for the purchase of the Group's plant and machinery (31 December 2025: approximately HK$92.8 million).

Financial ratios

	As at 30 June 2026	As at 31 December 2025
Current ratio[(1)]	**117.3%**	115.2%
Quick ratio[(2)]	**81.4%**	80.7%
Gearing ratio[(3)]	**66.9%**	64.5%
Debt to equity ratio[(4)]	**43.0%**	30.4%

(1) *Current ratio is equal to current assets divided by current liabilities.*

(2) *Quick ratio is equal to current assets less inventories and divided by current liabilities.*

(3) *Gearing ratio is derived by dividing interest-bearing debt incurred in the ordinary course of business by total equity.*

(4) *Debt to equity ratio is calculated by dividing net debt by total equity. Net debt is defined to include all borrowings net of cash and cash equivalents.*

FOREIGN CURRENCY EXPOSURE

The Group carries on business mainly in Hong Kong, the PRC, the U.S., Vietnam and Denmark. The Group is exposed to foreign exchange risk principally in Renminbi, Vietnamese Dong and Danish Krone which can be largely offset by its revenue and expenditure in the PRC, Vietnam and Denmark. The Group does not expect any appreciation or depreciation of the Hong Kong Dollar against Renminbi, Vietnamese Dong and Danish Krone which could materially affect the Group's results of operations, and therefore no hedging instrument has been employed. The Group will closely monitor the trends of the Renminbi, Vietnamese Dong and Danish Krone and take appropriate measures to deal with the foreign exchange exposure if necessary.

TREASURY POLICY AND MARKET RISKS

The Group has a treasury policy that aims at better controlling its treasury operations and lowering borrowing cost. Such treasury policy requires the Group to maintain an adequate level of cash and cash equivalents and sufficient banking facilities available to finance the Group's daily operations and to address short term funding needs. The Group reviews and evaluates its treasury policy from time to time to ensure its adequacy and effectiveness.

PROSPECTS

During the first half of 2026, the Group continued to make progress in expanding its business scale, particularly in the U.S. and Europe. The Group recorded double-digit growth in both revenue and gross profit, primarily attributable to the increase in business volume following the Group's investment in M DK Holdings ApS ("**MDKH**") and the continued development of its businesses in these markets.

Looking ahead to the second half of 2026, the Group will continue to leverage the enlarged business platform and resources of MDKH to deepen its market penetration in the U.S. and Europe. The Group will focus on strengthening its sales and marketing capabilities, broadening its customer base and deepening relationships with existing customers, with a view to sustaining the growth momentum achieved during the first half of the year.

At the same time, the Group will continue to streamline its operations and enhance cost efficiency through better resource allocation and operational synergies across its businesses. The Group will also closely monitor changes in market conditions, trade policies, raw material costs and will take appropriate measures to mitigate their potential impact on its operations and profitability.

The Board remains cautiously optimistic about the Group's long-term prospects. The Group will remain focused on integrating and developing its expanded business platform, enhancing operational efficiency and strengthening its market position, with the objective of achieving sustainable growth and creating long-term value for its shareholders.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Prospects" in this announcement, the Group does not have other plans for material investments or capital assets.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. The Company did not hold any treasury shares as at 30 June 2026.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Reporting Period (for the six-month period ended 30 June 2025: HK0.5 cents).

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the employee headcount of the Group was 4,028 (30 June 2025: 3,742) and the total staff costs, including Directors' remuneration, amounted to approximately HK$397.3 million for the Reporting Period (for the six-month period ended 30 June 2025: approximately HK$312.2 million). The increase in staff costs for the Reporting Period was mainly due to increase in number of staff.

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including housing and travel allowances depending on their grade and ranking within the Group. The Group also maintains medical insurance for the benefit of its employees. The Group conducts induction training for all of its new employees and on-going training from time to time during their employment. The nature of training offered depends on our employees' specific field of operation.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance. During the Reporting Period, all the code provisions as set out in the CG Code were met by the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the required standards of the Model Code regarding Directors' securities transactions during the Reporting Period.

REVIEW OF INTERIM RESULTS

The audit committee of the Board has reviewed, together with the management of the Group, the accounting principles and policies adopted by the Group, and discussed and reviewed the unaudited condensed consolidated financial information of the Group for the Reporting Period and recommended the adoption of the same by the Board.

PricewaterhouseCoopers, the auditor of the Group, has reviewed the unaudited condensed consolidated interim financial information of the Group for the Reporting Period, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF INTERIM RESULTS AND 2026 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement will be published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkexnews.hk) and the Company (www.sinomax.com/group), and the interim report for the Reporting Period containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board
Sinomax Group Limited
Lam Chi Fan
Chairman

Hong Kong, 25 August 2026

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.