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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sinomax Group Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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# SINOMAX

## 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)

### (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES (2) PROPOSED RE-ELECTION OF DIRECTORS AND (3) NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the annual general meeting of the Company to be held at Room 636, 6/F, KITEC, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong, on Thursday, 18 June 2020 at 10:00 a.m. is set out on pages 20 to 25 of this circular.

A form of proxy for the annual general meeting is enclosed with this circular. Whether or not you intend to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54 Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

#### Precautionary Measures for the AGM

In light of the recent outbreak of the novel coronavirus disease (“COVID-19”), the following precautionary measures will be implemented at the AGM to safeguard the health and safety of the attendees:

- compulsory body temperature checks on each attendee;
- mandatory wearing of surgical face masks for each attendee throughout the AGM;
- no refreshment or drinks will be served; and
- no souvenirs will be provided.

Further details on the precautionary measures are set out on page 8 of this circular. **Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. In the interest of the health and safety of the attendees, the Company advises the Shareholders, particularly the Shareholders who are subject to quarantine in relation to COVID-19, to exercise their voting rights by appointing the Chairman of the AGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person.**

Subject to the development of COVID-19, the Company may implement further precautionary measures at the AGM and may publish further announcement(s) in relation to such measures as and when appropriate.

15 May 2020

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2019 Annual Report”	the annual report of the Company for the year ended 31 December 2019
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“AGM”	the annual general meeting of the Company to be held at Room 636, 6/F, KITEC, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong, on Thursday, 18 June 2020 at 10:00 a.m. or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 20 to 25 of this circular
“Articles”	the articles of association of the Company (as amended from time to time)
“Board”	the board of Directors
“BVI”	British Virgin Islands
“close associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Sinomax Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning as ascribed to it under the Listing Rules and in respect of the Company, comprises Sinomax Enterprises Limited, Mr. Lam Chi Fan, Mr. Cheung Tung, Mr. Chen Feng and Ms. Cheung Shui Ying as at the Latest Practicable Date

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## DEFINITIONS

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“core connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the ordinary resolution in relation thereto at the AGM
“Latest Practicable Date”	12 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company (as amended from time to time)
“Nomination Committee”	the nomination committee of the Company
“Post-IPO Share Option Scheme”	the post-IPO share option scheme conditionally adopted by the Company on 4 March 2014
“PRC”	the People’s Republic of China
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme conditionally adopted by the Company on 13 December 2013 and expired on 10 July 2014, being the listing date of the Company

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## DEFINITIONS

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“Repurchase Mandate”	a general and unconditional mandate to repurchase such number of the fully paid up Shares not exceeding 10% of the number of the issued Shares as at the date of passing the ordinary resolution in relation thereto at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vistra”	Vistra Trust (BVI) Limited, previously known as Orangefield Trustees (BVI) Limited, a company incorporated in the BVI on 6 April 2010, and a professional trustee authorised to provide trustee services pursuant to a licence issued by BVI Financial Services Commission on 29 May 2013
“%”	per cent.

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## LETTER FROM THE BOARD

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# SINOMAX

## 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)**

*Executive Directors:*

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)*

Ms. Lam Fei Man

*Independent non-executive Directors:*

Mr. Wong Chi Keung

Professor Lam Sing Kwong, Simon

Mr. Fan Chun Wah, Andrew, J.P.

Mr. Zhang Hwo Jie

Mr. Wu Tak Lung

*Registered Office:*

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

*Principal place of business*

*in Hong Kong:*

Units 2005-2007

Level 20 Tower 1

MegaBox Enterprise Square Five

38 Wang Chiu Road

Kowloon Bay

Hong Kong

15 May 2020

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
(2) PROPOSED RE-ELECTION OF DIRECTORS  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM involving, among others, (i) the granting of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate to include the Shares repurchased pursuant to the Repurchase Mandate; and (ii) the re-election of the retiring Directors, and to give you the AGM Notice.

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## **LETTER FROM THE BOARD**

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Resolutions relating to the granting of the Issue Mandate and the Repurchase Mandate, the re-election of the retiring Directors and certain other resolutions to be passed as ordinary resolutions will be proposed at the AGM.

### **2. ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITOR**

The 2019 Annual Report incorporating the audited consolidated financial statements of the Company for the year ended 31 December 2019 and the reports of the Directors and the auditor will be sent together with this circular to the Shareholders. The audited consolidated financial statements of the Company for the year ended 31 December 2019 have been reviewed by the audit committee of the Company.

### **3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

#### **Issue Mandate**

At the AGM, an ordinary resolution will be proposed to the Shareholders to grant to the Directors the Issue Mandate.

Subject to the passing of the ordinary resolution approving the grant of the Issue Mandate at the AGM and on the basis that 1,750,002,000 Shares were in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased by the Company on or prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 350,000,400 Shares representing 20% of the aggregate number of the issued Shares as at the date of passing of the ordinary resolution in relation thereto at the AGM.

The Issue Mandate will end on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Issue Mandate by ordinary resolution of the Shareholders in general meeting of the Company.

#### **Repurchase Mandate**

At the AGM, an ordinary resolution will also be proposed to the Shareholders to grant to the Directors the Repurchase Mandate.

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## LETTER FROM THE BOARD

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Subject to the passing of the ordinary resolution approving the grant of the Repurchase Mandate at the AGM and on the basis that 1,750,002,000 Shares were in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased by the Company on or prior to the AGM, the exercise of the Repurchase Mandate in full will result in up to 175,000,200 Shares being repurchased by the Company, representing 10% of the aggregate number of the issued Shares as at the date of passing of the ordinary resolution in relation thereto at the AGM.

The Repurchase Mandate will end on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting of the Company.

Conditional on the passing of the resolutions to approve the grant of the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to authorise the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares under the Issue Mandate by adding those Shares repurchased by the Company pursuant to the Repurchase Mandate.

The Directors wish to state that they have no immediate plans to repurchase any Shares or to allot and issue any new Shares, other than Shares which may fall to be allotted and issued upon the exercise of any options that have been or may be granted under the share option schemes of the Company.

An explanatory statement providing the requisite information regarding the Repurchase Mandate as required to be sent to Shareholders under the Listing Rules is set out in Appendix I to this circular.

#### **4. RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to Article 16.18 of the Articles, Mr. Lam Chi Fan, Mr. Cheung Tung, Mr. Cheng Feng and Mr. Lam Kam Cheung will retire from office as Directors by rotation at the AGM and, being eligible, have offered themselves for re-election as Directors at the AGM.

The biographical details of each of the retiring Directors, as required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, are set out in Appendix II to this circular.



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## **LETTER FROM THE BOARD**

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The Nomination Committee has assessed the proposed re-election of each of the retiring Directors and has recommended to the Board that the re-election be proposed at the AGM and be recommended to the Shareholders. The recommendation was made in accordance with the nomination policy of the Company, taking into account a wide range of diversity aspects (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) and with due regards for the benefits of diversity of the Board as set out in the board diversity policy of the Company. The Nomination Committee is of the view that each of the retiring Directors has provided valuable contributions and objective and balanced views to the Board in relation to the Company's affairs and, having considered the depth and breadth of the professional experience, skills and knowledge of each retiring Director, is satisfied that each of them will continue to contribute to the diversity of the Board.

### **5. RE-APPOINTMENT OF AUDITORS**

The term of appointment of the Company's auditors, Deloitte Touche Tohmatsu, will come to an end at the conclusion of the AGM, and being eligible, have offered itself for re-appointment at the AGM.

The Board (which was endorsed by the audit committee of the Company) proposed that, subject to the auditors' re-appointment being approved by the Shareholders at the AGM, Deloitte Touche Tohmatsu be re-appointed as the auditors of the Company until the conclusion of the next annual general meeting of the Company.

### **6. ANNUAL GENERAL MEETING**

The AGM Notice is set out on pages 20 to 25 of this circular. At the AGM, ordinary resolutions will be proposed to approve, amongst others, the grant of the Issue Mandate and the Repurchase Mandate and the re-election of the retiring Directors.

The register of members of the Company will be closed from Monday, 15 June 2020 to Thursday, 18 June 2020, both days inclusive, during which period, no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2020.

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## LETTER FROM THE BOARD

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A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Accordingly, all resolutions proposed at the AGM shall be voted by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, (i) no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM; and (ii) as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he/she/it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her/its Shares to a third party, either generally or on a case-by-case basis.

### 7. PRECAUTIONARY MEASURES FOR THE AGM

In light of the recent outbreak of the novel coronavirus disease ("COVID-19"), the Company will implement the following precautionary measures at the AGM to safeguard the health and safety of the attendees of the AGM:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.3 degree Celsius will be denied entry into the AGM venue.
- (ii) Every attendee will be required to wear a surgical face mask and to maintain an appropriate distance from other attendees throughout the AGM and at all times at the AGM venue. Please note that no surgical face masks will be provided at the AGM venue and attendees should prepare their own masks.
- (iii) No refreshment or drinks will be served at the AGM venue.
- (iv) No souvenirs will be provided at the AGM.

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## LETTER FROM THE BOARD

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Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry to the AGM venue. To the extent permitted by law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue so as to ensure the health and safety of the attendees of the AGM.

The Company wishes to remind all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. In the interest of the health and safety of the attendees of the AGM, the Company advises the Shareholders, particularly the Shareholders who are subject to quarantine in relation to COVID-19, to exercise their voting rights by appointing the Chairman of the AGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person. A form of proxy for use at the AGM is enclosed with this circular and is also published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.sinomax.com/>). Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks, brokers or custodians (as the case may be) to assist them in the appointment of proxy.

Subject to the development of COVID-19, the Company may implement further precautionary measures at the AGM and may publish further announcement(s) in relation to such measures as and when appropriate.

### 8. RECOMMENDATION

The Directors consider that all resolutions to be proposed at the AGM, including the proposed grant to the Directors of the Issue Mandate and the Repurchase Mandate and the re-election of the retiring Directors, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Sinomax Group Limited**  
**Lam Chi Fan**  
*Chairman*

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## **APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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*This is an explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to be given to all Shareholders relating to an ordinary resolution to be proposed at the AGM authorising the Repurchase Mandate.*

### **1.      EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, there were 1,750,002,000 Shares in issue. Subject to the passing of the ordinary resolution approving the grant of the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased on or prior to the AGM, exercise in full of the Repurchase Mandate could result in up to 175,000,200 Shares, representing 10% of the aggregate number of the issued Shares as at the date of passing of the ordinary resolution in relation thereto at the AGM, being repurchased by the Company during the period from the passing of the said resolution up to the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting of the Company.

### **2.      REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

### **3.      FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Main Board of the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the laws of the Cayman Islands, any repurchases of Shares by the Company may be made out of its profits, out of the Company's share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be repurchased must be provided for out of profits or the share premium account of the Company or, if authorised by the Articles and subject to the Companies Law, out of capital.

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**APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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**4.      MATERIAL ADVERSE IMPACT IN THE EVENT OF REPURCHASE IN FULL**

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate is exercised in full, it might have a material adverse impact on the working capital and/or the gearing position of the Company as compared with the financial position of the Company as at 31 December 2019, being the date on which its latest published audited financial statements were made up. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital and/or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**5.      SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
May 2019	0.335	0.248
June 2019	0.265	0.219
July 2019	0.250	0.226
August 2019	0.214	0.188
September 2019	0.231	0.188
October 2019	0.250	0.190
November 2019	0.265	0.218
December 2019	0.225	0.205
January 2020	0.207	0.182
February 2020	0.232	0.194
March 2020	0.199	0.169
April 2020	0.170	0.129
May 2020 (up to the Latest Practicable Date)	0.148	0.121

**6.      UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and the Articles and the laws of the Cayman Islands.

**7.      DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, none of the Directors nor any of their respective close associates has a present intention, in the event that the grant of the Repurchase Mandate is approved by the Shareholders and exercised, to sell any Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, nor has he/she/it undertaken not to do so, in the event that the grant of the Repurchase Mandate is approved by the Shareholders and exercised.

**8.      TAKEOVERS CODE AND PUBLIC FLOAT REQUIREMENT**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

## APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by the Directors, the following parties were interested in 5% or more of the then issued share capital of the Company:

Name	Name of interest	Number of Shares/ underlying Shares <sup>(1)</sup>	Approximate percentage of shareholding as at the Latest Practicable Date <sup>(2)</sup>	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Lam Chi Fan	Founder of a discretionary trust	1,275,906,000 (L) <sup>(3)</sup>	72.91%	81.01%
	Beneficial owner	1,500,000 (L) <sup>(4)</sup>	0.09%	0.52%
Cheung Shui Ying	Founder of a discretionary trust	1,275,906,000 (L) <sup>(5)</sup>	72.91%	81.01%
Sinomax Enterprises Limited <sup>(6)</sup>	Beneficial owner	1,275,906,000 (L)	72.91%	81.01%
Chi Fan Holding Limited	Interest of a controlled corporation	1,275,906,000 (L)	72.91% <sup>(7)</sup>	81.01%
The James' Family Holding Limited	Interest of a controlled corporation	1,275,906,000 (L)	72.91% <sup>(8)</sup>	81.01%
Vistra <sup>(9)</sup>	Trustee of various trusts	1,275,906,000 (L)	72.91%	81.01%
Li Ching Hau	Interest of spouse	1,277,406,000 (L)	72.99% <sup>(10)</sup>	81.53%

*Notes:*

- (1) The letter "L" denotes long position.
- (2) The calculation is based on 1,750,002,000 Shares in issue as at the Latest Practicable Date.
- (3) These Shares belong to Sinomax Enterprises Limited. Sinomax Enterprises Limited is legally and beneficially owned as to 37.5% by Chi Fan Holding Limited and hence by The Frankie Trust. The Frankie Trust is a discretionary family trust established by Lam Chi Fan as settlor and Vistra acting as the trustee. The beneficiaries of The Frankie Trust are Lam Chi Fan and his family members.
- (4) Lam Chi Fan, an executive Director, was granted share options to subscribe for 6,650,000 Shares under the Pre-IPO Share Option Scheme, all of which remained outstanding immediately before the lapse of the Pre-IPO Share Option Scheme on 10 July 2019 and had not been exercised. Further, Lam Chi Fan has been granted share options to subscribe for 1,500,000 Shares under the Post-IPO Share Option Scheme, all of which are still outstanding.

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## APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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- (5) These Shares belong to Sinomax Enterprises Limited. Sinomax Enterprises Limited is legally and beneficially owned as to 37.5% by The James' Family Holding Limited and hence by The James' Family Trust. The James' Family Trust is a discretionary family trust established by Cheung Shui Ying as settlor and Vistra acting as the trustee. The beneficiaries of The James' Family Trust are Cheung Shui Ying and her family members.
- (6) Sinomax Enterprises Limited is legally owned as to 37.5%, 37.5%, 12.5% and 12.5% by Chi Fan Holding Limited, The James' Family Holding Limited, Wing Yiu Investments Limited and Venture Win Holdings Limited, respectively, and beneficially owned in the same proportion by The Frankie Trust, The James' Family Trust, The Cheung's Family Trust and The Feng Chen's Family Trust, respectively.
- (7) These Shares belong to Sinomax Enterprises Limited, which is legally owned as to 37.5% by Chi Fan Holding Limited.
- (8) These Shares belong to Sinomax Enterprises Limited, which is legally owned as to 37.5% by The James' Family Holding Limited.
- (9) Vistra acts as the trustee of The Frankie Trust, The James' Family Trust, The Cheung's Family Trust and The Feng Chen's Family Trust. The beneficiaries of The Frankie Trust are Lam Chi Fan and his family members. The beneficiaries of The Cheung's Family Trust are Cheung Tung and his family members. The beneficiaries of The James' Family Trust are Cheung Shui Ying and her family members. The beneficiaries of The Feng Chen's Family Trust are Chen Feng and his family members.
- (10) These interests belong to Lam Chi Fan, the spouse of Li Ching Hau. Under the SFO, Li Ching Hau is deemed to be interested in the same number of Shares in which Lam Chi Fan is interested.

In the event that the Directors exercise in full the Repurchase Mandate and assuming no further Shares are issued by the Company, the interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column of the table above (assuming that the number of Shares then held by each of such Shareholders remain the same). Such increases would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

The Listing Rules prohibit a company from making repurchases on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the company's total number of issued shares would be in public hands. The Directors have no present intention to exercise the Repurchase Mandate to an extent that the aggregate number of the Shares in public hands would be reduced to less than such prescribed minimum percentage.

### **9. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.



*The biographical details of the Directors proposed to be re-elected at the AGM, as required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, are set out below:*

**1. Mr. LAM Chi Fan (林志凡先生) – executive Director**

Mr. Lam Chi Fan (“**Mr. Lam**”), aged 61, is a co-founder of the Group, the Chairman and an executive Director. Mr. Lam is also the chairman of the Company’s nomination committee and a member of the Company’s remuneration committee. Mr. Lam was appointed to the Board in June 2012. Mr. Lam is responsible for formulation of the overall business strategies of the Group. He is also responsible for the business planning and management of the Group. Mr. Lam is also a director of certain subsidiaries of the Group. Mr. Lam has over 20 years’ experience in the polyurethane foam business. Prior to founding the Group in January 2000, he was a director of Luen Tai Component Limited, a company engaged in the sales of foam products, from March 1991 to July 1996. He is a member of the 13th Chinese People’s Political Consultative Conference Jiashan, Zhejiang Province Committee (中國人民政治協商會議浙江省嘉善縣第十三屆委員會特邀委員), the vice president of the Shau Kei Wan District of the Scout Association of Hong Kong (香港童軍總會筲箕灣區副會長) and an affiliated supervisor of the Huangpu Customs of the PRC (中華人民共和國黃埔海關辦事處特邀監督員) and the president of the Dongguan City Tang Xia Association of Enterprises with Foreign Investment (東莞市塘廈外商投資企業協會會長).

Mr. Lam is the uncle of Mr. Cheung Tung, the President and an executive Director; the father of Mr. Lam Sze Chiu, a senior management member of the Group; and a cousin of Ms. Lam Fei Man, an executive Director.

As at the Latest Practicable Date, Mr. Lam was interested in 1,277,406,000 Shares (including his personal interests in share options granted by the Company to subscribe for 1,500,000 Shares) within the meaning of Part XV of the SFO.

Mr. Lam has entered into a service agreement with the Company for a term of three years with effect from 11 July 2017, which may be terminated by either party giving at least three months’ prior notice in writing. Pursuant to such service contract, Mr. Lam is entitled to director’s fees of HK\$2,029,183 per annum.

**2. Mr. CHEUNG Tung (張棟先生) – executive Director**

Mr. Cheung Tung (“**Mr. Cheung**”), aged 44, is the President of the Company and an executive Director. Mr. Cheung joined the Group in 2003 as the Chairman’s assistant, responsible for handling the information technology infrastructure of the Group. He was appointed to the Board in June 2012. He is currently responsible for the overall management and daily operations of the Group. He is also a director of certain subsidiaries of the Group. Prior to joining the Group, Mr. Cheung assisted in setting up C&T Solutions Limited, a company engaged in providing information technology services, in March 2000. Mr. Cheung holds a bachelor’s degree in computer engineering from the Hong Kong University of Science and Technology and a master’s degree in business administration jointly issued by Northwestern University and the Hong Kong University of Science and Technology. Mr. Cheung was granted the “Young Industrialist Award of Hong Kong 2014” by the Federation of Hong Kong Industries.

Mr. Cheung is a nephew of Mr. Lam Chi Fan, the Chairman and an executive Director; a nephew of Ms. Lam Fei Man, an executive Director; and a cousin of Mr. Lam Sze Chiu, a senior management member of the Group.

As at the Latest Practicable Date, Mr. Cheung had personal interests in share options granted by the Company to subscribe for 1,500,000 Shares within the meaning of Part XV of the SFO.

Mr. Cheung has entered into a service agreement with the Company for a term of three years with effect from 11 July 2017, which may be terminated by either party giving at least three months’ prior notice in writing. Pursuant to such service contract, Mr. Cheung is entitled to director’s fees of HK\$2,100,683 per annum.

**3. Mr. CHEN Feng (陳楓先生) – executive Director**

Mr. Chen Feng (“**Mr. Chen**”), aged 56, is an executive Director. He was appointed to the Board in June 2012. He is responsible for the overall management of the export sales business and product development of the Group. He is also the key executive in mapping the sales and marketing strategies in the United States (the “**US**”) through Sinomax USA Inc. (“**Sinomax USA**”). He is a director of certain subsidiaries of the Group. Mr. Chen joined the Group on in January 2000 as an export sales manager and became the vice president of the Group in 2007. He assisted in setting up Sinomax USA, a company engaging in export sales in the US, and has been the president and director of Sinomax USA since its establishment in 2005. Mr. Chen holds a Master of Science degree in industrial engineering from Louisiana State University and a Bachelor of Engineering degree in safety engineering from Beijing College of Economics, now known as Capital University of Economics and Business.

Mr. Chen is a cousin of the mother of Ms. Lam Fei Man, an executive Director.

As at the Latest Practicable Date, Mr. Chen had personal interests in share options granted by the Company to subscribe for 1,000,000 Shares within the meaning of Part XV of the SFO.

Mr. Chen has entered into a service agreement with the Company for a term of three years with effect from 11 July 2017, which may be terminated by either party giving at least three months’ prior notice in writing. Pursuant to such service contract, Mr. Chen is entitled to director’s fees of HK\$2,504,880 per annum.

**4. Mr. LAM Kam Cheung (林錦祥先生) – executive Director**

Mr. Lam Kam Cheung (“**Mr. Lam**”), aged 52, is an executive Director, chief financial officer and company secretary of the Company. Mr. Lam joined the Group in May 2004 as the financial controller and was appointed to the Board in June 2012. He was appointed as the chief financial officer in August 2013 and is responsible for the financial management of the Group. Mr. Lam has over 20 years’ experience in accounting and auditing. Prior to joining the Group, he was an executive director and company secretary of Yeebo (International Holdings) Limited (stock code: 0259), a listed public company in Hong Kong, from October 1995 to May 2004. Mr. Lam holds a bachelor’s degree in business administration from the Chinese University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

As at the Latest Practicable Date, Mr. Lam had personal interests in share options granted by the Company to subscribe for 1,000,000 Shares within the meaning of Part XV of the SFO.

Mr. Lam has entered into a service agreement with the Company for a term of three years with effect from 11 July 2017, which may be terminated by either party giving at least three months’ prior notice in writing. Pursuant to such service contract, Mr. Lam is entitled to director’s fees of HK\$1,640,616 per annum.

**GENERAL**

Save as disclosed above, as at the Latest Practicable Date and to the best knowledge and belief of the Board, the Directors confirmed that each of Mr. Lam Chi Fan, Mr. Cheung Tung, Mr. Chen Feng and Mr. Lam Kam Cheung:

- (a) did not hold any directorship in other listed public companies in the last three years;
- (b) did not hold any other positions with the Company or any member of the Group;
- (c) was not connected and did not have any relationship with any Director, senior management of the Company, substantial shareholder of the Company or Controlling Shareholder; and
- (d) had no interests in the Shares which are required to be disclosed under Part XV of the SFO.

Save for the information set out in this section and in the 2019 Annual Report, there is no other matter relating to the above Directors which is required to be brought to the attention of the Shareholders or which is required to be disclosed under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

\* *English translated name is for identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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# SINOMAX

## 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)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of Sinomax Group Limited (the “**Company**”) will be held at Room 636, 6/F, KITEC, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong, on Thursday, 18 June 2020 at 10:00 a.m. for the following purposes:

### ORDINARY RESOLUTIONS

1. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2019;
2. To consider the re-election of the following Directors:
  - (a) Mr. Lam Chi Fan, as an executive Director;
  - (b) Mr. Cheung Tung, as an executive Director;
  - (c) Mr. Chen Feng, as an executive Director; and
  - (d) Mr. Lam Kam Cheung, as an executive Director;
3. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To consider and approve the re-appointment of Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the Board to fix its remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING

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5. As special business, to consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and all other applicable laws, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares of HK\$0.1 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) the shares of the Company issued as a result of a Rights Issue (as hereinafter defined in paragraph (d) below);
  - (ii) the exercise of options granted under the share option schemes or similar arrangement adopted by the Company from time to time;
  - (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares of the Company in lieu of the whole or part of the dividend on the shares of the Company in accordance with the articles of association of the Company and other relevant regulations in force from time to time; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed the aggregate of:
  - (aa) 20% of the aggregate number of issued shares of the Company on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of issued shares of the Company which may be repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate number of issued shares of the Company on the date of the passing of this resolution); and
- (d) for the purpose of this resolution, the “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
  - (iii) the date on which the authority given under this resolution is revoked, varied or renewed by an ordinary resolution of the shareholders of the Company in general meeting of the Company.

“**Rights Issue**” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to the holders of shares or any class of shares of the Company whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange outside Hong Kong).”



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## NOTICE OF ANNUAL GENERAL MEETING

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6. As special business, to consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase shares of the Company on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company to be repurchased or agreed to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) above during the Relevant Period shall not exceed 10% of the number of the issued shares of the Company on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws of the Cayman Islands to be held; or
  - (iii) the date on which the authority given under this resolution is revoked, varied or renewed by an ordinary resolution of the shareholders of the Company in general meeting of the Company.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. As special business, to consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

“**THAT** conditional upon resolutions numbered 5 and 6 above being passed, the aggregate number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution 6 above shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution 5, provided that the number of shares repurchased by the Company shall not exceed 10% of the total number of the issued shares of the Company on the date of the passing of this resolution.”

Yours faithfully,  
For and on behalf of the Board  
**Sinomax Group Limited**  
**Lam Chi Fan**  
*Chairman*

Hong Kong, 15 May 2020

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint another person (who must be an individual) as his/her/its proxy to attend and vote instead of him/her/it and a proxy so appointed shall have the same right as the shareholder to speak at the Meeting. A proxy need not be a shareholder of the Company. A member (whether or not a recognised clearing house) may appoint any number of proxies to attend in his/her/its stead at the Meeting.
2. In the case of joint holders of any shares of the Company, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding the Meeting (or any adjournment thereof).
4. In order to determine the right to attend the Meeting, the register of members of the Company will be closed from Monday, 15 June 2020 to Thursday, 18 June 2020, both days inclusive, during which period, no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the Meeting, all transfer of shares of the Company accompanied by the relevant share certificates transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2020.
5. Completion and return of the form of proxy by a shareholder of the Company should not preclude such shareholder from attending and voting in person at the Meeting or any adjournment thereof and in such event, the form of proxy shall be deemed to be revoked.
6. In light of the recent outbreak of the novel coronavirus disease ("COVID-19"), the following precautionary measures will be implemented at the Meeting to safeguard the health and safety of the attendees:
  - compulsory body temperature checks on each attendee;
  - mandatory wearing of surgical face masks for each attendee throughout the Meeting;
  - no refreshment or drinks will be served; and
  - no souvenirs will be provided.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the Meeting venue. In the interest of the health and safety of the attendees of the Meeting, the Company advises the shareholders of the Company, particularly the shareholders who are subject to quarantine in relation to COVID-19, to exercise their voting rights by appointing the Chairman of the Meeting as their proxy to vote according to their indicated voting instructions as an alternative to attending the Meeting in person.