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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)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by Sinomax Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The Group was recently informed by one of its customers in the United States of America (“**U.S.**”), Serta Simmons Bedding, LLC (“**SSB**”), that it has entered into a restructuring support agreement with key financial stakeholders that will significantly reduce its debt and enable it to continue making critical investments in its business and brands. To implement the restructuring contemplated by the agreement, SSB and most of its U.S. corporate entities have initiated a voluntary pre-arranged court-supervised process (“**Reorganisation Plan**”) under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “**SSB Filing**”).

SSB, one of the leading global sleep companies, started doing business with the Group in the financial year ended 31 December 2017 and has since then become one of the five largest customers of the Group. As at the date of this announcement, the outstanding trade receivables from SSB amounted to approximately US\$6.3 million.

Based on information available to the Company, SSB expects business to continue as usual throughout process of the Reorganisation Plan. In addition, SSB filed a number of motions, among others, seeking court permission to pay suppliers, including the Group, for goods and services that were provided prior to the bankruptcy filing date. SSB has indicated that it expects trade vendors and suppliers will be paid in full under normal terms for goods and services provided on or after the filing date. According to SSB, its stores in the U.S. and online stores will continue to operate as usual. In addition, SSB indicated that it has received a commitment for US\$125 million exit credit facility available upon its emergence from Chapter 11 and US\$125 million in debtor-in-possession financing to support its business during the Reorganisation Plan.

In light of the Reorganisation Plan, the Board is of the view that the SSB Filing is unlikely to have any significant impact on the Group's business or financial condition. The Company will closely monitor the progress of the SSB Filing and take appropriate action to minimize the negative impact on the Group, if any. The Company will make further announcement to inform the shareholders and potential investors of any material developments of the matter as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 7 February 2023

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.