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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

Reference is made to the announcement (the “**Announcement**”) of Sinomax Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) dated 7 February 2023 in relation to one of the Group’s customers, Serta Simmons Bedding, LLC (“**SSB**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made by the Company 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).

SSB announced on 29 June 2023 (U.S. time) that it had concluded its financial restructuring and emerged from the process under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “**Emergence**”). A new board of directors has been appointed to oversee SSB. SSB indicated that as a result of the Chapter 11 process, it successfully reduced its funded debt from approximately US\$1.9 billion to approximately US\$315 million. In addition, SSB has obtained a US\$100 million revolving credit facility which, along with substantial cash on hand and cash generated from operations, will provide additional financial flexibility to support the company’s strategic initiatives.

As at the date of this announcement, the outstanding trade receivables from SSB to the Company amounted to approximately US\$6.1 million. To the best knowledge, information and belief of the directors of the Company after making reasonable enquiries, repayments from SSB in respect of the pre-petition outstanding trade receivables amounting to US\$3.4 million will be made within 60 days from 29 June 2023, the effective date of the Emergence, and the Company is expected to receive the repayments on or before 28 August 2023. For the remaining balance of US\$2.7 million, SSB is expected to make the repayments in accordance with the regular repayment schedule.

The Board is of the view that the Emergence is unlikely to have any significant impact on the Group's business or financial condition. The Company will closely monitor the outstanding balance from SSB and assess the provision where necessary. The Company will make further announcement to inform the shareholders and potential investors of any material developments of the matter as and when appropriate.

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

Hong Kong, 30 June 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, Mr. Zhang Hwo Jie and Dr. Cheung Wah Keung.