



## Sinomax Invests in Dormeo NA

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### **Broadens Sales Network and Enhances Leading Position in the U.S. Memory Foam Market**

(Hong Kong, 7 October 2015) – **Sinomax Group Limited** (“Sinomax,” together with its subsidiaries, the “Group”) (stock code: 1418), a leading marketer, manufacturer and distributor of quality visco-elastic (“memory foam”) pillows, mattress toppers and mattresses in the United States (the “U.S.”), Hong Kong and the PRC, is pleased to announce that Sinomax USA, a wholly-owned subsidiary of the Group, has invested in Dormeo North America, LLC (“Dormeo NA”), a mattress company in the U.S..

This strategic move marks significant progress in enriching Sinomax’s brand recognition and broadening the sales network in the North America memory foam market. Upon completion of the investment, Dormeo NA plans to expand the manufacturing facility at Winchester, VA, tripling the production capacity within two months. In view of the growing demand for “made in U.S.A.” products in the U.S. market, the investment in Dormeo NA effectively creates a new production line for Sinomax in the country to better serve customers’ needs and further enhancing the Group’s vertically-integrated business model and cost efficiency.

As part of the transaction, Mr. Frank Chen, President and Chief Executive Officer of Sinomax USA and Mr. Kelvin Lam, Chief Financial Officer of Sinomax will become members of the Board of Dormeo NA.

**Mr. Jon Stowe, Chief Executive Officer of Dormeo NA**, said, “Sinomax’s strong financial commitment to Dormeo NA, in conjunction with their vast global supply chain, infrastructure and resources will provide us with significant advantages in advancing our market penetration, brand awareness and supply chain efficiencies. This transaction marks a very important step in significantly boosting commercial opportunities for Dormeo NA.”

**Mr. Frankie Lam, Chairman of Sinomax**, said, “We are pleased to strategically strengthen Sinomax’s leadership position in the U.S. memory foam market. The investment in Dormeo NA would definitely create powerful synergies with Sinomax in terms of customer base and product portfolio, as well as broaden our sales distribution network. It presents a huge opportunity for Sinomax to further increase its market share in the U.S. Going forward, we are continuing to explore possible strategic business opportunities in line with the Group’s business vision to bolster its presence in different geographical markets which in turn would fuel sustainable growth.”

**About Sinomax (stock code: 1418)**

Sinomax is a leading marketer, manufacturer and distributor of quality memory foam pillows, mattress toppers and mattresses in the U.S., Hong Kong and the PRC. It is a well-known brand in both Hong Kong and the PRC retail markets for visco-elastic health and wellness products and it is also one of the leading suppliers of mainstream visco-elastic health and wellness products in the U.S. The Group sells its comprehensive product line in different markets under its own brands "SINOMAX", "ComforZen", "Dream Serenity", "Customizer" and "Zeopedic" and licensed brands "Sharper Image", "Awaken by Joan Lunden" and "HoMedics". As at 30 June 2015, the Group had an estimated retail and distribution network comprising more than 6,000 points of sale in the U.S. and 442 points of sale in Hong Kong, the PRC and Macau.

**About Dormeo NA**

Dormeo NA is part of the Suido Moderna Group ("SMG"), a leading European multi-channel direct marketing company. SMG sells its product under the brand "Dormeo", which has been a leading mattress brand in Europe and Asia. SMG made its North American debut as Dormeo Octaspring in 2012 and introduced its patented Octaspring to the U.S. market. A breakthrough in mattress technology, the Octaspring's individual memory foam springs work together to form the core of the revolutionary Octaspring mattress. Dormeo Octaspring has its U.S. showroom and distribution center in Plano, TX.