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(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 informed on 5 October 2018 by one of its customers in the United States of America (“**U.S.**”), Mattress Firm, Inc. that it is, together with its subsidiaries in the U.S. (collectively, “**Mattress Firm**”) taking steps to implement a pre-packaged plan of reorganisation (the “**Reorganisation Plan**”) that, among other things, provides Mattress Firm access to new financing to support its business and establishes an efficient and orderly process for closing certain underperforming store locations in the U.S. by filing voluntary Chapter 11 cases in the United States Bankruptcy Court for the District of Delaware (the “**Mattress Firm Filing**”).

Mattress Firm, one of North America’s leading specialty mattress retailers, 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 Mattress Firm amounted to approximately US\$5.7 million.

Based on information available to the Company, Mattress Firm has indicated that it will continue to operate its business subject to the oversight of the bankruptcy court in ordinary course. In addition, Mattress Firm filed a motion, among others, seeking court authorization to pay trade creditors, including the Group, in full under normal terms for all goods and services provided prior to and after the filing date. According to Mattress Firm, its stores in the U.S. and online stores will continue to operate as usual after the Mattress Firm Filing. In addition, Mattress Firm indicated that it has received commitments for US\$250 million in debtor-in-possession financing and US\$525 million of senior secured credit facilities to support its business after completion of the Reorganisation Plan.

In light of the Reorganisation Plan, the Board is of the view that the Mattress Firm 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 Mattress Firm 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 October 2018

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. Fan Chun Wah Andrew, JP, Mr. Zhang Hwo Jie and Mr. Wu Tak Lung.