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CHINA TAIFENG BEDDINGS HOLDINGS LIMITED
中國泰豐床品控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 873)

**DELAY IN PUBLICATION OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2014 AND
PROPOSED CHANGE OF AUDITORS**

The board (the “Board”) of directors (the “Directors”) of China Taifeng Beddings Holdings Limited (the “Company”) refers to the announcements of the Company dated 30 March 2015, 31 March 2015, 1 April 2015, 16 April 2015, 21 May 2015 and 2 June 2015 in relation to the delay in the publication of 2014 annual results and board meeting date (the “Announcements”).

Unless otherwise stated, capitalized terms defined in the Announcements shall have the same meanings when used in this announcement.

PROPOSED CHANGE OF AUDITORS

The Board of the Company wishes to announce that Baker Tilly Hong Kong Limited (“BTHK”), the Auditors of the Company and its subsidiaries (“Group”), have resigned with effect from 25 June 2015.

In their letter of resignation (“letter of resignation”) to the Board and Audit Committee of the Company dated 25 June 2015, which the Company received in the afternoon of 25 June 2015, BTHK stated that the reasons for their resignation are as follows:

1. The professional risks associated with the audit of the Group for the year ended 31 December 2014; and
2. The disagreement of additional audit fees on extended audit procedures.

In their letter of resignation, BTHK also referred to certain areas that has been observed during the course of the 2014 Audit which they would need to perform extended audit procedures in order to finalize the 2014 Audit. The audit areas require additional procedures are (a) to ascertain the fair value assessments of the estimated recoverable amounts of the Group’s assets which may be impaired as a result of the latest financial position of the Company; (b) to ascertain the cash flow position of the Company as a result of the latest situation of the Company including the liquidity position of the Company as disclosed in the Company’s announcements dated 12 December and 15 December 2014, respectively; (c) to ascertain the reasonableness of the expenses in respect of the Group’s channel restructuring plan carried out during the year; (d) to ascertain the recognition of certain sales and corresponding trade receivables; and (e) to ascertain the value of certain provision and guarantee.

BTHK confirms that other than the reasons stated in their letter of resignation as mentioned above, there are no matters that need to be brought to the attention of holders of securities of the Company.

The Board also confirms that there are no other matters in respect of the resignation of BTHK that need to be brought to the attention of holders of securities of the Company.

The Board has resolved to propose Elite Partners CPA Limited (開元信德會計師事務所有限公司) (“Elite Partners”) as the Group’s auditors to fill the casual vacancy following the resignation of BTHK, and to hold office until the conclusion of the next annual general meeting of the Company. The Company will render full co-operation and assistance to Elite Partners during the whole audit progress. At the Company’s request, Elite Partners has committed to devote sufficient resources to and closely manage the execution of this engagement with a target to complete their audit works in respect of the outstanding financial results of the Group as soon as possible.

SPECIAL INVESTIGATION COMMITTEE

For the sake of good corporate governance, the Board of the Company wishes to announce that the Company has established a Special Investigation Committee, comprising all independent non-executive Directors, namely Mr. Li Yuchun, Mr. Chan Kin Sang, and Mr. Dai Shunlin. The executive Directors have confirmed that they will fully cooperate and support the investigation to be conducted by the Special Investigation Committee. The terms of reference of the Special Investigation Committee are to investigate audit areas BTHK referred to that lead to the delay in publishing the 2014 Annual Results. In this connection, the Special Investigation Committee has engaged Elite Partners Risk Advisory Services Limited (鉅銘風險諮詢服務有限公司) to review internal control procedures on selected areas of the Group and they will report the significant findings and will suggest the improvements on those selected areas, if any, to the Special Investigation Committee.

The Company will issue a further announcement on the findings when the final reports are available.

CONTINUED SUSPENSION OF TRADING OF THE SHARES

As a result of the delay in publishing the 2014 Annual Results, trading in its shares on the Stock Exchange has been suspended and will remain suspended until further notice.

By order of the board of
China Taifeng Beddings Holdings Limited
Liu Qingping
Chairman

Hong Kong, 25 June 2015

As at the date of this announcement, the Board comprises of four executive Directors, namely, Mr. LIU Qingping, Mr. LI Dengxiang, Ms. QI Tongli and Mr. ZOU Shengzhong; and three independent non-executive Directors, namely, Mr. CHAN Kin Sang, Mr. LI Yuchun and Mr. DAI Shunlin.