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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)

UPDATE ON VERY SUBSTANTIAL ACQUISITION

This announcement is made by China Taifeng Beddings Holdings Limited (the “**Company**”) to provide its shareholders and potential investors with an update on the status of the very substantial acquisition referred to in its announcement dated 26 February 2015.

Reference is made to the announcement of the Company dated 26 February 2015 in relation to the suspension of trading in the shares of the Company with effect from 1:00 p.m. on 26 February 2015 pending the release of an announcement in relation to a very substantial acquisition of the Company under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Reference is also made to the announcement of the Company dated 7 January 2015 (the “**Announcement**”) in relation to (a) the memorandum of understanding dated 17 December 2014 and entered into between the Company and the administrator (the “**Administrator**”) of a PRC company currently under administration in the PRC (the “**Target Company**”) relating to the possible acquisition of the Target Company by the Company and (b) the proposed issue of new shares in the Company to two subscribers (the “**Subscription**”). Unless otherwise specified, capitalised terms defined in the Announcement shall have the same meanings when used in this announcement.

The Company is pleased to announce that on 26 February 2015, the Company and the Administrator entered into an equity transfer and investment agreement (the “**Investment Agreement**”), pursuant to which the Company has conditionally agreed, among other things, to acquire the 100% equity interest in the Target Company and provide funding to the Target Company to settle its liabilities in accordance with its debt restructuring plan to be approved by the PRC court (the “**Investment**”). The Investment constitutes a very substantial acquisition for the Company and is therefore subject to the announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

In connection with the Investment, the Company has also been negotiating with three other parties (the “**Relevant Parties**”) on various agreements related to the debt restructuring of the Target Company and the indemnification of potential liabilities of the Target Company (the “**Other Agreements**”). The Other Agreements have yet to be signed and the Company understands that the Relevant Parties are still in the process of obtaining their internal approval of such agreements. As the Other Agreements are related to the Investment, the Company’s intention is to issue a full announcement (the “**Formal Announcement**”) setting out details of both the Investment Agreement and the Other Agreements in accordance with the requirements of Chapter 14 of the Listing Rules once the Other Agreements have been entered into. If, for any reason, the Other Agreements are not entered into, the Company will engage in further discussions with the Administrator and Shandong Ruyi (being one of the subscribers under the Subscription) and depending on the outcome of those discussions, the Company may or may not then proceed with the Investment. The Company will make further announcement(s) to keep the market informed as necessary.

Trading in the shares of the Company will remain suspended until the release of the Formal Announcement (if the Investment proceeds), which is subject to the approval of The Stock Exchange of Hong Kong Limited before its release.

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

Hong Kong, 6 March 2015

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. LIU Qingping (Chairman), 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.