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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)

**FURTHER ANNOUNCEMENT ON DELAY IN PUBLICATION
OF 2014 ANNUAL RESULTS**

References are made to the announcements of the Company dated 30 March 2015, 31 March 2015, 1 April 2015 and 16 April 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.

**DELAY IN PUBLICATION OF 2014 ANNUAL RESULTS
ANNOUNCEMENT**

The reasons for the delay are (a) that the Company needs more time 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; and (b) that the auditors of the Company have indicated that more time is required 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; and to perform additional audit work on the reasonableness of the expenses in respect of the Group's channel restructuring plan carried out during the year and the sales and corresponding trade receivables for the year in order to finalise the audit of the consolidated financial statements of the Group for the year ended 31 December 2014. As the assessments and the audit work mentioned above are still in progress, the Board wishes to inform the shareholders of the Company that the 2014 Annual Results are expected to be released, and the Board Meeting to approve the 2014 Annual Results is expected to be held on 3 June 2015.

The Board and the management of the Company are doing their utmost to assist and cooperate with the auditors so that the 2014 Annual Results can be available as soon as practicable.

MANAGEMENT ACCOUNTS OF THE COMPANY

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditor (so far as the information is available).

The summary of the latest unaudited Management Accounts, together with the audited comparative figures for corresponding year ended 31 December 2013, is provided below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,261,041	2,147,618
Cost of sales	<u>(1,359,324)</u>	<u>(1,520,030)</u>
Gross (loss)/profit	(98,283)	627,588
Other income	17,629	10,120
Other gains and (losses)	(363,594)	(30,372)
Distribution and selling expenses	(704,767)	(109,289)
Administrative expenses	(31,976)	(35,718)
Finance costs	<u>(61,717)</u>	<u>(41,260)</u>
(Loss)/Profit before taxation	(1,242,708)	421,069
Income tax credit/(expense)	<u>54,698</u>	<u>(123,587)</u>
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	<u>(1,188,010)</u>	<u>297,482</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	376,943	425,228
Prepaid lease payments	6,747	6,925
Deposit paid for acquisition of land use rights and buildings	61,920	61,920
Trademark	6,934	6,934
Deferred tax assets	10,029	10,029
Available-for-sale investment	6,614	6,614
Lease deposit	–	27,000
Deferred expenses	–	8,615
	<u>469,187</u>	<u>553,265</u>
CURRENT ASSETS		
Inventories	50,505	71,751
Trade and other receivables and prepayments	1,312,192	1,465,179
Prepaid lease payments	178	178
Pledged bank deposits	–	12,400
Bank balances and cash	837,020	1,443,090
	<u>2,199,895</u>	<u>2,992,598</u>
CURRENT LIABILITIES		
Trade and other payables and accruals	698,310	354,163
Tax payable	47,254	46,925
Amount due to a shareholder	27,200	27,200
Amount due to a related party	9,983	–
Bank and other borrowings	479,988	428,100
Obligations under finance lease	270,000	40,000
	<u>1,532,735</u>	<u>896,388</u>
NET CURRENT ASSETS	<u>667,160</u>	<u>2,096,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,136,347</u>	<u>2,649,475</u>
NON-CURRENT LIABILITIES		
Obligations under finance lease	–	270,000
Deferred tax liabilities	–	55,118
	<u>–</u>	<u>325,118</u>
NET ASSETS	<u><u>1,136,347</u></u>	<u><u>2,324,357</u></u>

The Board of the Company has to emphasize that the financial information contained in this announcement has not been audited or reviewed by the auditors and may be subject to audit adjustments.

Therefore, shareholders and potential shareholders are advised to exercise caution when reading the above figures and when dealing in the securities of the Company.

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

Hong Kong, 21 May 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.