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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)

**DISCLOSEABLE TRANSACTIONS:
LOAN AGREEMENTS**

LOAN AGREEMENTS

On 11 December 2013, Shandong Taifeng, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement I with TTG (泰豐紡織集團有限公司).

Pursuant to the Loan Agreement I, Shandong Taifeng agreed to lend to TTG a principal amount of RMB237,000,000 (equivalent to approximately HK\$300 million).

On 15 December 2013, Shandong Taifeng entered into a separate loan agreement with Laiwu Fengze (山東萊蕪豐澤紡織有限公司) which was supplemented by the Supplemental Loan Agreement dated 10 January 2014.

Pursuant to the Loan Agreement II, Shandong Taifeng agreed to lend to Laiwu Fengze a principal amount of RMB243,100,000 (equivalent to approximately HK\$308 million).

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Transactions are more than 5% but less than 25%, each Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LOAN AGREEMENTS

Loan Agreement I

On 11 December 2013, Shandong Taifeng, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement I with TTG.

Principal terms of the Loan Agreement I are set out below:

Date: 11 December 2013

Parties:

Lender: Shandong Taifeng, an indirect wholly-owned subsidiary of the Company

Borrower: TTG (泰豐紡織集團有限公司)

Principal amount of loan: RMB237,000,000 (equivalent to approximately HK\$300 million), payable in instalments

Term of loan: Until 11 June 2014

Interest: 6.9% for the six-month period

Loan Agreement II

On 15 December 2013, Shandong Taifeng entered into a separate loan agreement with Laiwu Fengze which was supplemented by a Supplemental Loan Agreement dated 10 January 2014.

Principal terms of the Loan Agreement II are set out below:

Date: 15 December 2013 (after trading hours), supplemented by the Supplemental Loan Agreement dated 10 January 2014

Parties:

Lender: Shandong Taifeng, an indirect wholly-owned subsidiary of the Company

Borrower: Laiwu Fengze (山東萊蕪豐澤紡織有限公司)

Principal amount of loan: RMB243,100,000 (equivalent to approximately HK\$308 million), payable in instalments

Term of loan: Until 15 June 2014

Interest: 6.9% for the six-month period

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, TTG is principally engaged in the manufacture and sale of cotton and property development, and each of it and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Laiwu Fengze is principally engaged in the manufacture and sale of yarn and cotton, and each of it and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons. To the best of the Directors' knowledge, TTG and Laiwu Fengze are independent and not connected with each other.

The terms for each Loan Agreement were arrived at based on arm's length negotiations between the parties to the Loan Agreements and on normal commercial terms.

Security:

As security for the payment obligations of TTG under Loan Agreement I, TTG has agreed to charge two lots of land situated in Laiwu city (萊蕪市), Shandong province in favour of Shandong Taifeng.

As security for the payment obligations of Laiwu Fengze under Loan Agreement II, Laiwu Fengze has agreed to charge its inventories in favour of Shandong Taifeng.

Enforceability:

According to the legal opinion of a PRC qualified law firm dated on 20 March 2014, the Loan Agreements are not in compliance with the ‘*Lending General Provisions*’ (貸款通則) issued by the People’s Bank of China. In the event of a dispute between parties to either Loan Agreement, the principal amount under the relevant Loan Agreement is recoverable but the interest amount under the relevant Loan Agreement is not recoverable under PRC law.

INFORMATION ON THE COMPANY

The Company is principally engaged in the business of manufacture and sale of quality bedding products and cotton yarns in the PRC. It is an integrated home textile manufacturer offering design, research and development, manufacturing and retail services.

INFORMATION ON SHANDONG TAIFENG

Shandong Taifeng is a limited liability company established in the PRC and principally engaged in the business of manufacture and sale of cotton, cotton yarn, bedding and ancillary products.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors are of the view that the Transactions allow the Company to make better use of its funds and provides the Company with a reasonably high return. Therefore, the Directors consider that the terms of the Loan Agreements are fair and reasonable and each of the Transactions is in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Transactions are more than 5% but less than 25%, each Transaction constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	board of Directors
“Company”	China Taifeng Beddings Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose securities are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Laiwu Fengze”	山東萊蕪豐澤紡織有限公司 (Shandong Laiwu Fengze Textile Company Limited*), a company incorporated under the laws of the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan Agreement I”	loan agreement dated 11 December 2013 and entered into between Shandong Taifeng and TTG, pursuant to which Shandong Taifeng agreed to lend to TTG a principal loan amount of RMB237,000,000 (equivalent to approximately HK\$300 million)
“Loan Agreement II”	loan agreement dated 15 December 2013, supplemented by the Supplemental Loan Agreement, entered into between Shandong Taifeng and Laiwu Fengze, pursuant to which Shandong Taifeng agreed to lend to Laiwu Fengze a principal loan amount of RMB243,100,000 (equivalent to approximately HK\$308 million)
“Loan Agreements”	Loan Agreement I and Loan Agreement II
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Taifeng”	山東泰豐紡織有限公司 (Shandong Taifeng Textile Company Limited*), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreement”	The supplemental loan agreement dated 10 January 2014 entered into between Shandong Taifeng and Laiwu Fengze, which supplements the loan agreement dated 15 December 2013 entered into between Shandong Taifeng and Laiwu Fengze

“Transactions”	loans from Shandong Taifeng to each of TTG and Laiwu Fengze under the Loan Agreements
“TTG”	泰豐紡織集團有限公司 (Taifeng Textile Group Company Limited*), a company incorporated under the laws of the PRC with limited liability
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB0.79 to HK\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 1 April 2014

As at the date of this announcement, the Board comprises of 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.

This announcement, in both English and Chinese versions, is available on the Company’s website at www.taifeng.cc and the website of the Stock Exchange (www.hkexnews.hk).

* *For identification purpose only*