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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)

**UPDATES ON RECENT DEVELOPMENTS OF
SUSPENSION OF TRADING**

Reference is made to the announcements of China Taifeng Beddings Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 March 2015, 31 March 2015, 1 April 2015, 17 April 2015, 22 May 2015, 2 June 2015, 25 June 2015, 19 July 2015, 22 July 2015, 7 August 2015, 31 August 2015, 28 October 2015, 5 February 2016, 18 May 2016 and 27 June 2016 (the “**Previous Announcements**”), in relation to, amongst other matters, latest status of fulfilling the resumption conditions. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Previous Announcements.

The Directors of the Company would like to further update the Shareholders of the latest status of fulfilling the resumption conditions.

FORENSIC INVESTIGATION REPORT

FTI has completed its Forensic Investigation and has issued the preliminary draft of the Forensic Investigation report on 7 September 2016 (the “**Draft Forensic Investigation Report**”). The Company will make a further announcement in relation to the findings of FTI shortly after the Board having finished the review on the Draft Forensic Investigation Report and internal discussion with EPRA.

PROGRESS OF INTERNAL INVESTIGATION

EPRA is in the process of reviewing the findings of the Draft Forensic Investigation Report and will finalise its internal control review report accordingly. The management of the Company will discuss with EPRA about the findings and proposed remedial measures on financial reporting procedures and internal control systems. EPRA anticipates to issue the preliminary draft of its internal control review report by the end of October 2016.

PUBLICATION FOR OUTSTANDING FINANCIAL RESULTS

Elite Partners is currently finalizing the audit procedures in respect of the consolidated results of the Group for the financial years ended 31 December 2014. The Company now aims to publish the 2014 Annual Results of the Group by the end of November 2016. The audit works of the Group for the six months ended 30 June 2015 and the financial year ended 31 December 2015 will be commenced immediately after the audit works for 2014 Annual Results is completed.

Further announcement(s) will be made to inform the shareholders of the Company on the publication of the above as and when appropriate.

UPDATES ON THE BUSINESS OPERATIONS AND FINANCIAL POSITION

I. Business Operations

The current business of the Company in all aspects are under normal operation and there is no change to the Company’s principal business activities. The unaudited key financial figures of the Group for the financial years ended 31 December 2014 and 2015 are shown as follows:

	For the financial year ended 31 December	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	623,000	1,261,000
Cost of Sales	568,000	1,359,000
Gross Profit/(Loss)	55,000	(98,000)

As shown in the table above, revenue of the Group decreased by approximately 50.6% to approximately RMB623 million for the financial year ended 31 December 2015 from approximately RMB1,261 million for the financial year ended 31 December 2014. In particular, the revenue in the bedding products segment decreased by approximately 58.0% for the financial year ended 31 December 2015 as comparing with the corresponding period in 2014; and the revenue in the cotton yarns segment dropped by approximately 45.1% for the financial year ended 31 December 2015 as comparing with the corresponding period in 2014. The Directors believe that the major reason for such decreases in revenue was mainly due to the decline in domestic purchasing power as a result of the economic slowdown in China.

Due to the decrease in revenue, the cost of sales decline accordingly. In light of the decline in cost of sales, the Group recorded an unaudited gross profit of RMB55 million for the financial year ended 31 December 2015.

II. Financial Position

	As at 31 December 2015
	<i>RMB'000</i>
Net asset	1,628,000
Bank balances and cash	1,486,000

Based on the information currently available to the management of the Company, there is no material change in the financial position of the Group since suspension of trading. The unaudited net assets value of the Group as at 31 December 2015 was approximately RMB1,628 million.

The financial information is made according to the unaudited operational data of the Group and the information currently available to the Board, and has not been reviewed or audited by the Group's auditors.

CONTINUED SUSPENSION OF TRADING OF THE SHARES

Trading in the Shares on the Stock Exchange remain suspended until further notice.

The Company will keep the Shareholders and public informed of any material development in connection with the above matters by way of periodic announcements and/or further announcement(s) as and when appropriate.

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

Shandong, the PRC, 29 September 2016

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