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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)**

**SIGNING OF INVESTMENT FRAMEWORK AGREEMENT**

This announcement is made by China Taifeng Beddings Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company refers to the announcements (collectively the “**Announcements**”) of the Company dated 27 December 2017, relating to among others, the entering into of the Exclusivity Agreement with a view to formulate a resumption proposal to restructure the business and finances of the Group. Unless the context requires otherwise, the capitalized terms used herein shall have the same meanings as defined in the Announcements.

## THE INVESTMENT FRAMEWORK AGREEMENT

The Board announces that on 3 January 2018, the Company, International Eternal Limited (“**Investor A**”) and De Jun Property Holdings Limited (“**Investor B**”, together with Investor A, the “**Investors**”) have entered into a non-legally binding investment framework agreement (the “**Investment Framework Agreement**”) in relation to the proposed restructuring of the business and finances of the Group (the “**Proposed Restructuring**”).

Investor A is a company incorporated in Hong Kong with limited liability and is wholly and beneficially owned by Ms. Yumi KATO. On 27 December 2017, Investor A and the Company has entered into the Exclusivity Agreement in relation to the Proposed Restructuring. Subsequent to the entering into of the Exclusivity Agreement, Investor A wishes to undertake the Proposed Restructuring with Investor B.

Investor B is a company incorporated in the Cayman Islands with limited liability and is wholly and beneficially owned by Yong Zhen Investment Co., Ltd., which is wholly and beneficially owned by Mr. LIU, Yongkai.

To the best knowledge, information and belief of the Directors, each of the Investors and their respective beneficial owners are not connected persons of the Company as defined under the Listing Rules.

Pursuant to the Investment Framework Agreement,

- Subject to discussions and negotiations and due diligence review of the affairs of the Company, the Proposed Restructuring shall comprise of:
  - (a) a scheme of arrangement to be entered into between the Company and its creditors to discharge and compromise all its liabilities;
  - (b) a capital reorganization of the capital of the Company comprising such steps as are necessary to reorganize the capital structure of the Company;
  - (c) acquisition of certain assets by the Company; and
  - (d) issue of new shares/securities by the Company, to raise funds, including preemptive issue and/or placing of shares/securities by the Company.
- The Company grants the Investors an exclusivity period of six months from and inclusive of the date of the Investment Framework Agreement (the “**Exclusivity Period**”).

- During the Exclusivity Period, the Company and the Investors will formulate a proposal (the “**Resumption Proposal**”) for the resumption of trading of the Shares on The Hong Kong Stock Exchange Limited (the “**Stock Exchange**”) for submission to the Stock Exchange for approval and to the extent practicable, to prepare the documents (the “**Restructuring Documents**”) necessary to implement the Resumption Proposal and the Proposed Restructuring.
- Upon the entering into of the Investment Framework Agreement, Investor A and the Company agree to terminate the Exclusivity Agreement, and the Company and Investor A hereby release, waive and discharge all claims, demands, obligations and liabilities they have and may have against each other arising out of and in connection with the Exclusivity Agreement to the intent that all such claims, demands, obligations and liabilities shall become null and void for all intents and purposes and that the Exclusivity Agreement shall in all respect be of no further effects.

Upon the entering into of the Investment Framework Agreement, the Proposed Restructuring of the Group will be governed by the terms of the Investment Framework Agreement.

Further announcement(s) will be made by the Company in relation to the Resumption Proposal and the Proposed Restructuring as and when appropriate.

## **SUSPENSION OF TRADING OF THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 26 February 2015. Trading in the Shares will continue to suspend until further notice and full satisfaction of the Resumption Conditions and such other further conditions that may be imposed by the Stock Exchange.

By Order of the Board  
**China Taifeng Beddings Holdings Limited**  
**Zou Shengzhong**  
*Executive Director*

Shangdong, the PRC, 4 January 2018

*As at the date of this announcement, the Board comprises of one executive Director, namely Mr. ZOU Shengzhong; and three independent non-executive Directors, namely, Dr. CHEUNG Wai Bun Charles, J.P., Mr. LI Yuchun and Mr. DAI Shunlin.*