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**CHINA TAIFENG BEDDINGS HOLDINGS LIMITED
(PROVISIONAL LIQUIDATORS APPOINTED)**

**中國泰豐床品控股有限公司
(已委任臨時清盤人)**

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 873)

UPDATE ON RECENT DEVELOPMENT

**(1) SUPPLEMENTAL DEED TO RESTRUCTURING AGREEMENT; AND
(2) RESUMPTION PROGRESS**

This announcement is made by China Taifeng Beddings Holdings Limited (the “**Company**”) pursuant to Rules 13.09 and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

SUPPLEMENTAL DEED TO RESTRUCTURING AGREEMENT

Reference is made to the announcement by the Company dated 5 February, 28 July and 8 August 2018 (collectively the “**Announcements**”) relating to, among others, the signing of the Restructuring Agreement and the appointment of Provisional Liquidators of the Company in Hong Kong. Unless otherwise defined, capitalised terms used herein shall have the same meaning as in the Announcements.

On 6 November 2018, the Company, Investor A, Investor B, Mr. Liu Yongkai and the Provisional Liquidators entered into a deed of adherence and amendments (“**Supplemental Deed**”) to the Restructuring Agreement confirming the continuing force and effect of the Restructuring Agreement in spite of the appointment of the Provisional Liquidators. The parties further agreed to extend the long stop date from 31 October 2018 to 31 October 2019.

RESUMPTION PROGRESS

1. *Engage an independent forensic specialist acceptable to Stock Exchange to conduct a forensic investigation on the Audit Issues with appropriate scope, disclose the findings of the investigation and take remedial actions, as necessary*

Appointment of Forensic Specialist

The Company has engaged FTI Consulting as an independent forensic specialist ("**Forensic Specialist**") to conduct a forensic investigation on the Audit Issues. A draft report was provided by the Forensic Specialist to the Company and the key findings thereof were announced by the Company on 22 November 2016

Appointment of PRC Legal Advisors

On 29 May 2017, the Company engaged Shanghai Co-effort (Xiamen) Law Firm ("**PRC Law Firm**") as its PRC legal advisor to assist the Special Investigation Committee to further investigate the Audit Issues raised by Baker Tilly Hong Kong Limited ("**BTHK**"), the then auditor of the Company, and the findings from the Forensic Specialist as set out in its draft forensic investigation report, to follow up the current situation of the Company, and to understand the appropriate remedial measures that could be taken arising from the Audit Issues and the findings from the draft forensic investigation report, from the point of view of PRC Laws.

On 31 October 2017, the PRC Law Firm issued its report, the findings of which have been summarised and disclosed in the announcement of the Company dated 15 December 2017.

Reference is made to the announcement by the Company dated 31 October 2018, in light of the appointment of a PRC Bankruptcy Administrator to Shandong Taifeng, the Provisional Liquidators engaged AllBright Law Offices (上海錦天城(廈門)律師事務所) as its PRC legal advisor to assist the Company i) in exercising its rights, as the ultimate shareholder, in Shandong Taifeng; ii) in obtaining an understanding of the financial and operation status of Shandong Taifeng; iii) in negotiating with local authorities on behalf of the Company; and iv) in submitting the necessary documentation to relevant local government agencies (if needed).

Entering into the Supplemental Deed with Investors

On 6 November 2018, the Company, Investor A, Investor B, Mr. Liu Yongkai, and the Provisional Liquidators entered into a deed of adherence and amendments, which supplements the Restructuring Agreement (the "**Supplemental Deed**") and confirms the continuing force and effect of the Restructuring Agreement, notwithstanding the appointment of the Provisional Liquidators.

Under the Supplemental Deed the Investors jointly and severally undertake, among other things, to provide sufficient funds to settle the costs and expenses of the Provisional Liquidators and their agents in relation to or arising out of any investigation by them of the

Audit Issues resulting in the delay in the publication of the audited financial results of the Company for the year ended 31 December 2014 and other matters concerning the operation and assets of the Group.

In addition, under the Supplemental Deed, the Investors agreed and acknowledged that all the rights and claims (if any) of the Group against any person/ party howsoever arising or relating to their dealings with the Company or any member of the Group shall be assigned to the Creditors Schemes for the benefit of the creditors of the Company at completion of the proposed restructuring.

2. **Demonstrate that the Company has put in place adequate financial reporting procedures and internal control systems to meet the obligations under the Listing Rules**

Appointment of Internal Control Consultant

The Company has appointed Zhonghui Anda Risk Services Limited as the internal control consultant (the "**Internal Control Consultant**") to review the financial reporting procedures and internal control systems of the Company.

The Internal Control Consultant has commenced work and it is expected that the draft internal control review report will be available by end of November 2018.

3. **Publish all outstanding financial results required by the Listing Rules and address any audit qualifications**

Notwithstanding Elite Partners (CPA) Limited was appointed with effect from 22 July 2015 as the auditor of the Group to perform an audit of the consolidated financial statements of the Group for the year ended 31 December 2014, the relevant draft audited financial statements have not yet been made available.

The Provisional Liquidators are taking steps to address the matter and all the outstanding financial results (consisting of the audit of the Company's financial statements for the years ended 31 December 2014, 2015, 2016 and 2017 and the review of the Company's interim financial statements for the six months ended 30 June 2015, 2016, 2017 and 2018) should be published before Resumption

4. **Inform the market of all material information**

The Company will publish further update announcement(s) to provide details of the latest development relating to the Company and regarding steps to achieve the fulfilment of the Resumption Conditions.

As mentioned in the announcement by the Company dated 11 June 2018, on 11 June 2018, the Company has lodged a request for review (the "**Review Request**") that the decision of the Listing (Review) Committee be referred to the Listing Appeals Committee of the Stock Exchange pursuant to Rule 2B.07 of the Listing Rules.

Further announcement(s) will be made by the Company on the development of the above matters including the Review Request as and when appropriate in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on the Stock Exchange was suspended with effect from 1:00 p.m. on 26 February 2015. Trading in the Shares will remain suspended until further notice pending the result of the hearing of the review by the Listing Appeals Committee of the decision of the Listing (Review) Committee to uphold the decision of the Listing Committee to cancel the Company's listing and pending full satisfaction of the resumption conditions mentioned in the announcement of the Company dated 7 August 2015 and such other further conditions or modifications to the existing conditions that may be imposed by the Stock Exchange.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

For and on behalf of
China Taifeng Beddings Holdings Limited
(Provisional Liquidators Appointed)
Lai Kar Yan (Derek)
Ho Kwok Leung Glen
Joint and Several Provisional Liquidators
acting as agents without personal liability

Hong Kong, 6 November 2018

As at the date of this announcement, the Board comprises Mr. CHIN Chang Keng Raymond as executive director and Mr. CHUNG Wai Man as independent non-executive director.