



CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

(Company Registration Number: 200711863D)

PROPOSED APPOINTMENT OF RT LLP AS AUDITORS OF THE COMPANY - UPDATE ANNOUNCEMENT

The Board of Directors (the “**Board**” or “**Directors**”) of China Taisan Technology Group Holdings Limited (the “**Company**”) refers to its announcements dated 19 August 2016 and 25 August 2016 in relation to, *inter alia*, the proposed appointment of Messrs RT LLP as the auditors of the Company (the “**Proposed Appointment of Auditors**”).

The Board now wishes to clarify the circumstances leading up to the annual general meeting of the Company convened on 25 April 2016 (the “**AGM**”) in relation to Messrs Mazars LLP (“**Mazars**”) not seeking re-appointment as auditors of the Company.

On 25 February 2016, the audit committee of the Company (the “**Audit Committee**”) passed a resolution to recommend the nomination of Mazars for re-appointment as the Company’s auditors at the AGM. The Board had, on 25 February 2016, passed a resolution to support the Audit Committee’s recommendation on the re-appointment of Mazars as auditors at the AGM, such recommendation to be tabled for the approval of the shareholders of the Company (the “**Shareholders**”) at the AGM. The Company had published the notice relating to the AGM on 1 April 2016 in relation to, *inter alia*, the re-appointment of Mazars as auditors of the Company.

On 21 April 2016, Mazars informed the Audit Committee and the Financial Controller of the Company that it had decided not to seek re-appointment as auditors of the Company after performing its internal continuance procedure, which considered (a) the risk evaluation of the industry and the country that the Company operates in and (b) portfolio re-alignment within Mazars. Accordingly, in accordance with Rule 1203(5) (d) of the Listing Manual, the specific reason for the Proposed Appointment of Auditors is because Mazars had declined to seek re-appointment as Auditors of the Company at the AGM for the above considerations.

The decision by Mazars to not seek re-appointment as auditors of the Company was announced by the Company on 25 April 2016 in the announcement titled “Results of Annual General Meeting”, which is reproduced as the **Schedule** to this announcement. In connection with the above, Mazars withdrew its consent to act as Auditors by way of letter dated 4 July 2016. For the avoidance of doubt, as Mazars declined to seek re-appointment as auditors of the Company at the AGM, Mazars did not resign as Auditors of the Company.

The Board is now proposing to undertake the Proposed Appointment of Auditors to meet its audit obligations, in accordance with Rule 712 of the Listing Manual. The Proposed



Appointment of Auditors also presents an opportunity to the Company to rationalise its statutory audit costs, in light of a challenging business climate. In connection with the foregoing, the Company invited various audit firms in Singapore to propose their audit fees and had obtained comparative fee proposals. The Board considered the fee proposals from the various audit firms, and various other factors, including the adequacy of resources, the experience of the audit firm and the audit engagement partner, the number and experience of supervisory and professional staff and the audit firm's other audit engagements and the size and complexity of the Group's operations. In assessing the various audit firms, the Board did not consider the Audit Quality Indicators Disclosure Framework for the following reasons:

- (a) the Board had considered the adequacy of RT LLP in terms of its staff allocation, experience of staff, and relevant cross-border audit experience; and
- (b) the Board notes that RT LLP meets the requirements under Rule 712(2) as it is registered with and regulated by the Accounting and Corporate Regulatory Authority of Singapore; and
- (c) Mr. Su Chun Keat, RT LLP's engagement partner, has passed the initial practice review pursuant to the Practice Monitoring Programme.

Additional information on the Proposed Appointment of Auditors will be set out in a circular to Shareholders, together with a notice of the extraordinary general meeting of the Company, which will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Lin Wen Chang
Chief Executive Officer
9 November 2016

SCHEDULE



CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED (Company Registration Number: 200711863D)

RESULTS OF ANNUAL GENERAL MEETING

The Board of Directors (the "**Board**") of China Taisan Technology Group Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that at the Annual General Meeting (the "**AGM**") of the Company held on 25 April 2016, all resolutions relating to the matters set out in the Notice of AGM dated 1 April 2016 were duly passed.

The results of the poll on the resolution are set out below as confirmed by T S Tay Public Accounting Corporation, who acted as scrutineer for the poll at the AGM:

Ordinary Resolutions	For		Against		Total No. of Valid Votes Cast
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	
<u>Resolution 1</u> Audited Financial Statements for the financial year ended 31 December 2015	23,333,167	96.81	767,669	3.19	24,100,836
<u>Resolution 2</u> Approval of Directors' fees amounting to S\$92,000 for the financial year ended 31 December 2015	24,067,136	99.86	33,700	0.14	24,100,836
<u>Resolution 3</u> Re-election of Mr Chen Jia Ji as a Director	24,087,336	99.94	13,500	0.06	24,100,836
<u>Resolution 4</u> Re-election of Mr Leow Yong Kin as a Director ⁽¹⁾	24,087,336	99.94	13,500	0.06	24,100,836

SCHEDULE



Ordinary Resolutions	For		Against		Total No. of Valid Votes Cast
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	
<u>Resolution 5</u> Re-appointment of Messrs Mazars LLP as Auditors and authorise the Directors of the Company to fix their remuneration ⁽²⁾	-	-	-	-	-
<u>Resolution 6</u> Authority to allot and issue shares	24,039,836	99.75	61,000	0.25	24,100,836

(1) Mr. Leow Yong Kin, who was re-elected as a Director of the Company, remains as a member of the Audit Committee, Nominating Committee and Remuneration Committee, and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

(2) Messrs Mazars LLP have informed the Company that they were not seeking for re-appointment at the AGM. Hence, the Company would source for new auditors in place of Messrs Mazars LLP. Further announcement would be released to the SGX-ST in due course once the proposed new appointment has been confirmed.

Mr. Tsang Siu For Thomas (“**Mr. Tsang**”), who had retired at the AGM pursuant to Regulation 90 of the Company’s Constitution, has not sought re-election at the AGM held on 25 April 2016. Accordingly, Mr. Tsang had ceased to be the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee with effect from 25 April 2016.

The Board would like to express its gratitude and appreciation to Mr. Tsang for his services and invaluable contributions to the Board during his tenure of office with the Company.

The detailed template announcement pursuant to Rule 704(7) of the Listing Manual of the SGX-ST, containing the particulars of Mr. Tsang is being released separately via the SGXNet.

BY ORDER OF THE BOARD

Lin Wen Chang
Chief Executive Officer

25 April 2016