



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

UPDATE ON CHANGE IN MR LIN WEN CHANG'S SHAREHOLDING INTEREST

The Board of Directors (the "**Board**") of China Taisan Technology Group Holdings Limited (the "**Company**") refers to the Company's announcement dated 28 June 2016 ("**28 June Announcement**").

Further to the 28 June Announcement, the Company wishes to update its response to the queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), based on further information it has received from its Executive Director and Chief Executive Officer Mr Lin Wen Chang ("**Mr Lin**"). The Company's further responses to specific queries are set out below:

SGX-ST Query 1

In the "Change of Shareholding Interest" (the "**Announcement**") announced by the Company on 23 June 2016, it was stated that "Pursuant to an agreement between Mr Choi and Mr Lin, and Zhengdaxingye Investment Holdings Ltd (正大兴业投资控股有限公司) ("**Zhengda**") owned and/or managed by a Mr Yeh Mao Yuan ("**Mr Yeh**"), Mr Choi and Mr Lin opened accounts with Credit Agricole, and the Collateral Shares were deposited in their accounts in or around 2010-2011, and transferred to Zhengda's account in or around 2011-2102 with Credit Agricole as collateral to obtain a loan for their personal investments".

Please provide further disclosure on the following:

- a. Specific dates of the agreement(s) and specific dates of transfer of shares from Mr. Choi and Mr. Lin to Mr. Yeh/Zhengda/Credit Agricole;

Company's further response

- a. Further to the Company's response to this query as set out in the 28 June Announcement, records of Mr Lin's account with Credit Agricole have been obtained on his behalf from Credit Agricole, on 4 July 2016 and 7 July 2016. Upon review of these records, Mr Lin has informed the Company of the following:

Deposit of Company's shares with Credit Agricole by Mr Lin

Based on the records of Mr Lin's account with Credit Agricole, Mr Lin deposited the following Company's shares in his account with Credit Agricole on the following dates:

Date	Number of shares (before consolidation of the Company's shares as announced on 11 June 2015)
11 Oct 2010	74,232,142
19 Oct 2010	31,156,463
Total	105,388,605

Transfer of shares between Mr Lin and Zhengda's Credit Agricole accounts

On 15 October 2010, Mr Lin transferred 31,156,463 shares from his Credit Agricole account to the account of "*Chia Tai Xingye Investment Holdings Ltd*" (i.e. Zhengda) with Credit Agricole, which were intended to be used as collateral to obtain a loan from Zhengda for Mr Choi and Mr Lin's personal investments.



Mr Lin understood that if no loan was eventually obtained, Zhengda would transfer the 31,156,463 shares back to Mr Lin's Credit Agricole account.

Based on records from Credit Agricole, on 3 January 2011, 31,156,463 shares were transferred back to Mr Lin's Credit Agricole account from Zhengda's Credit Agricole account.

Withdrawal of shares from Mr Lin's Credit Agricole account

Other than the above-said transfer dated 15 October 2010 which was instructed by Mr Lin, shares deposited in Mr Lin's account with Credit Agricole were not at any point in time transferred to Zhengda's account with Credit Agricole or to any other person's / entity's account with Credit Agricole.

In fact, all shares were transferred from Mr Lin's account with Credit Agricole to 2 different beneficiary banks, Mellon Bank, N.A. and EFG Bank SA, for further credit to "Equities First Holdings LLC" and "BHP Bahamas Ltd" respectively on the following dates, upon the instructions of Mr Yeh pursuant to a Power of Attorney executed by Mr Lin in favour of Mr Yeh on 3 November 2010:

Date	Number of shares (before consolidation of the Company's shares as announced on 11 June 2015)	Beneficiary Bank / Beneficiary
10 Nov 2010	2,500,000	Mellon Bank, N.A. / Equities First Holdings, LLC
12 Nov 2010	2,500,000	EFG Bank SA / BHP Bahamas Ltd
25 Nov 2010	3,000,000	Mellon Bank, N.A. / Equities First Holdings, LLC
7 Dec 2010	3,000,000	EFG Bank SA / BHP Bahamas Ltd
9 Dec 2010	13,000,000	Mellon Bank, N.A. / Equities First Holdings, LLC
21 Dec 2010	20,000,000	Mellon Bank, N.A. / Equities First Holdings, LLC
5 Jan 2011	25,000,000	Mellon Bank, N.A. / Equities First Holdings, LLC
19 Jan 2011	30,000,000	Mellon Bank, N.A. / Equities First Holdings, LLC
2 Feb 2011	6,388,605	Mellon Bank, N.A. / Equities First Holdings, LLC
Total	105,388,605	

As Zhengda did not at any point in time disburse any loan to Mr Lin pursuant to the non-recourse loan agreement, to the best of Mr Lin's belief and knowledge, the shares deposited in Mr Lin's account with Credit Agricole were never used as collateral for any loan, and continued to be owned by him. As no loan was disbursed to Mr Lin, Mr Lin subsequently revoked the Power of Attorney on 12 October 2011.



SGX-ST Query 2

In an announcement of change in shareholding interest dated 26 October 2010, the Company disclosed that Mr. Lin had on 19 October 2010 transferred 31.16 million shares from his direct interest to Credit Agricole (Suisse) SA as his nominee. The 31.16 million shares was equivalent to 2.81% of the Company's share capital. He disclosed that there was no change to another 74.23 million shares or 6.69% shares held indirectly by him.

Please provide further disclosure on the following:

- c. The date of the transfer of the balance 74.23 million shares from Mr. Lin to Credit Agricole.

Company's further response

- c. See Company's further response in Answer 1(a) above.

SGX-ST Query 4

Did Mr Choi and Mr. Lin seek to vote on the shares purportedly held by them but which had been transferred to Mr. Yeh/Zhengda/Credit Agricole? Who were entitled to the voting rights of these shares and who exercised the votes for the period from 2010 to-date?

Company's further response

Further to the Company's response to this query as set out in the 28 June Announcement, Mr Lin has informed the Company that:

It was only on 4 July 2016 and 7 July 2016 that Mr Lin discovered based on the records obtained from Credit Agricole that his shares have been transferred from his account with Credit Agricole to beneficiary bank Mellon Bank, N.A. and EFG Bank SA, for further credit to "Equities First Holdings LLC" and "BHP Bahamas Ltd" respectively. To date, Mr Lin has not been able to trace these shares.

BY ORDER OF THE BOARD

Lin Wen Chang
Chief Executive Officer

11 July 2016