



CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

(Company Registration Number: 200711863D)

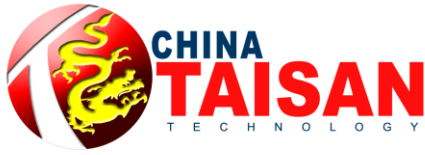
PROPOSED CONSOLIDATION OF EVERY TWENTY (20) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of China Taisan Technology Group Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that that the Company is proposing to undertake a share consolidation exercise (the “**Proposed Share Consolidation**”) pursuant to which the Company will consolidate every twenty (20) existing ordinary shares (“**Shares**”) in the capital of the Company into one (1) ordinary share (“**Consolidated Share**”). Accordingly, under the Proposed Share Consolidation, every twenty (20) Shares registered in the name of each shareholder of the Company (“**Shareholder**”) as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit (“**Books Closure Date**”), will be consolidated into one (1) Consolidated Share.
- 1.2 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

- 2.1 As at the date of this announcement, the Company has an issued share capital of SGD 114,133,169.09 (approximately RMB 562,103,000) divided into 1,126,598,518 Shares. Following the Proposed Share Consolidation, the Company will have an issued share capital of SGD 114,133,169.09 (approximately RMB 562,103,000) divided into approximately 56,322,925 Consolidated Shares.
- 2.2 Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.



- 2.3 The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Group.
- 2.4 Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.
- 2.5 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the extraordinary general meeting ("EGM") to be convened by the Company, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

3. RATIONALE OF THE PROPOSED SHARE CONSOLIDATION

- 3.1 The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders.
- 3.2 The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation. This will reduce the fluctuation in magnitude of the Company's share price and market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.
- 3.3 Further, the SGX-ST has introduced a minimum trading price of S\$0.20 as a continuing listing requirement for Mainboard-listed issuers. This has been implemented in March 2015 with a one-time transition period of 12 months, after which affected issuers will be provided a cure period of 36 months to take remedial actions. Affected issuers which fail to take remedial actions during the cure period may be delisted from the Mainboard of the SGX-ST. The Proposed Share Consolidation would help facilitate the Company's ability to satisfy the prospective continuing listing requirement to be imposed by SGX-ST for Mainboard-listed issuers to have a minimum trading price per share of S\$0.20.
- 3.4 Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this Section 3, nor is there assurance that such results (if achieved) may be sustained in the longer term.



4. APPROVALS AND CONDITIONS

- 4.1 The implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM.
- 4.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation of the Consolidated Shares pursuant to the Proposed Share Consolidation on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

5. EFFECT ON THE COMPANY'S TAIWAN DEPOSITORY RECEIPTS ("TDRS")

As at the date of this announcement, the Company has in issue 125,709,905 TDRs with a conversion ratio of 2 Shares for 1 TDR. Pursuant to the Proposed Share Consolidation, the conversion ratio of the TDRs will be adjusted to 0.1 Shares for 1 TDR.

6. DESPATCH OF CIRCULAR

- 6.1 Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, *inter alia*, further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.
- 6.2 Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Lin Wen Chang

Chief Executive Officer

17 April 2015