

CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED
(Company Registration No. 200711863D)
(Incorporated In the Republic of Singapore)
(the “Company”)

Response to SGX Queries

The Board of Directors of China Taisan Technology Group Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce its response to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX”) in connection with the announcements made by the Company on 29 August 2017 and 30 August 2017.

(A). Newly Appointed Directors

1. Please clarify how the Board was introduced to each of the new directors.

Response:

The new directors were introduced to Mr Choi Cheung Kong (“Mr Choi”), the major shareholder and Executive Director (previously was Non-Executive Chairman) of the Company, by Mr Tan Chee How who is the newly appointed company secretary of the Company. Mr Choi then recommended the new directors to the Board.

2. Please clarify who nominated each of the new directors to be on the Board whether the new directors are associated with any shareholder or potential shareholder of the Company. If so, please provide details of shareholding interests.

Response:

The new Directors were nominated by Mr Choi Cheung Kong to the Board. None of the new directors are associated with any shareholders or potential shareholder of the Company.

3. Mr Thomas Francis Darden II (“Mr Darden”) who has been appointed as Non-Executive Chairman with effect from 29 August 2017

- It is stated in the announcement of 29 August 2017, “In April 2008, I was personally named in litigation filed in the Superior Court of New Jersey...I was included because of my position as CEO of the Cherokee management entity. The matter was aggressively defended and I was ultimately dismissed from the suit with no liability on my part after a finding by the court that the plaintiff had ceased to pursue the litigation against me and certain other defendants.” (emphasis added).

(i) Please clarify when Mr Darden was ultimately dismissed from the suit? Was there any settlement?

Response:

An order of dismissal with prejudice was entered on May 14, 2010 dismissing the action against Mr Darden. There was no settlement. Nonetheless, it is emphasised that Darden was ultimately dismissed from the suit with no admission of liability or finding by the court on liability on Darden’s part.

- It is stated in the announcement of 29 August 2017, “Cherokee Investment Partners II, LP. And Cherokee Investment Partners III, L.P. (collectively, “Cherokee”) which are private equity funds where I serve as CEO of the management entity.....ultimately the subject of various US state and federal investigations, to determine whether any laws were broken in connection with the projects and related matters....” (emphasis added)

(i) Please clarify what kinds of laws do the above refer to? Securities or criminal law?

Response:

Please refer to the response below.

(ii) Please elaborate on what are the projects and related matters?

Response:

The New Jersey Meadowlands investigations were criminal investigations associated with a proposed redevelopment of the New Jersey Meadowlands, which consisted of an approximately 1,300 acre site and included the closure and remediation of four landfills (the "Projects"). The related matters regarded public finance in connection with the Projects. There was no allegation of a violation of securities laws, and no allegation of violation of any laws by Cherokee or Mr Darden. As stated in the disclosure, no governmental charges were filed against any of the Cherokee entities or projects as a result of these investigations.

- It is stated in the announcement of 29 August 2017, "The expenses in question were repaid to the funds, and in 2015, the entities...without admitting or denying the findings therein to resolve the investigation, which required the payment of a \$100,000 penalty."

(i) Nothing the penalty of \$100,000 which is not insignificant, please explain the Board's view as to why Mr Darden is suitable to be the non-executive chairman of the Company?

Response:

Mr Darden was not named personally in the SEC investigation or consent order and there were no allegations of misconduct by Mr Darden personally. The investigation related to a compliance question that was resolved without admission of the allegations for purpose of enabling the matter to be concluded without protracted proceedings and continuing significant expense and burden to the company. There was no determination in the matter that anyone at the company acted with scienter.

Further, Mr Darden was not disqualified or disbarred from acting as Director of Public listed Company by the SEC. As mentioned above, Mr Darden was not investigated in his personal capacity by the SEC and there were no allegations of misconduct by Mr Darden in his personal capacity.

4. Mr Steven Hartanto ("Mr Hartanto") who has been appointed as Executive Director with effect from 29 August 2017

- It is stated in the announcement of 29 August 2017, "The Board is of the view that Stevan Hartanto qualification and working experience will enhance the core competencies of the Board."

(i) Please disclose details of his qualifications, including where he has obtained such qualifications.

Response:

Education: Bachelor of Arts, Economics with Business Emphasis from Occidental College 2012

Working Experience: Cherokee Investment Partners

(ii) How does his qualifications and working experience make him suitable to be an Executive Director of the Company?

Response:

He is experience in:

- oversight of the daily operations of an early stage company
- due diligence of early stage and growth companies in venture space
- due diligence in real estate projects

(iii) How does his qualification and working experience enhance the core competencies of the Board? Please provide detailed substantiations.

Response:

Steven has had past experience on board positions. He has been working closely with growth companies in business strategy and commercialization plans. He has assisted early stage companies with fundraising.

- It is stated in the announcement of 29 August 2017 under working experience and occupation(s) during the past 10 years, “Since August 2012 till current – Senior Associate, Cherokee Investment Partners”

(i) Please provide details of the business operation of Cherokee Investment Partners.

Response:

Cherokee Investment Partners, LLC and its affiliated entities (“Cherokee”) is an investment organization that blends capital with creativity, experience and resolve to provide superior financial, environmental and social returns for investors, partners and communities. Cherokee invests both private equity and venture capital to create value for its constituencies. To date, Cherokee has raised over \$2.2 billion in five institutional private equity funds, and has invested in the acquisition, cleanup, development, and sale of approximately 550 environmentally contaminated real estate assets in the US, Europe and Canada. In addition, Cherokee has invested over \$500 million in more than 200 venture capital and private equity transactions.

(ii) Please elaborate on Mr Hartanto’s responsibilities and role. What makes him suitable to be appointed as director of the Company?

Response:

Mr Hartanto is a senior associate at Cherokee. He is responsible for managing Cherokee’s venture capital portfolio and identifying new business initiatives in Asia. Since joining Cherokee, Mr Hartanto has been involved in sourcing, due diligence, negotiations and portfolio management of Cherokee’s venture activity. At present, Mr Hartanto is overseeing an active venture portfolio of over 25 early stage growth companies, some of which are located in Asia. Further, all of Cherokee’s venture activity in Asia has occurred since Mr Hartanto joined the team. He will continue to play a key role in Cherokee’s growing involvement and investment in Asia.

- It is stated in the announcement of 29 August 2017 under present directorship, “Cherokee Asia Ltd, Electro Motor Inc., Raleigh Investment Group Ltd., HCH Investments Ltd., Hughes China Technology Company Ltd., Alpha Success Holdings Ltd., Niaga Holding Ltd., Hughes Unifiednet Holding Co., Hughes China Holdings Company Ltd.”

(i) Please provide details of these companies and how Mr Hartanto came to be appointed as director of these companies.

Response:

Cherokee Asia Ltd – Mr Hartanto was appointed director of Cherokee Asia Ltd by Mr Darden, CEO of Cherokee. Cherokee Asia Ltd was set up to pursue new Cherokee initiatives in Asia. This includes both venture investments and renewable energy opportunities in Southeast Asia.

Electro Motor Inc. – Mr Hartanto was appointed as a director of Electro Motor Inc in 2017. Electro Motor is in the electric motor manufacturing business, and is part of the Hartanto family business. Electro Motor was acquired from Electrolux USA in 2001.

Raleigh Investment Group – Mr Hartanto is the director of Raleigh Investment Group, an entity set up for US investors to invest in Asia-based opportunities.

HCH Investments Ltd , and Hughes-related entities – Mr Hartanto is director of the Hughes related entities because of Raleigh Investment Group’s investment into Hughes China. Hughes China is a distributor of Hughes USA’s products for the Chinese market.

Niaga Holding Ltd, Mr Hartanto is director of the Niaga Holding Ltd because of Raleigh Investment Group’s investment into Niaga Holding Ltd. Niaga Holding Ltd is an investment holding company.

Alpha Success Holdings Ltd – Mr Hartanto is the founder and director of Alpha Success Holdings, an entity owned by the Hartanto family to invest in early stage venture companies in the US.

5. Mr Ng Eng Ho (“Mr Ng”) who has been appointed as Lead Independent Director with effect from 29 August 2017

- It is stated in the announcement of 29 August 2017, “The Board is of the view that Mr Ng’s qualification and working experience will enhance the core competencies of the Board.”

(i) Please disclose details of his qualification, including where he has obtained such qualifications.

Response:

Education: BSc (Hons), Telecom System Engineering, Royal Military College of Science, UK

Working experience:

- From Jan 2015 to Present : Chairman, ZWEEC Analytics Pte Ltd
- From Jan 2003 to Oct 2007 : EVP (Operations), Singapore Technologies Telemedia Pte Ltd
- From Jan 2003 to Dec 2005 : Deputy President Director, PT Indosat Tbk
- From Jul 1998 to Sep 2002 : Managing Director, Keppel T&T Ltd
- From Jul 1995 to Jun 1998 : Telecoms Division Director, Keppel T&T Ltd
- From Sep 1990 to Jun 1995 : General Manager, Folec Communications Pte Ltd; and Assistant General Manager, Steamers Maritime Holdings Ltd (later renamed Keppel T&T)
- From July 1987 to Sep 1990 : Chief Signal Officer, Singapore Armed Forces
- From Dec 1973 to Sep 1990 : Senior command and staff positions, Singapore Armed Forces

(ii) How does his qualification and working experience make him suitable to be the Lead Independent Director of the Company?

Response:

Mr Ng has more than 25 years’ worth of experience in leadership and management roles in previous companies (see above).

(iii) How does his qualification and working experience enhance the core competencies of the Board? Please provide detailed substantiations.

Response:

Mr Ng has vast experience in other countries/ jurisdictions. For example, in the 5 years at ST Telemedia, Mr. Ng spent 3 years in Indonesia from December 2002 to December 2005, as the Deputy President Director of Indonesia’s No 2 mobile phone operator, PT Indosat Tbk, which was then listed in both the Jakarta and New York Stock Exchange. Prior to that, Mr Ng worked in Keppel T&T was then involved in a various businesses encompassing telecommunications, logistics and shipping services and had operations in Asia, North America and Europe.

Mr Ng has a wealth of experience in different fields, including computer vision technology, businesses encompassing telecommunications, logistics and shipping services and so on.

- It is stated in the announcement of 29 August 2017 under working experience and occupation(s) during the past 10 years, “From Jan 2015 to Present: Chairman, ZWEEC Analytics Pte Ltd From Jan 2003 to Oct 2007: EVP (Operations), Singapore Technologies Telemedia Pte Ltd....”

(i) Please provide details of ZWEEC Analytics Pte Ltd and elaborate on Mr Ng’s role and work done in this company. Please clarify if this is an executive position?

Response:

ZWEEC Analytics Pte Ltd, a Singapore-based computer vision technology company focused on solutions to safeguard national water resources. Mr Ng is responsible for setting the strategic direction of the Group. It is a non executive position.

(ii) Please clarify what Mr Ng did in between his appointments (i.e. between Oct 2007 and Jan 2015).

Response:

Mr Ng was monitoring his personal investment in between Oct 2007 to Jan 2015. He did not work for any company during the period.

(B) It is noted that Ms. Sri Tjintawati Hartanto ("Ms Hartanto") has been appointed as the Chief Financial Officer ("CFO") of the Company with effect from 29 August 2017.

(i) It is stated in the announcement 30 August 2017 "The Board is of the view that Ms Hartanto's qualification and working experience will enhance the core competencies of the Company." Under whether appointment is executive, and if so, the area of responsibility, it is stated "Executive. Responsible for financial strategies and planning, treasury and foreign exchange management, tax planning, risk management, internal controls and financial reporting of the Company."

- Please provide details of Ms Hartanto's core competencies as CFO, risk management, internal controls and financial reporting, foreign exchange and treasury, tax planning. What are her qualifications?

Response:

Ms Hartanto possesses more than 20 years of experience in accounting, finance and administration. Currently she is responsible to liaise with the external auditors and tax advisor for annual audit and tax compliance matter for the entire Super Electric Motor Group of Companies.

Ms Hartanto graduated with a Bachelor of Accountancy from Surabaya University in Indonesia.

- It is noted that Ms Hartanto is an executive director of Next-Generation Satellite Communications Limited ("NGSC"). On 25 July 2012, Ernst & Young Advisory Pte. Ltd. ("E&Y") was appointed by the Audit Committee of NGSC to investigate into certain significant questionable transactions and cash transfers (the "Matters"). E&Y subsequently issued report on its findings to the Audit Committee of NGSC and an executive summary was released via SGXNet on 31 October 2014 (the "E&Y Report") (collectively, the "NGSC Investigation"). NGSC also engaged E&Y to, amongst others, review the internal control measures, policies and procedures within NGSC to identify and address any weaknesses and lapses in the internal controls and corporate governance procedures of the Company, over and above those that have already been highlighted in the E&Y Report. It is noted that Ms Hartanto was an executive director during the time the Matter took place and remains an executive director of NGSC.

In view of the above, please clarify why the Board is of the view that Ms Hartanto is suitable to be appointed as CFO of the Company.

Response:

In NGSC, Ms Hartanto is a non-salaried executive director who supports NGSC's corporate affairs on a "when-needed" basis in particular on business strategies and developments. She does not involve in NGSC's daily finance and operations functions. The Board is of the view that Ms Hartanto is suitable to be appointed as CFO of the Company after taking into her academic qualification in accounting as well as her extensive experience in managing a group of companies, including but not limited to managing accounting and finance functions including accounting and reporting, forecasting and budgeting and taxation advisory matters.

(ii) It is stated in the announcement of 30 August 2017 under working experience and occupation(s) during the past 10 years, "Since 2007 Account Manager Super Electric Motor Ltd".

- Please provide details of this company. What is Ms Hartanto's responsibilities in terms of preparing accounts and consolidated accounts in accordance with the Singapore Financial Reporting Standards?

Response:

Super Electric Motor Limited ("SEML") is a limited company incorporated and domiciled in Hong Kong. The principal activities of SEML are those relating to manufacturing and trading of home appliance motor products. SEML owns a home appliance motor company and factory facility in ShenZhen, China. Ms Hartanto is the Group Accounts Manager of SEML and its subsidiaries. She

is responsible for managing accounting and finance functions including accounting and reporting, forecasting and budgeting and taxation advisory matters for SEML and its subsidiaries.

(iii) It is stated in the announcement of 30 August 2017 that Ms Hartanto has a present directorship with Super International Enterprise Ltd.

- Please clarify her role in Super International Enterprise Ltd and what is the business operation of this Company.

Response:

Ms Hartanto is a Director of Super International Enterprise Ltd ("SIEL"), a company incorporated and domiciled in Hong Kong. SIEL is a holding company which owned by Hartanto family. Super Electric Motor Ltd and Electro Motor Inc. (a US company) are the subsidiaries of SIEL.

(iv) It is stated in the announcement of 30 August 2017:-

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or future industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he as so concerned with the entity or business trust?	No
(k) whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Please justify the responses above in view of the NGSC Investigation.

Response:

With regard to (i), (ii) and (iv), it ought to be noted that the NGSC Investigation was an internal investigation, requested by the Company (see for example, para 1.1.3 of <http://infopub.sgx.com/FileOpen/NGSC%20Exec%20Summ.ashx?App=Announcement&FileID=321502>). This was part of a broader review of company processes and procedures to improve the Corporate Governance Procedures of the Company. There was no external investigation for 'a breach of law or regulatory requirement'. The answer to the question is hence no.

With regard to (k), it ought to be noted that Ms. Hartanto has not been subject to any 'current or past investigation or disciplinary proceedings...'. The NGSC Investigation was requested by the company, and not by MAS or 'any other regulatory authority, exchange, professional body or government agency'. The answer to the question is hence no.

(C) Directors who have resigned

Mr Lin Wen Chang

- It is stated in the announcement of 30 August 2017 under details reason(s) for cessation, "Retired from Listed Company and pursue other interest....."

(i) Please clarify whether he was asked to tender his resignation/retire and if so, by whom?

Response:

Mr Lin wants to retire from the holding company and focus on managing the factory.

(ii) Please elaborate what other interest is he pursuing?

Response:

He wants to focus on fabric business.

- It is stated in the announcement of 30 August 2017 under roles and responsibilities “Mr Lin Wen Chang is responsible for the day-to-day management of affairs of the Company and the Group. He is also overseeing the daily operations of the Company’s subsidiary, JinJiang Lianjie Textile Printing & Dyeing Industrial Co., Ltd as well as helming the production, R&D, procurement administration and HR departments.”

(i) Please clarify whether Mr Lin Wen Chang is still responsible for this? If yes, please explain why is he still retiring from the Board of the Company? How is this in the best interest of the Company and its shareholders?

Response:

Mr Lin is only overseeing the daily operations of the Company’s subsidiary, JinJiang Lianjie Textile Printing & Dyeing Industrial Co., Ltd as well as helming the production, R&D, procurement administration and HR departments. Mr Lin has no duty on the Company and Group. It is the best interests of the Company given that Mr Lin’s interest now lies with the management of the factory.

Mr Chen Jia Ji

- It is stated in the announcement of 30 August 2017 under detailed reason(s) for cessation, “Retired from Listed company and pursue other interest”.

(i) Please clarify whether he was asked to tender his resignation/retire and if so, by whom?

Response:

Mr Chen wants to retire from the holding company and focus on managing the factory.

(ii) Please elaborate what other interest is he pursuing?

Response:

He wants to focus on the fabric business.

- It is stated in the announcement of 30 August 2017 under roles and responsibilities, “Mr Chan Jia Ji (“Mr Chen”) is responsible for assisting the Chief Executive Officer and General Manager in the daily operations. Mr Chen is also a director of the Company’s subsidiary, JinJiang Lianjie Textile Printing & Dyeing Industrial Co., Ltd.”

(i) Please clarify whether Mr Chen Jia Ji is still responsible for this? If yes, please explain why he is still retiring from the Board of the Company? How is this in the best interest of the Company and its shareholders?

Response:

Mr Chen would like to focus on the daily operation of the subsidiary. He has no duty on the Company and Group level. Mr Chen will focus on daily operation of the factory, which he is more familiar with. The new director is also a professional who is able to oversee the Company and Group.

(D) It is noted that Mr Choi Cheung Kong (“Mr Choi”) has been redesignated from the Non-executive chairman to executive director with effect from 29 August 2017. In this regard, please provide the information required under Appendix 7.4.1 and 7.4.2.

Response:

The detailed template announcements pursuant to Rule 704(7) required under Appendix 7.4.1 and 7.4.2 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), containing the particulars Mr. Choi are being released separately via the SGXNet.

BY ORDER OF THE BOARD

Tan Chee How
Company Secretary

1 September 2017