



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

DISCLAIMER OF OPINION BY AUDITORS ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Pursuant to Rule 704(5) of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors of China Taisan Technology Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Independent Auditors of the Company, Messrs Mazars LLP (“**Auditors**”), has issued a “Disclaimer of Opinion” in its Independent Auditors’ Report (“**Report**”) in respect of the audited financial statements of the Group for the financial year ended 31 December 2015 (“**FY2015**”).

A copy of the Report is attached to this Announcement for shareholders’ reference.

An extract of the basis for the Disclaimer of Opinion in the Report is set out below:

“Basis for Disclaimer of Opinion”

Value Added Tax Recoverable (VAT)

Included in trade and other receivables as of 31 December 2015 were VAT receivables of approximately RMB 9.5 million. During the financial year ended 31 December 2015, the Group wrote off VAT recoverable of RMB 110 million in 2015 on the basis that these amounts cannot be recovered from the tax authorities. We were unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the write off. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Going Concern

During the financial year ended 31 December 2015, the Group incurred net loss of RMB 369 million and net operating cash outflows of RMB 10.9 million. These conditions indicated the existence of a material uncertainty which may cast a significant doubt over the Group’s ability to continue as a going concern. We have evaluated management’s assessment of the Group’s ability to continue as a going concern and in the absence of further information and documentary evidence, we were unable to satisfy ourselves on the reasonableness of the assumptions used by management to support their assessment.

Accordingly, we are unable to assess the appropriateness of the management’s use of going concern assumption in the preparation of the financial statements. If the Group were unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which they are currently recorded in the statement of financial position. In addition, the Group may have to reclassify its non-current assets as current assets. No such adjustments have been made to these accompanying financial statements.



Disclaimer Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.”

Shareholders of the Company are advised to read the audited financial statement in the Company’s Annual Report FY2015 which will be despatched to shareholders on 8 April 2016.

BY ORDER OF THE BOARD

Lin Wen Chang
Chief Executive Officer

7 April 2016