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**TAI-I INTERNATIONAL
HOLDINGS LIMITED**

台一國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1808)

**TAI-I INTERNATIONAL
(BVI) LIMITED**

(Incorporated in the BVI with limited liability)

CLARIFICATION ANNOUNCEMENT

Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the joint announcement made by Affluent Start Holdings Investment Limited, Tai-I International Holdings Limited (the “Company”) and Tai-I International (BVI) Limited (“Tai-I BVI”) dated 17 November 2010 (the “Joint Announcement”) and the circular of the Company dated 18 January 2011 (the “Circular”).

It was stated in the Joint Announcement and the Circular that based on the shareholding structure of the Company as at the date thereof, Tai-I BVI and its parties acting in concert will be interested in a total of 195,487,000 Privateco Shares, representing approximately 32.79% of the issued share capital of the Privateco immediately upon Completion and following the Distribution In Specie. The board of directors of the Company and the board of director of Tai-I BVI wish to clarify that due to an inadvertent oversight by Mr. Hsu, the sole director of Tai-I BVI, the disclosure as to the shareholding interest of Tai-I BVI and its parties acting in concert was incorrect.

As at the date of this joint announcement, the shareholding of Tai-I BVI and its parties acting in concert should be 197,177,000 Shares, representing approximately 33.07% of the issued share capital of the Company. The additional 1,690,000 Shares are held by Mr. Hsu’s close relatives (as defined in the Note 8 of the definition of “acting in concert” under the Takeovers Code), who are presumed to be parties acting in concert with Mr. Hsu.

* For identification purpose only.

Set out below is the shareholding structure of the Company as at the date of this joint announcement and immediately upon Completion (assuming no other changes in the issued share capital and shareholding in the Company from the date of this joint announcement up to Completion but before the commencement of the Listco Offer):

	As at the date of this joint announcement		Immediately upon Completion but before the commencement of the Listco Offer	
	Number of Shares	%	Number of Shares	%
Tai-I BVI (<i>Note 1</i>)	195,487,000	32.79%	–	0.00%
Mr. Hsu's close relatives (<i>Note 2</i>)	1,690,000	0.28%	1,690,000	0.21%
Subtotal of Tai-I BVI and parties acting in concert with it	197,177,000	33.07%	1,690,000	0.21%
Affluent Start and parties acting in concert with it	–	0.00%	405,487,000	50.30%
First Sense (<i>Note 3</i>)	102,015,000	17.11%	102,015,000	12.65%
Green Island (<i>Note 4</i>)	67,500,000	11.32%	67,500,000	8.37%
Sumitomo Corporation	34,418,000	5.77%	34,418,000	4.27%
Public	195,048,000	32.73%	195,048,000	24.20%
Total	596,158,000	100.00%	806,158,000	100.00%

Notes:

1. Taiwan Tai-I directly owns approximately 87.04% and indirectly owns approximately 12.96% of the issued share capital of Tai-I BVI.
2. The close relatives are the mother, the spouse, a child and a sister of Mr. Hsu holding an aggregate of 1,690,000 Shares as at the date of this joint announcement.
3. The entire issued share capital of First Sense is owned by AIF Capital Asia III, L.P.. Both First Sense and AIF Capital Asia III, L.P. are not acting in concert with Affluent Start and its concert parties.
4. The entire issued share capital of Green Island is owned by Mr. Liu Tianni. Both Green Island and Mr. Liu Tianni are not acting in concert with Affluent Start and its concert parties.

Accordingly, immediately upon Completion and following the Distribution In Specie and based on the existing shareholding structure of the Company as at the date hereof, the shareholding of Tai-I BVI and its parties acting in concert should be 197,177,000 Privateco Shares, representing approximately 33.07% of the issued share capital of the Privateco.

As at the date of this joint announcement:–

- (i) Tai-I BVI and parties acting in concert with it have not received any indication or irrevocable commitment from any Shareholder that it will accept or reject the Privateco Offer;
- (ii) Tai-I BVI and parties acting in concert with it have not entered into any agreements in relation to the issue of any convertible securities, options, warrants or derivatives of Privateco;
- (iii) Tai-I BVI and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Privateco; and
- (iv) there are no other arrangements (whether by way of option, indemnity or otherwise) in relation to the Privateco Shares and the shares of Tai-I BVI which might be material to the Privateco Offer.

The Privateco is a company incorporated in Bermuda with limited liability on 9 November 2010. As at the date of this joint announcement, the Privateco has 596,158,000 shares issued to the Company and the Privateco has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Privateco Shares. None of the close relatives of Mr. Hsu has dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Privateco since its incorporation on 9 November 2010 to the date of this joint announcement.

As advised by Tai-I BVI, each of the close relatives of Mr. Hsu confirmed that none of them has dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company since the last date of their respective acquisitions of the Shares in around 2007 and 2008. Tai-I BVI, its associates and parties acting in concert with Tai-I BVI will abstain from voting on the relevant resolution proposed at the EGM.

By order of the board
Tai-I International Holdings Limited
Huang Cheng-Roang
Chairman

By order of the board
Tai-I International (BVI) Limited
Hsu Shou-Hsin
Sole Director

Hong Kong, 2 February 2011

As at the date of this joint announcement, the Board comprises four executive Directors, namely Mr. Huang Cheng-Roang (Chairman), Mr. Lin Chi-Ta (Chief Executive Officer), Mr. Huang Kuo-Feng and Mr. Du Chi-Ting, and five independent non-executive Directors, namely Mr. Kang Jung-Pao, Mr. Cheng Yang-Yi, Mr. Tsay Yang-Tzong, Mr. Yan Minghe and Mr. Atsushi Kanayama.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to Tai-I BVI, its associates and parties acting in concert with Tai-I BVI) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Hsu Shou-Hsin is the sole director of Tai-I BVI.

The sole director of, and parties acting in concert with, Tai-I BVI accept full responsibility for the accuracy of the information contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this announcement, the board of directors of Taiwan Tai-I comprises seven directors, namely Mr. Hsu Jui-Chun, Mr. Hsu Shou-Hsin, Mr. Hsu Shou-Teh, Mr. Liao Wen-Lung, Mr. Kanayama Akikazu, Mr. Huang Dong-Chuan and Ms. Hsu Yu-Ying.

The directors of Taiwan Tai-I jointly and severally accepts full responsibility for the accuracy of the information contained in this joint announcement and confirms, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.