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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

ANNUAL RESULTS

The board of directors (the "Directors") of Tai-I International Holdings Limited (the "Company") is pleased to announce the audited consolidated income statement of the Company and its subsidiaries (collectively, referred to as the "Group") for the year ended 31 December 2006 and the Group's audited consolidated balance sheet as at 31 December 2006, together with the relevant comparative figures for the previous year.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December

	Notes	2006 *RMB'000*	2005 *RMB'000*
Turnover	*6*	**7,077,910**	3,979,619
Cost of sales		**(6,856,339)**	(3,837,052)
Gross profit		**221,571**	142,567
Other revenue	*7*	**13,506**	7,265
Other net income/(loss)	*8*	**36,975**	(1,859)
Distribution expenses		**(19,781)**	(18,838)
General and administrative expenses		**(23,210)**	(17,414)
Other operating expenses		**(5,038)**	(2,816)
Profit from operations		**224,023**	108,905
Finance costs	*9(i)*	**(96,969)**	(41,448)
Profit before taxation	*9*	**127,054**	67,457
Income tax expenses	*10*	**(6,256)**	–
Profit for the year		**120,798**	67,457
Attributable to:			
– Equity holders of the Company		**79,480**	35,735
– Minority interests		**41,318**	31,722
Basic and diluted earnings per share (RMB)	*12*	**0.18**	0.08

CONSOLIDATED BALANCE SHEET

As at 31 December

	Notes	2006 RMB'000	2005 RMB'000
Non-current assets			
Property, plant and equipment		**480,693**	485,124
Lease prepayments		**33,858**	34,695
		514,551	519,819
Current assets			
Inventories		**326,045**	125,195
Trade and other receivables	13	**1,474,691**	621,410
Amounts due from related companies		**–**	263,828
Pledged deposits		**1,127,218**	860,712
Cash and cash equivalents		**182,399**	74,106
		3,110,353	1,945,251
Current liabilities			
Bank loans		**1,790,727**	970,173
Trade and other payables	14	**1,288,076**	985,975
Amounts due to related companies		**–**	86,164
Derivative financial instruments		**1,202**	–
Income tax payable		**1,343**	–
		3,081,348	2,042,312
Net current assets/(liabilities)		**29,005**	(97,061)
Total assets less current liabilities		**543,556**	422,758
Non-current liabilities			
Bank loans		**40,000**	40,000
NET ASSETS		**503,556**	382,758
Capital and reserves			
Share capital		**–**	190,125
Reserves		**503,556**	5,138
Total equity attributable to equity holders of the Company		**503,556**	195,263
Minority interests		**–**	187,495
Total equity		**503,556**	382,758

Notes:

1. GROUP BACKGROUND AND BASIS OF PRESENTATION

(a) The Company and the reorganization

The Company was incorporated in the Cayman Islands on 20 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

Pursuant to a reorganization ("the Reorganization") of the Company and its subsidiaries (the "Group") which was completed on 16 August 2006 to rationalize the Group's structure in preparation for the public listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited ("the Stock Exchange"), the Company became the holding company of the subsidiaries comprising the Group.

The shares of the Company were listed on the Stock Exchange on 11 January 2007.

(b) Basis of presentation

The Group is regarded as a continuing entity resulting from the Reorganization since all of the entities which took part in the Reorganization were controlled by the same group of ultimate equity holders, through their interests in Tai-I International Development Pte. Ltd., Tai-I International (Singapore) Pte. Ltd. and Tai-I International (BVI) Limited (referred to as "the controlling equity holders") before and after the Reorganization and, consequently, there was a continuation of the risks and benefits to the controlling equity holders, the consolidated financial statements have been prepared on the basis of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combination" issued by the Hong Kong Institute of Certified Public Accountants as if the Group had always been in existence.

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For business combinations involving entities under common control, merger accounting is adopted. In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative period disclosed, are included in the consolidated financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

The net assets of the combining companies are consolidated using the existing book values from the controlling equity holders' perspective. Accordingly, the interests of equity holders other than the controlling equity holders in the combining companies, Tai-I Jiang Corp (Guangzhou) Co., Ltd. ("Tai-I Jiang Corp") and Tai-I Copper (Guangzhou) Co., Ltd., ("Tai-I Copper") prior to the Reorganization, have been presented as minority interests in the Group's financial statements.

The results of the Group for the two years ended 31 December 2006 include results of the Company and its subsidiaries with effect from their respective dates of incorporation, whichever is a shorter period as if the current group structure had been in existence throughout the two years presented. The consolidated balance sheet as at 31 December 2005 is a combination of the balance sheets of the companies now comprising the Group at 31 December 2005. All material intra-group transactions and balances have been eliminated on consolidation. In the opinion of the Directors, the consolidated financial statements prepared on this basis present fairly the results of operations and state of affairs of the Group as a whole.

As the Company was incorporated on 20 April 2006, no comparative figure is presented in respect of the Company's balance sheet.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") promulgated by the International Accounting Standards Boards ("IASB"). IFRSs include all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the IASB. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued a number of new and revised IFRSs that are first effective or available for early adoption for accounting periods beginning on or after 1 January 2006. These new and revised IFRSs have been early adopted at the beginning of the year ended 31 December 2003.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2006

Up to the date of issue of the financial statements, the IASB has issued the following amendments, new standards and interpretations which are not yet effective for the accounting period ended 31 December 2006 and which have not been adopted in the financial statements:

	Effective for accounting periods beginning on or after
IFRS 7, Financial instruments: disclosures	1 January 2007
Amendment to IAS 1, Presentation of financial statements: capital disclosures	1 January 2007
IFRIC 7, Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies	1 March 2006
IFRIC 8, Scope of IFRS 2	1 May 2006
IFRIC 9, Reassessment of Embedded Derivatives	1 June 2006
IFRIC 10, Interim Financial Reporting and Impairment	1 November 2006
IFRIC 11, IFRS 2 – Group and treasury share transactions	1 March 2007
IFRIC 12, Service concession arrangements	1 January 2008

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far the Group believes that the adoption of IFRIC 7, IFRIC 8, IFRIC 9, IFRIC 11, IFRIC 12 and the amendments to IAS 1 are not applicable to any of the Group's operations and that the adoption of the rest of the above amendments, new standards and new interpretations is unlikely to have a significant impact on the Group's results of operations and financial position.

4. ACCOUNTING POLICIES

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for the derivative financial instruments which are stated at their fair value.

5. SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's operation is regarded as a single segment, being an enterprise engaged in the manufacturing and sale of bare copper wires and magnet wires and provision of processing services. In addition, analysis of the Group's turnover and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 90% of the sales are generated from the PRC market.

6. TURNOVER

The principal activities of the Group are the manufacturing and sale of bare copper wires and magnet wires and provision of processing services.

The amount of each significant category of revenue recognized during the year is as follows:

	2006	2005
	RMB'000	*RMB'000*
Sales of bare copper wires	**5,101,350**	3,003,087
Sales of magnet wires	**1,971,482**	964,393
Processing services	**5,078**	12,139
	7,077,910	3,979,619

The Group's operations are mostly located in the PRC. During the year, a substantial proportion of the Group's products were sold to its customers for futher processing, which were eventually exported to overseas countries.

7. OTHER REVENUE

	2006	2005
	RMB'000	*RMB'000*
Interest income	**13,457**	7,165
Others	**49**	100
	13,506	7,265

8. OTHER NET INCOME/(LOSS)

	2006	2005
	RMB'000	*RMB'000*
Exchange gain	**17,164**	4,374
Gain on sales of scrap materials	**3,270**	1,690
Loss on disposal of property, plant and equipment	**(1,448)**	(1,717)
Net gain/(loss) on derivative financial instruments	**17,989**	(6,078)
Others	**–**	(128)
	36,975	(1,859)

9. PROFIT BEFORE TAXATION

(i) Finance costs

	2006	2005
	RMB'000	*RMB'000*
Interest expense	**84,735**	33,407
Letter of credit charges	**10,764**	7,038
Interest paid and payable to related parties	**1,470**	1,768
Total borrowing costs	**96,969**	42,213
Less: Capitalization of borrowing costs	**–**	(765)
	96,969	41,448

(ii) Other items

	2006	2005
	RMB'000	*RMB'000*
Depreciation	**30,483**	23,536
Amortization of lease prepayment	**837**	837

10. INCOME TAX EXPENSE

	2006	2005
	RMB'000	*RMB'000*
Current tax – PRC		
Provision for the year	**6,256**	–

No provision has been made for Hong Kong Profits Tax as the Group does not earn income subject to Hong Kong Profits Tax during the year.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Pursuant to the approvals obtained from the relevant PRC tax authorities, being production oriented enterprises established in an Economic and Technological Zone, Tai-I Jiang Corp and Tai-I Copper are entitled to a preferential income tax rate of 15% and are entitled to a tax concession period in which they are fully exempted from PRC income tax for two years commencing from its first profit-making year, followed by a 50% reduction in PRC income tax for the next three years.

The first profit-making year of Tai-I Jiang Corp is 2005 and Tai-I Jiang Corp is exempted from PRC tax for the period from 1 January 2005 to 31 December 2006. Tai-I Jiang Corp is entitled to a 50% income tax reduction for the next three years and hence subject to PRC income tax at 7.5% for the period from 1 January 2007 to 31 December 2009.

The first profit-making year of Tai-I Copper is 2004 and Tai-I Copper is exempted from PRC tax for the period from 1 January 2004 to 31 December 2005. Tai-I Copper is entitled to a 50% income tax reduction for the next three years and hence subject to PRC income tax at 7.5% for the period from 1 January 2006 to 31 December 2008.

11. FINAL DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2006 (2005: Nil).

12. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2006 is based on the profit attributable to equity shareholders of the Company of RMB79,480,000 (2005: RMB35,735,000) and the weighted average of 450,000,000 (2005: 450,000,000) shares in issue during the year, calculated as follows:

	2006
	No. of shares
Ordinary shares issued at 1 January	1
Issuance of shares upon the Reorganization	9,999
Capitalization issue	449,990,000
Weighted average number of shares at 31 December	450,000,000

The weighted average number of shares in issue during the years ended 31 December 2006 and 2005 represents the 450,000,000 shares in issue before the listing of the Company's shares on the Stock Exchange on 11 January 2007, as if such shares had been outstanding during the above entire two years.

There were no dilutive potential ordinary shares in issue as at 31 December 2006 (2005: Nil)

13. TRADE AND OTHER RECEIVABLES

	2006	2005
	RMB'000	*RMB'000*
Trade receivables	**935,073**	513,818
Bills receivable	**237,937**	82,196
	1,173,010	596,014
Deposits and prepayments made to suppliers	**195,487**	8,709
Other receivables	**54,167**	7,511
Deposits for derivative financial instruments	**52,027**	348
Other tax recoverable	**–**	8,828
	1,474,691	621,410

All of the trade and other receivables are expected to be recovered within one year.

Included in trade and other receivables are trade receivables and bills receivable (net of impairment loss for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

	2006	2005
	RMB'000	*RMB'000*
Within 1 month	**695,798**	326,106
Over 1 month but less than 2 months	**196,854**	108,603
Over 2 months but less than 3 months	**146,392**	81,281
Over 3 months but less than 6 months	**122,681**	79,058
Over 6 months but less than 12 months	**7,019**	682
Over 1 year but less than 2 years	**4,263**	16
Over 2 years	**3**	268
	1,173,010	596,014

During the year, credit terms granted to customers of bare copper wires were different from those granted to customers of magnet wires. Customers of bare copper wires were usually required to settle the payment in full prior to delivery or at each month end. For customers of magnet wires, credit terms granted ranged from 30 days to 60 days. The credit terms granted to each customer vary depending on the customers' relationship with the Group, its creditworthiness and settlement record.

14. TRADE AND OTHER PAYABLES

	2006	2005
	RMB'000	*RMB'000*
Trade creditors	**1,031,913**	732,916
Bills payable	**178,778**	210,988
	1,210,691	943,904
Non-trade payables and accrued expenses	**70,280**	38,017
Other taxes payable	**7,105**	4,054
	1,288,076	985,975

All of the trade and other payables are expected to be settled within one year.

Included in trade and other payables are trade creditors and bills payables with the following ageing analysis as of the balance sheet date:

	2006	2005
	RMB'000	*RMB'000*
Due within 3 months or on demand	**1,030,816**	733,607
Due after 3 months but within 6 months	**179,792**	210,297
Due after 6 months but within 1 year	**–**	–
Due after 1 year but within 2 years	**11**	–
	1,210,619	943,904

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

For the year ended 31 December 2006, the revenue of the Group amounted to approximately RMB7,077,910,000 (2005: RMB3,979,619,000), an increase of approximately 77.85% as compared to the previous year. The revenue of bare copper wires increased by approximately RMB2,098,263,000 or 69.87%, while the revenue of magnet wires increased by approximately RMB1,007,089,000 or 104.43%.

Growth in revenue is due to the increase in copper price. The average copper price quoted on London Metal Exchange increased greatly from approximately US$3,679 per tonne in 2005 to approximately US$6,722 per tonne in 2006. In addition, the sales volume of magnet wires also rose from 25,646 tonnes in 2005 to 33,230 tonnes in 2006. Boosted by the strong uplift of price and sales volume, the revenue of the Group increased significantly.

Gross profit

For the year ended 31 December 2006, gross profit increased dramatically by 55.42% from approximately RMB142,567,000 in 2005 to approximately RMB221,571,000 in 2006. Gross profit of bare copper wires increased by approximately RMB12,109,000 or 15.06%, while that of magnet wires increased by approximately RMB69,081,000 or 117.61%. Even though overall gross profit margin dropped slightly due to the significant increase in revenue resulted from substantial uplift of copper price, the average gross profit per tonne recorded a drastic growth despite the copper price increase. Average gross profit of bare copper wires increased by 15.29% from approximately RMB850 per tonne in 2005 to approximately RMB980 per tonne in 2006, while average gross profit of magnet wires increased significantly by 68.12% from approximately RMB2,290 per tonne in 2005 to approximately RMB3,850 per tonne in 2006.

The improvement in gross profit and average gross profit per tonne was primarily attributable to the long term effort of cost control by the Group and the optimization of the product mix.

Other net income/(loss)

The Group recorded other net income of approximately RMB36,975,000 in 2006, compared with the other net loss of approximately RMB1,859,000 in 2005. The other net income was primarily due to a gain of approximately RMB17,989,000 (2005: a loss of approximately RMB6,078,000) on derivative financial instruments and an exchange gain of approximately RMB17,164,000 (2005: RMB4,374,000).

Finance costs

Finance costs increased by approximately RMB55,521,000 from approximately RMB41,448,000 in 2005 to approximately RMB96,969,000 in 2006. The increase was due to (i) an increase of approximately RMB51,328,000 in interest expenses for discounting bills receivable or letters of credit and commercial bills issued and subsequently converted to short-term trust receipt loans, which was in line with the increase in purchase of copper cathodes, and (ii) an increase of approximately RMB3,726,000 in bank charges for the issuance of letters of credit, which was in line with the purchases of copper cathodes and the resulting higher level of bills and accounts payable.

Profit for the year

Profit for the year increased by 79.07% from approximately RMB67,457,000 in 2005 to approximately RMB120,798,000 in 2006. Profit attributable to equity holders of the Company increased by 122.41% from approximately RMB35,735,000 in 2005 to approximately RMB79,480,000 in 2006. Upon completion of the reorganization on 16 August 2006, the Company became the direct or indirect owner of 100% equity interests in TIC (BVI), Tai-1 Jiang Corp and Tai-1 Copper and accordingly, no portion of the Group's results and net assets were required to be allocated or presented as attributable to minority interests in the Group's consolidated financial statements since that date.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2006, total equity attributable to equity holders of the Company amounted to approximately RMB503,556,000 increased by approximately 157.89% from approximately RMB195,263,000 as at 31 December 2005. Net asset value per share as at 31 December 2006 was approximately RMB1.12, calculated based on 450,000,000 shares, increased by 160.47% from RMB0.43 as at 31 December 2005. Net cash generated from operating activities for 2006 amounted to approximately RMB214,180,000, increased significantly by 54.57 times as compared to that for 2005. The strong current cash flow generated by the activities of the Group ensures a stable financial position for the Group.

Short-term borrowings increased from approximately RMB970,173,000 as at 31 December 2005 to approximately RMB1,790,727,000 as at 31 December 2006, representing an increase of 84.58%. It was due to the relatively higher copper price in 2006 as compared to 2005 and the resulting greater demand for working capital of the Group. Pledged deposits placed for the issuance of letters of credit in relation to the overseas purchases of copper cathodes amounted to approximately RMB1,127,218,000 as at 31 December 2006, increased by approximately 30.96% as compared to those as at 31 December 2005. In 2006, deposits amounting to 30% or 35% of the amount covered by the relevant letters of credit were required by the banks for the issuance of letters of credit.

FOREIGN EXCHANGE

Revenue of the Group is primarily denominated in US dollar, HK dollar and Renminbi, while purchase of the Group is primarily denominated in US dollar and Renminbi. In 2006, approximately 65.81%, 6.86% and 27.33% of the Group's revenue was denominated in US dollar, HK dollar and Renminbi respectively, while approximately 75.72% and 24.28% of the Group's purchase was denominated in US dollar and Renminbi respectively. In 2006, the Group recorded net exchange gains of approximately RMB17,164,000 (2005: RMB4,374,000) due to the appreciation of Renminbi.

PLEDGE OF ASSETS

The carrying amount of assets pledged to secure bank loans and certain letters of credit and commercial bills is summarized as follows:

	As at 31 December		
Assets	**2006**	2005	**Purpose**
	RMB'000	*RMB'000*	
Buildings	**93,761**	106,968	Bank loans, letters of credit and commercial bills
Land use rights	**33,858**	29,109	Bank loans, letters of credit and commercial bills
Inventories	**218,010**	38,444	Bank loans, letters of credit and commercial bills
Bank deposits	**1,127,218**	860,712	Letters of credit and commercial bills
Machinery, equipment and tools	**197,831**	211,650	Letters of credit and commercial bills
Total	**1,670,678**	1,246,883	

CAPITAL STRUCTURE

The Group adopts a prudent treasury policy, and its net gearing ratio (calculated as total borrowings less pledged deposits and cash then divided by total assets) as at 31 December 2006 was 14.38% (2005: 3.06%). The current ratio (calculated as current assets divided by current liabilities) as at 31 December 2006 was 100.94% (2005: 95.25%). The Group continued to monitor stringent debt collection policy so as to minimize the risks of sales on credit and to ensure that funds are timely collected.

CAPITAL COMMITMENTS AND CONTINGENT LIABLITIES

(a) Capital commitments outstanding at 31 December 2006 not provided for in the consolidated financial statements were as follows:

	2006	2005
	RMB'000	*RMB'000*
Contracted for	**–**	18,266
Authorised but not contracted for	**–**	–
	–	18,266

(b) At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases in respect of property are payables as follows:

	2006	2005
	RMB'000	*RMB'000*
Less than one year	**1,310**	752
Between one and two years	**–**	4
	1,310	756

The Group leased a number of properties under operating lease during the year. None of the lease includes contingent rentals.

(c) The Group had no significant contingent liabilities as at 31 December 2006 (2005: nil).

BUSINESS REVIEW

Copper prices quoted on London Metal Exchange rose sharply from approximately US$5,000 per tonne in January 2006 to approximately US$8,000 per tonne in May 2006 due to imbalance of global supply and demand. Besides, due to our successful expansion in production capacity and significant growth in sales volume of magnet wires, our revenue reached new record, of which revenue from bare copper wires and magnet wires increased by 69.87% and 104.43% respectively as compared to the previous year.

The Group acquired new equipments and upgraded the existing ones to enlarge the production facility and volume. Currently, it has the capacity to manufacture approximately 150,000 tonnes of bare copper wires and approximately 50,000 tonnes of magnet wires annually. The sales volume of magnet wires rose up from 25,646 tonnes in year 2005 to 33,230 tonnes in year 2006, resulting from economies of scale.

We paid great efforts to develop, research and improve our products through professional technical team to improve the magnet wires with more high value added features. Besides, we keep in close contact with our customers to develop tailor made products. It resulted in more and more high value added products sold and better profit margins. Therefore, the gross profits of bare copper wires and magnet wires increased by approximately 15.06% and 117.61% respectively as compared to the previous year.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

The Group has a dedicated management team with extensive experience. Most of the senior management members have joined the Group since its establishment, and have been serving the Group or its subsidiaries. In addition, we also invited international talents with professional qualification from overseas to join our senior management team. Under the leadership, vision and drive of the Group's management, we have become one of the market leaders in the PRC within a relatively short period and assumed a leading role in the Pearl River Delta market. The Group has also built up a highly respected brand name.

As at 31 December 2006, the Group had about 1,250 full time employees in Hong Kong and the PRC. For the year ended 31 December 2006, staff cost was approximately RMB40,859,000 (2005: RMB28,050,000), of which contributions to defined contribution retirement schemes were approximately RMB2,814,000 (2005: RMB2,117,000). The Group ensured its remuneration to remain at a competitive level, and distributed bonus to its employees in accordance with the Group's general remuneration policy in line with their performance. In addition, the Group also tried to retain and provide incentive to its technical and management talents through providing internal training and development programs.

USE OF PROCEEDS FROM SHARE OFFER

The proceeds from the Company's share offer, after deduction of related expenses, amounted to approximately HK$220.76 million, which are intended to be applied in accordance with the proposed applications set out in the section headed "Future plans and use of proceeds from the Share Offer" in the Prospectus of the Company dated 28 December 2006. Up to the date of announcement and in accordance with the plans as set out in the Prospectus, approximately HK$44 million were utilized to repay short-term borrowings for trade financing purpose. Approximately HK$22 million were utilized for general working capital in its subsidiaries. The remaining net proceeds of HK$154.76 million is temporarily placed as short-term deposits with licensed banks in Hong Kong and the PRC.

BUSINESS OUTLOOK

Moving forward, the Group will continue to deploy management expertise to develop high value added products. We shall optimize our product mix and expand our markets. We intend to establish our business operation covering other regions in the PRC as and when opportunities arise. With our expertise in the manufacture of cable and wire, we believe that we are well positioned to implement our development plans on new products so as to enhance the Group's profitability for the benefit of our shareholders.

ANNUAL GENERAL MEETING

The 2006 annual general meeting of the Company for the financial year ended 31 December 2006 will be held on Tuesday, 22 May 2007.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of shareholders entitled to attend and vote at the 2006 annual general meeting of the Company to be held on Tuesday, 22 May 2007, the register of members of the Company will be closed from Thursday, 17 May 2007 to Tuesday, 22 May 2007, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's transfer office and share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00pm on Wednesday, 16 May 2007.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURTIES OF THE COMPANY

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2006.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, since the listing of its shares on the Stock Exchange on 11 January 2007 and as at the date of this report, the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

COMPLIANCE WITH MODEL CODE SET OUT IN APPENDIX 10 OF LISTING RULES

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("CG code") as set out in Appendix 14 to the Listing Rules on the Stock Exchange which came into effect on 1 January 2005. In the opinion of the Directors, the Company has met the code provisions set out in the CG code.

AUDIT COMMITTEE

The Company established an audit committee on 18 December 2006 with written terms of reference in compliance with the CG code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises five independent non-executive Directors, namely Mr. Tsay Yang Tzong (chairman), Mr. Kang Jung-Pao, Mr. Cheng Yang-Yi, Mr. Atsushi Kanayama and Mr. Yan Minghe. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2006 which is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange requirements and other legal requirements, and that adequate disclosures have been made.

AUDITORS

The financial statements for the year ended 31 December 2006 have been audited by the Group's auditors, KPMG and an unqualified opinion report was issued.

KPMG shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Tai-I International Holdings Limited
Huang Cheng-Roang
Chairman

Hong Kong, 18 April 2007

As at the date of this announcement, (a) the executive Directors are Mr. Huang Cheng-Roang, Vincent, Mr. Lin Chi-Ta, Mr. Du Chi-Ting, and Mr. Huang Kuo-Feng; (b) the independent non-executive Directors are Mr. Tsay Yang Tzong, Mr. Kang Jung-Pao, Mr. Cheng Yang-Yi, Mr. Atsushi Kanayama and Mr. Yan Minghe.

Please also refer to the published version of this announcement in The Standard.