



**HOTUNG GROUP**

HOTUNG INVESTMENT HOLDINGS LIMITED

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**Full Year Financial Statement for the Period Ended 31/12/2013**

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**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY  
(Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED DECEMBER 31, 2013

	Group		Change %
	2013 NT\$'000	2012 NT\$'000	
Operating income			
Interest income	5,441	6,432	(15)
Dividend income/distribution income	183,461	102,472	79
Gains/ (Losses) on sale of held-for-trading investments	23,983	(13,597)	nm
Gains on sale of available-for-sale investments	528,635	712,929	(26)
Gains/ (Losses) on sale of other financial assets at fair value through profit or loss	33,106	(13,254)	nm
Changes in fair value of held-for-trading investments	24,872	(10,111)	nm
Changes in fair value of other financial assets at fair value through profit or loss	(97,759)	25,814	nm
Foreign exchange gains/ (losses)	11,572	(5,795)	nm
Other operating income	1,382	858	61
Total operating income	<u>714,693</u>	<u>805,748</u>	(11)
Impairment losses			
Impairment losses on available-for-sale investments	(149,030)	(257,056)	(42)
Impairment losses on other financial assets at fair value through profit or loss	(30,164)	(28,464)	6
Impairment losses on trade receivables	-	(5,604)	nm
Total impairment losses	<u>(179,194)</u>	<u>(291,124)</u>	(38)
Operating expenses			
General and administrative expenses	(192,802)	(183,861)	5
Total operating expenses	<u>(192,802)</u>	<u>(183,861)</u>	5
Share of profits of associates	19,397	18,422	5
<b>Profit before tax</b>	362,094	349,185	4
Tax expense	(31,582)	(20,214)	56
<b>Profit after tax</b>	<u>330,512</u>	<u>328,971</u>	-
Other comprehensive income - items that maybe reclassify subsequently to profit or loss:			
Exchange differences on translation of foreign operations	62,307	(99,888)	nm
Financial Assets - available-for-sale (AFS):			
Net change in fair value	126,560	386,863	(67)
Add: Reclassification adjustments for impairment losses taken to profit before tax	(6,693)	45,779	nm
Less: Reclassification adjustments for gains taken to profit before tax from sales	(260,008)	(64,043)	306
Share of other comprehensive income of associates	81	(131)	nm
Tax relating to components of other comprehensive losses	(22,405)	(2,710)	727
Other comprehensive (losses)/income for the financial year, net of tax	<u>(100,158)</u>	<u>265,870</u>	nm
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	<u>230,354</u>	<u>594,841</u>	(61)
Profit attributable to:			
Owners of the Company	330,492	328,965	-
Non-controlling interests	20	6	233
	<u>330,512</u>	<u>328,971</u>	-
Total comprehensive income attributable to:			
Owners of the Company	230,334	594,835	(61)
Non-controlling interests	20	6	233
	<u>230,354</u>	<u>594,841</u>	(61)

nm: Not Meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	Group			Company		
	31/12/2013 NT\$'000	31/12/2012 NT\$'000	Change %	31/12/2013 NT\$'000	31/12/2012 NT\$'000	Change %
<b>Assets</b>						
<b>Non-current assets:</b>						
Investments in subsidiaries	-	-	-	5,740,951	5,496,699	4
Investments in associates	67,129	64,192	5	8,260	8,260	-
Available-for-sale investments	4,511,114	3,978,643	13	-	-	-
Other financial assets at fair value through profit or loss	650,449	968,515	(33)	-	-	-
	<u>5,228,692</u>	<u>5,011,350</u>	4	<u>5,749,211</u>	<u>5,504,959</u>	4
<b>Current assets:</b>						
Held-for-trading investments	195,649	122,352	60	-	-	-
Trade and other receivables	33,313	44,645	(25)	712	363	96
Cash and cash equivalents	1,780,996	2,075,953	(14)	158,427	87,293	81
	<u>2,009,958</u>	<u>2,242,950</u>	(10)	<u>159,139</u>	<u>87,656</u>	82
<b>Total assets</b>	<u>7,238,650</u>	<u>7,254,300</u>	-	<u>5,908,350</u>	<u>5,592,615</u>	6
<b>Equity</b>						
Share capital	5,233,034	5,233,034	-	5,233,034	5,233,034	-
Share premium	1,347,887	1,347,887	-	1,347,887	1,347,887	-
Contributed surplus reserve	406,116	406,116	-	406,116	406,116	-
Currency translation reserve	(142,664)	(205,052)	(30)	-	-	-
Legal reserve	405,641	388,361	4	-	-	-
Special reserve	19,801	19,801	-	-	-	-
Capital surplus - net assets from merger	126,667	126,667	-	-	-	-
Fair value reserve	633,652	796,198	(20)	-	-	-
Treasury shares reserve	(83,117)	(79,119)	5	(83,117)	(79,119)	5
Accumulated losses	(950,532)	(946,306)	-	(1,012,462)	(1,331,774)	(24)
<b>Equity attributable to owners of the Company</b>	<u>6,996,485</u>	<u>7,087,587</u>	(1)	<u>5,891,458</u>	<u>5,576,144</u>	6
<b>Non-controlling interests</b>	<u>411</u>	<u>406</u>	1	<u>-</u>	<u>-</u>	-
<b>Total equity</b>	<u>6,996,896</u>	<u>7,087,993</u>	(1)	<u>5,891,458</u>	<u>5,576,144</u>	6
<b>Liabilities</b>						
<b>Non-current liability:</b>						
Deferred tax liability	51,386	28,981	77	-	-	-
	<u>51,386</u>	<u>28,981</u>	77	<u>-</u>	<u>-</u>	-
<b>Current liabilities:</b>						
Trade and other payables	100,996	55,538	82	16,892	16,471	3
Income tax payables	89,372	81,788	9	-	-	-
	<u>190,368</u>	<u>137,326</u>	39	<u>16,892</u>	<u>16,471</u>	3
<b>Total liabilities</b>	<u>241,754</u>	<u>166,307</u>	45	<u>16,892</u>	<u>16,471</u>	3
<b>Total equity and liabilities</b>	<u>7,238,650</u>	<u>7,254,300</u>	-	<u>5,908,350</u>	<u>5,592,615</u>	6

nm: Not Meaningful

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less , or on demand**

As at 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

**Amount repayable after one year**

As at 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

**Details of any collateral**

None

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2013

	GROUP	
	2013	2012
	NT\$'000	NT\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	362,094	349,185
Adjustments for:		
Changes in fair value of held-for-trading investments	(24,872)	10,111
Changes in fair value of other financial assets at fair value through profit or loss	97,759	(25,814)
Dividend income/ distribution income	(183,461)	(102,472)
Gains on sale of available-for-sale investments	(528,635)	(712,929)
(Gains)/ Losses on sale of other financial assets at fair value through profit or loss	(33,106)	13,254
Impairment losses on available-for-sale investments	149,030	257,056
Impairment losses on other financial asset at fair value through profit or loss	30,164	28,464
Impairment losses on trade receivables	-	5,604
Interest income	(5,441)	(6,432)
(Gains)/ Losses on sale of held-for-trading investments	(23,983)	13,597
Share of profits of associates	(19,397)	(18,422)
Operating loss before working capital changes	(179,848)	(188,798)
Acquisition of held-for-trading investments	(309,386)	(269,147)
Proceeds from disposal of held-for-trading investments	320,575	258,212
Trade and other receivables	(1,363)	(226)
Trade and other payables	9,947	(15,573)
Cash used in operations	(160,075)	(215,532)
Interest received	5,358	6,135
Dividend received/ distribution income	221,494	113,331
Tax paid	(23,998)	(34,529)
<b>Net cash from/(use in) operating activities</b>	42,779	(130,595)
<b>Cash flows from investing activities:</b>		
Dividend received from associate	16,541	20,677
Acquisition of available-for-sale investments	(1,324,935)	(1,052,585)
Acquisition of other financial assets at fair value through profit or loss	-	(45,045)
Proceeds from disposal of available-for-sale investments	1,093,128	1,685,651
Proceeds from disposal of other financial asset at fair value through profit or loss	208,236	1,920
Capital reduction of available-for-sale investee entities	9,385	17,458
Capital reduction of other financial assets at fair value through profit or loss	-	20,616
Proceeds of liquidating distribution received from investee companies	-	15,435
<b>Net cash from investing activities</b>	2,355	664,127
<b>Financing activities:</b>		
Capital reduction in subsidiaries	(15)	(13)
Purchase of treasury shares	(3,998)	(79,119)
Dividend paid to Shareholders of the Company	(317,438)	(269,166)
<b>Net cash used in financing activities</b>	(321,451)	(348,298)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(276,317)	185,234
Cash and cash equivalents at January 1	2,030,574	1,877,075
Effect of exchange rate on cash and cash equivalents	20,199	(31,735)
<b>Cash and cash equivalents at December 31</b>	1,774,456	2,030,574
<b>Supplemental disclosure of cash flow information</b>		
Cash and cash equivalent in the statement of cash flows	1,774,456	2,030,574
Cash held by trustee	6,540	45,379
<b>Cash and cash equivalent in the statement of financial position</b>	1,780,996	2,075,953

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

GROUP STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 2013

	Attributable to owners of the Company												Non-controlling interests	Total
	Share capital	Share premium	Contributed surplus reserve	Currency translation reserve	Legal reserve	Special reserve	Capital surplus - net assets from merger	Fair value reserve	Treasury shares reserve	Accumulated losses	Sub-total			
	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000		
<b>At January 1, 2013</b>	5,233,034	1,347,887	406,116	(205,052)	388,361	19,801	126,667	796,198	(79,119)	(946,306)	7,087,587	406	7,087,993	
<b>Total comprehensive income/(losses) for the year</b>														
Profit for the year	-	-	-	-	-	-	-	-	-	330,492	330,492	20	330,512	
Total other comprehensive income/(losses) for the year	-	-	-	62,388	-	-	-	(162,546)	-	-	(100,158)	-	(100,158)	
<b>Total comprehensive income/(losses) for the year</b>	-	-	-	62,388	-	-	-	(162,546)	-	330,492	230,334	20	230,354	
<b>Transactions with owners, recognised directly in equity</b>														
<b>Contributions by and distributions to owners</b>														
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(3,998)	-	(3,998)	-	(3,998)	
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)	
Applied legal reserves in one of subsidiaries	-	-	-	-	17,280	-	-	-	-	(17,280)	-	-	-	
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(317,438)	(317,438)	-	(317,438)	
<b>Total transactions with owner</b>	-	-	-	-	17,280	-	-	-	(3,998)	(334,718)	(321,436)	(15)	(321,451)	
<b>At December 31, 2013</b>	5,233,034	1,347,887	406,116	(142,664)	405,641	19,801	126,667	633,652	(83,117)	(950,532)	6,996,485	411	6,996,896	

GROUP STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 2012

	Attributable to owners of the Company												
	Share capital	Share premium	Contributed surplus	Currency translation reserves	Legal reserves	Special reserves	Capital surplus - net assets from merger	Fair value reserves	Treasury shares reserves	Accumulated losses	Sub-total	Non-controlling interests	Total
<b>At January 1, 2012</b>	5,233,034	1,347,887	406,116	(105,033)	367,498	19,801	126,667	430,309	-	(985,242)	6,841,037	413	6,841,450
<b>Total comprehensive income/(losses) for the year</b>													
Profit for the year	-	-	-	-	-	-	-	-	-	328,965	328,965	6	328,971
Total other comprehensive income/ (losses) for the year	-	-	-	(100,019)	-	-	-	365,889	-	-	265,870	-	265,870
<b>Total comprehensive income/(losses) for the year</b>	-	-	-	(100,019)	-	-	-	365,889	-	328,965	594,835	6	594,841
<b>Transactions with owners, recognised directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Shares bought back as treasury shares	-	-	-	-	-	-	-	(79,119)	-	(79,119)	-	-	(79,119)
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	(13)	-	(13)
Applied legal reserves in one of subsidiaries	-	-	-	-	20,863	-	-	-	-	(20,863)	-	-	-
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(269,166)	(269,166)	-	(269,166)
<b>Total transactions with owner</b>	-	-	-	-	20,863	-	-	(79,119)	-	(290,029)	(348,285)	(13)	(348,298)
<b>At December 31, 2012</b>	5,233,034	1,347,887	406,116	(205,052)	388,361	19,801	126,667	796,198	(79,119)	(946,306)	7,087,587	406	7,087,993

COMPANY STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 2013

	Share capital NTS'000	Share premium NTS'000	Contributed surplus reserve NTS'000	Treasury shares reserve NTS'000	Accumulated losses NTS'000	Total NTS'000
At January 1, 2013	5,233,034	1,347,887	406,116	(79,119)	(1,331,774)	5,576,144
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	636,750	636,750
Total other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	636,750	636,750
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Shares bought back as treasury shares	-	-	-	(3,998)	-	(3,998)
Dividend paid to shareholders of the Company	-	-	-	-	(317,438)	(317,438)
<b>Total transactions with owner</b>	-	-	-	(3,998)	(317,438)	(321,436)
At December 31, 2013	5,233,034	1,347,887	406,116	(83,117)	(1,012,462)	5,891,458

COMPANY STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 2012

	Share capital NTS'000	Share premium NTS'000	Contributed surplus NTS'000	Treasury shares reserves NTS'000	Accumulated losses NTS'000	Total NTS'000
At January 1, 2012	5,233,034	1,347,887	406,116	-	(1,052,677)	5,934,360
<b>Total comprehensive losses for the year</b>						
Losses for the year	-	-	-	-	(9,931)	(9,931)
Total other comprehensive losses for the year	-	-	-	-	-	-
<b>Total comprehensive losses for the year</b>	-	-	-	-	(9,931)	(9,931)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Shares bought back as treasury shares	-	-	-	(79,119)	-	(79,119)
Dividend paid to shareholders of the Company	-	-	-	-	(269,166)	(269,166)
<b>Total transactions with owner</b>	-	-	-	(79,119)	(269,166)	(348,285)
At December 31, 2012	5,233,034	1,347,887	406,116	(79,119)	(1,331,774)	5,576,144

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Pursuant to the general mandate obtained in the General Meeting held on April 24, 2013, the Company continued with its share buy-back exercise. During the period from April 24, 2013 to December 31, 2013, the number of shares purchased by way of market acquisition was 1,139,000 (in total representing 0.11 % of the Company's issued share



capital as at the date of the share buy-back mandate was obtained), for an aggregated consideration of NT\$ 3,998,380. Pursuant to the Bye-laws of the Company, the shares purchased are treated as treasury shares.

As at December 31, 2013, the issued share capital less treasury shares of the Company was 1,022,855,783 shares (1,046,606,783 issued shares less 23,751,000 treasury shares) and the issued capital amounted to NT\$5,233,033,915.

As at December 31, 2012, the issued share capital less treasury shares of the Company was 1,023,994,783 shares (1,046,606,783 issued shares less 22,612,000 treasury shares) and the issued capital amounted to NT\$5,233,033,915.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>31/12/2013</u>	<u>31/12/2012</u>
Total number of issued shares, excluding treasury shares	<u>1,022,855,783</u>	<u>1,023,994,783</u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	<u>Number of Shares</u>
At January 1, 2013	22,612,000
Shares bought back as treasury shares	<u>1,139,000</u>
At December 31, 2013	<u>23,751,000</u>

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

Figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer most recently audited annual financial statements have been applied.**

The revised and/ or new International Financial Reporting Standards (IFRS) effective in FY2013 have no significant impact on the Group.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Group		
	NT\$	
	2013	2012
<b>Earnings per ordinary share after deducting any provisions for preference dividends :</b>		
(a) Based on weighted average number of ordinary shares on issue; and	0.32	0.32
(b) On a fully diluted basis	0.32	0.32
<b>Earnings per ordinary share has been computed on the following weighted average number of shares :</b>		
(a) Basic	1,023,407,835	1,038,588,021
(b) Diluted	1,023,407,835	1,038,588,021

7. **Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

		Group		Company	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net asset value (attributable to owners of the Company)	NT\$	6.84	6.92	5.76	5.45
per share based on issued share capital at end of the year	S\$	0.290	0.291	0.244	0.229

Note : Exchange rate of S\$1: NT\$23.58 for 2013.12.31 and S\$1: NT\$23.76 for 2012.12.31

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group business. It must include a discussion of the following:-**  
**(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(a)

1. The Group's operating income of NT\$714.7 million came primarily from divestment and /or revaluation of its investments as follows:
  - i. Gains of NT\$528.6 million (2012: NT\$712.9 million) on sales of available-for-sale investments; there was one investment portfolio sold with capital gains of NT\$341 million in 3Q2012;
  - ii. Gains of NT\$33.1 million (2012: losses of NT\$13.3 million) on sales of other financial assets at fair value through profit or loss;
  - iii. Gains of NT\$24.0 million (2012: losses of NT\$13.6 million) on sales of held-for-trading investments;
  - iv. Dividend income/distribution income of NT\$183.5 million (2012: NT\$102.5 million) received including gains on sales of fund investments of NT\$122.6 million; and
  - v. Revaluation losses of NT\$97.8 million (2012: gains of NT\$25.8 million) on other financial assets at fair value through profit or loss, of which the revaluation losses arose mainly from two quoted investments with much lower market price at the end of 2013.
2. The Group's impairment losses decreased to NT\$179.2 million at end of 2013 from NT\$291.1 million in 2012, mainly due to the overall favourable stock market trend for the portfolio of quoted investments. In addition, other than the continued impairment of certain unquoted investments which were impaired in prior years, there was no significant impairment of the portfolio of unquoted investments.
3. The increase in the Group's tax expense from NT\$20.2 million to NT\$31.6 million was mainly arose from capital gains tax expenses from divestments made by the Taiwan subsidiaries of the Group.
4. The Group's other comprehensive income, losses of NT\$100.2 million (2012: gains of NT\$265.9 million) came mainly from the following items:
  - i. The net gains of NT\$126.6 million in fair value change of available-for-sale assets (2012: gains of NT\$386.9 million);
  - ii. The reclassification adjustments of impairments losses taken to P/L of NT\$6.7 million arising from reclassification of gain from fair value reserve due to impairment. (2012 reclassification of losses of NT\$45.8 million);
  - iii. The reclassification adjustments for gains on sales taken to P/L of NT\$260.0 million (2012: NT\$64.0 million); and
  - iv. The depreciation of NT dollar against US dollar in 2013; the exchange gains difference on translation of foreign operation were NT\$62.3 million, unlike NT\$99.9 million losses in 2012 due to the appreciation of NT dollar against US dollar.

(b)

- i. The decrease in the Group's other financial assets at FVTPL from NT\$968.5 million to NT\$650.4 million was mainly due to divestments in 2013;
- ii. The increase in the Group's held-for-trading investments from NT\$122.4 million to NT\$195.6 million was due to addition of trading position in December;
- iii. The decrease in the Group's trade and other receivables from NT\$44.6 million to NT\$33.3 million was mainly due to the receipt of reserved cash from an escrow account in March 2013;
- iv. The fair value reserve decreased from NT\$796.2 million to NT\$633.7 million mainly due to the reclassification for gains on sales taken to income statement;
- v. The increase in the Group's deferred tax liabilities from NT\$29.0 million to NT\$51.4 million was mainly due to increased capital gains tax per new tax rulings effective on Jan. 1, 2013; and
- vi. The increase in the Group's trade and other payables from NT\$55.5 million to NT\$101.0 million was mainly due to purchased of quoted equities made at the end of the year which are due to brokers.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast was previously disclosed in relation to full year 2013 results.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The decision by the U.S. Federal Reserve to draw down its Quantitative Easing strategy will have significant global impact in 2014. The response of the corporate sector and consumers of the world's largest economy to this tapering deserves close attention as these reactions will ultimately affect the dynamic of China's manufacturing activity, the Chinese consumer behavior and its entire global supply chain network.

Nevertheless, for the year, we see the global economy strengthening its fundamentals and its recovery after many volatile years. Hotung will continue to focus on bio-tech and medicine, automotive components, consumer demand related, and other specialty industries that will grow within the Greater China Region.

**11. Dividend**

**(a) Current Financial Period Reported on**

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend : Final  
Dividend Type : Cash  
Dividend Amount Per Share : NT\$0.31 per share (tax not applicable)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend : Final  
Dividend Type : Cash  
Dividend Amount Per Share : NT\$0.31 per share (tax not applicable)

**(c) Date payable**

N.A.

**(d) Books closure date**

N.A.

**12. If no dividend has been declared (recommended), a statement to that effect.**

N.A.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a shareholder's mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**14. Negative confirmation pursuant to rule 705(5) of the listing manual**

N.A.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR**

**ANNOUNCEMENTS (This part is not applicable to Q1, Q2 & Q3 or Half Year Results)**

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group adopted IFRS 8, Operating Segments, and identified the operating segments based on internal reporting that the Group's chief decision makers regularly review, as follows:

1. Venture Capital Investment – the Group's core business segment conducted through

its three subsidiaries: Hotung Venture Capital Corp. (Taiwan), Daitung Development and Investment Corp. (Taiwan) and Huitung Investments (BVI) Ltd., with the objective of achieving significant long-term capital appreciation by investing in a balanced and well-diversified portfolio, and assisting and adding value to the portfolio of companies.

2. Others –the Group invests available short-term cash in a trading portfolio through one of the Taiwanese subsidiaries, Daitung Development and Investment Corp., to enhance short-term returns. The Group also conducts fund management operations and other operations through its associated company, Hotung International Co., Ltd. (Taiwan) and to a lesser extent, another wholly-owned subsidiary Hotung Management International Ltd. (Cayman).

There were no inter-segment transaction during the period except for the management and incentive fees paid from entities within the “venture capital investment” business segment to the associate company in the “others” segment, which are not eliminated as the associate has been equity accounted for.

The accounting policies of the reportable segments are the same as those in the audited financial statements for the year ended December 31, 2013.

	Venture capital investment business		Others		Group	
	NT\$'000		NT\$'000		NT\$'000	
	2013	2012	2013	2012	2013	2012
<b>Operating income from external parties</b>						
Interest income	5,346	6,326	95	106	5,441	6,432
Dividend income/distribution income	180,932	94,372	2,529	8,100	183,461	102,472
Gains/(Losses) on sale of held-for-trading investments	-	-	23,983	(13,597)	23,983	(13,597)
Gains on sale of available-for-sale investments	528,635	712,929	-	-	528,635	712,929
Gains/(Losses) on sale of other financial assets at fair value through profit or loss	33,106	(13,254)	-	-	33,106	(13,254)
Changes in fair value of held-for-trading investments	-	-	24,872	(10,111)	24,872	(10,111)
Changes in fair value of other financial assets at fair value through profit or loss	(97,759)	25,814	-	-	(97,759)	25,814
Foreign exchange gains/(losses)	11,340	(5,795)	232	-	11,572	(5,795)
Other operating income	1,376	856	6	2	1,382	858
	662,976	821,248	51,717	(15,500)	714,693	805,748
<b>Impairment losses</b>						
Impairment loss on available-for-sale investments	(149,030)	(257,056)	-	-	(149,030)	(257,056)
Impairment loss on other financial assets at fair value through profit or loss	(30,164)	(28,464)	-	-	(30,164)	(28,464)
Impairment loss on trade receivables	-	(5,604)	-	-	-	(5,604)
	(179,194)	(291,124)	-	-	(179,194)	(291,124)
<b>Operating expenses</b>						
General and administrative expenses	(176,158)	(170,025)	(16,644)	(13,836)	(192,802)	(183,861)
	(176,158)	(170,025)	(16,644)	(13,836)	(192,802)	(183,861)
<b>Share of profits of associates</b>	-	-	19,397	18,422	19,397	18,422
<b>Profit/(Loss) before tax</b>	307,624	360,099	54,470	(10,914)	362,094	349,185
Tax expense	(27,610)	(16,580)	(3,972)	(3,634)	(31,582)	(20,214)
<b>Profit/(Losses) after tax</b>	280,014	343,519	50,498	(14,548)	330,512	328,971
<b>Segment assets</b>	6,942,390	7,035,681	229,131	154,427	7,171,521	7,190,108
Investments in associates	3,153	3,072	63,976	61,120	67,129	64,192
<b>Consolidated total assets</b>	<b>6,945,543</b>	<b>7,038,753</b>	<b>293,107</b>	<b>215,547</b>	<b>7,238,650</b>	<b>7,254,300</b>
<b>Segment liabilities</b>	59,031	49,084	41,965	6,454	100,996	55,538
Tax liabilities					140,758	110,769
<b>Consolidated total liabilities</b>					<b>241,754</b>	<b>166,307</b>

Information about geographical areas

	Operating income	
	NT\$'000	
	2013	2012
Greater China	563,986	342,496
United States	150,285	457,699
Other countries	422	5,553
Total	714,693	805,748

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

None.

**17. A breakdown of sales.**

	Group		
	NT\$'000		Change %
	2013	2012	
Operating income reported for first half year	335,083	311,535	8
Operating profit after tax before non-controlling interests reported for first half year	160,072	148,893	8
Operating income reported for second half year	379,610	494,213	(23)
Operating profit after tax before non-controlling interests reported for second half year	170,440	180,078	(5)

**18. A breakdown of the total annual dividend (in dollar value) for the issuer latest full year and its previous full year.**

	Latest Full Year	Previous Full Year
	2013	2012
	NT\$'000	NT\$'000
Ordinary (tax exempt one-tier)		
- final	-	317,438
Ordinary (tax exempt one-tier)		
- final (proposed)	317,085	-
Total :	317,085	317,438

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**



Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year 2013
Ms. Tsui-Hui Huang	50	Daughter of Mr. Cheng-Wang Huang (non-executive Director)  Wife of Mr. Chin-Wei Chen (non-executive Director)	Managing Director - Hotung Investment Holdings Ltd. since August 1, 2006.  Executive Director - Hotung Investment Holdings Ltd. since June 20, 2005.	nil

**BY ORDER OF THE BOARD**

Shu-Hui Lo  
Company Secretary  
26/2/2014