



HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED

Second Quarter Financial Statement for the Period Ended 30/6/2016

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
FOR THE SECOND QUARTER ENDED JUNE 30, 2016

	Group		
	2Q 2016 NT\$'000	2Q 2015 NT\$'000	Change %
Revenue			
Interest income	1,481	1,153	28
Dividend/distribution income	32,992	34,099	(3)
Gains on sale of available-for-sale investments	46,424	55,545	(16)
Gains/(losses) on sale of other financial assets at fair value through profit or loss	14,337	(304)	nm
Changes in fair value of held-for-trading investments	(904)	(3,866)	(77)
Changes in fair value of other financial assets at fair value through profit or loss	(15,776)	127,770	nm
Foreign exchange gains/(losses)	3,722	(1,221)	nm
Others	2,634	178	1380
Total revenue	84,910	213,354	(60)
Impairment losses			
Impairment losses on available-for-sale investments	(3,719)	(83,764)	(96)
Impairment losses on other financial assets at fair value through profit or loss	-	(10,055)	nm
Total impairment losses	(3,719)	(93,819)	(96)
Operating expenses			
General and administrative expenses	(30,774)	(38,183)	(19)
Total operating expenses	(30,774)	(38,183)	(19)
Share of profits of associates	-	3,923	nm
Profit before tax	50,417	85,275	(41)
Tax (expense)/credit	(18,235)	7,807	nm
Profit after tax	32,182	93,082	(65)
Other comprehensive income/(losses):			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	11,729	(37,135)	nm
Financial Assets - available-for-sale (AFS):			
- Net change in fair value	75,906	(133,357)	nm
- Reclassification adjustments for impairment losses taken to profit before tax	(254)	17,452	nm
- Reclassification adjustments for gains taken to profit before tax from sales of AFS financial assets	(44,718)	(32,063)	39
Tax relating to components of other comprehensive gains	13,278	8,459	57
Other comprehensive income/(losses) for the period, net of tax	55,941	(176,644)	nm
TOTAL COMPREHENSIVE INCOME/(LOSSES) FOR THE PERIOD	88,123	(83,562)	nm
Profit attributable to:			
Owners of the Company	25,984	93,083	(72)
Non-controlling interests	6,198	(1)	nm
	32,182	93,082	(65)
Total comprehensive income/(losses) for the period attributable to:			
Owners of the Company	81,925	(83,561)	nm
Non-controlling interests	6,198	(1)	nm
	88,123	(83,562)	nm

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 JUNE 30, 2016

	Group			Company		
	30/6/2016	31/12/2015	Change	30/6/2016	31/12/2015	Change
	NT\$'000	NT\$'000	%	NT\$'000	NT\$'000	%
Assets						
Non-current assets:						
Investments in subsidiaries	-	-	-	5,255,069	5,255,069	-
Available-for-sale investments	4,848,364	5,033,759	(4)	-	-	-
Other financial assets at fair value through profit or loss	630,231	1,225,459	(49)	-	-	-
Property, plant and equipment	1,104	95	1,062	-	-	-
Trade and other receivables	9,682	9,847	(2)	-	-	-
	<u>5,489,381</u>	<u>6,269,160</u>	<u>(12)</u>	<u>5,255,069</u>	<u>5,255,069</u>	-
Current assets:						
Held-for-trading investments	7,484	38,714	(81)	-	-	-
Trade and other receivables	59,710	47,317	26	1	1,611	(100)
Cash and cash equivalents	1,855,725	1,774,550	5	62,166	57,310	8
	<u>1,922,919</u>	<u>1,860,581</u>	<u>3</u>	<u>62,167</u>	<u>58,921</u>	<u>6</u>
Total assets	<u>7,412,300</u>	<u>8,129,741</u>	<u>(9)</u>	<u>5,317,236</u>	<u>5,313,990</u>	-
Equity						
Share capital	5,233,033	5,233,033	-	5,233,033	5,233,033	-
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	65,196	112,293	(42)	-	-	-
Legal reserve	477,508	457,504	4	-	-	-
Special reserve	19,801	19,801	-	-	-	-
Capital surplus - net assets from merger	126,667	126,667	-	-	-	-
Fair value reserve	936,998	1,108,544	(15)	-	-	-
Treasury shares reserve	(208,210)	(188,777)	10	(208,210)	(188,777)	10
Accumulated losses	(1,217,128)	(892,274)	36	(1,475,485)	(1,507,229)	(2)
Equity attributable to owners of the Company	<u>7,187,868</u>	<u>7,730,794</u>	<u>(7)</u>	<u>5,303,341</u>	<u>5,291,030</u>	-
Non-controlling interests	82,296	96,551	(15)	-	-	-
Total equity	<u>7,270,164</u>	<u>7,827,345</u>	<u>(7)</u>	<u>5,303,341</u>	<u>5,291,030</u>	-
Liabilities						
Non-current liability:						
Deferred tax liability	44,387	101,750	(56)	-	-	-
	<u>44,387</u>	<u>101,750</u>	<u>(56)</u>	<u>-</u>	<u>-</u>	-
Current liabilities:						
Advance receipts	-	59,951	nm	-	-	-
Trade and other payables	49,206	72,249	(32)	13,895	22,960	(39)
Income tax payable	48,543	68,446	(29)	-	-	-
	<u>97,749</u>	<u>200,646</u>	<u>(51)</u>	<u>13,895</u>	<u>22,960</u>	<u>(39)</u>
Total liabilities	<u>142,136</u>	<u>302,396</u>	<u>(53)</u>	<u>13,895</u>	<u>22,960</u>	<u>(39)</u>
Total equity and liabilities	<u>7,412,300</u>	<u>8,129,741</u>	<u>(9)</u>	<u>5,317,236</u>	<u>5,313,990</u>	-

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 30/6/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Amount repayable after one year

As at 30/6/2016		As at 31/12/2015	
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
FOR THE SECOND QUARTER ENDED JUNE 30, 2016

	GROUP	
	2Q	2Q
	2016	2015
	NT\$'000	NT\$'000
Cash flows from operating activities		
Profit after tax	32,182	93,082
Adjustments for:		
Changes in fair value of other financial assets at fair value through profit or loss	15,776	(127,770)
Dividend/distribution income	(32,992)	(34,099)
Gains on sale of available-for-sale investments	(46,424)	(55,545)
(Gains)/losses on sale of other financial assets at fair value through profit or loss	(14,337)	304
Impairment losses on available-for-sale investments	3,719	83,764
Impairment losses on other financial assets at fair value through profit or loss	-	10,055
Depreciation expense	21	-
Interest income	(1,481)	(1,153)
Share of profits of associates	-	(3,923)
Tax expenses/(credit)	18,235	(7,807)
	(25,301)	(43,092)
Changes to:		
Held-for-trading investments	597	8,070
Trade and other receivables	376	341
Trade and other payables	(32,503)	(9,895)
Advance receipts	-	43,449
Cash used in operations	(56,831)	(1,127)
Interest received	2,191	1,710
Tax paid	(68,332)	(31,214)
Net cash used in operating activities	(122,972)	(30,631)
Cash flows from investing activities:		
Dividend received from associates	-	16,541
Acquisition of available-for-sale investments	(196,313)	(202,231)
Acquisition of other financial assets at fair value through profit or loss	(2,147)	(7,549)
Proceeds from disposal of available-for-sale investments	104,450	78,977
Proceeds from disposal of other financial assets at fair value through profit or loss	138,849	8,435
Dividend/distribution income received from investments	49,949	55,889
Acquisition of property, plant and equipment	(855)	-
Net cash from/(used in) investing activities	93,933	(49,938)
Cash flows from financing activities:		
Dividend paid to non-controlling shareholders in subsidiaries	(26,400)	-
Capital reduction in subsidiaries	-	(23)
Purchase of treasury shares	(19,433)	(38,210)
Dividend paid to Shareholders of the Company	(400,000)	(257,633)
Net cash used in financing activities	(445,833)	(295,866)
Net decrease in cash and cash equivalents	(474,872)	(376,435)
Cash and cash equivalents at April 1	2,324,536	1,219,808
Effect of exchange rate on cash and cash equivalents	5,293	(2,733)
Cash and cash equivalents at June 30	1,854,957	840,640
Supplemental disclosure of cash flow information		
Cash and cash equivalent in the statement of cash flows	1,854,957	840,640
Cash held by trustee	768	10,230
Cash and cash equivalent in the statement of financial position	1,855,725	850,870

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
FOR THE SECOND QUARTER ENDED JUNE 30, 2016

	Attributable to owners of the Company												
	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	Non-controlling interests	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	NT\$'000
At April 1, 2016	5,233,033	1,347,887	406,116	53,467	457,504	19,801	126,667	892,786	(188,777)	(823,108)	7,525,376	102,498	7,627,874
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	25,984	25,984	6,198	32,182
Exchange differences on translation of foreign operations	-	-	-	11,729	-	-	-	-	-	-	11,729	-	11,729
Financial Assets - available-for-sale (AFS)	-	-	-	-	-	-	-	44,212	-	-	44,212	-	44,212
Total other comprehensive income	-	-	-	11,729	-	-	-	44,212	-	-	55,941	-	55,941
Total comprehensive income for the period	-	-	-	11,729	-	-	-	44,212	-	25,984	81,925	6,198	88,123
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(19,433)	-	(19,433)	-	(19,433)
Transfer from accumulated losses to legal reserves	-	-	-	-	20,004	-	-	-	-	(20,004)	-	-	-
Dividend declared	-	-	-	-	-	-	-	-	-	(400,000)	(400,000)	(26,400)	(426,400)
Total transactions with owner	-	-	-	-	20,004	-	-	-	(19,433)	(420,004)	(419,433)	(26,400)	(445,833)
At June 30, 2016	5,233,033	1,347,887	406,116	65,196	477,508	19,801	126,667	936,998	(208,210)	(1,217,128)	7,187,868	82,296	7,270,164

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2015

	Attributable to owners of the Company												
	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	Non-controlling interests	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	NT\$'000
At April 1, 2015	5,233,034	1,347,887	406,116	(21,772)	437,112	19,801	126,667	751,572	(150,567)	(927,425)	7,222,425	413	7,222,838
Total comprehensive income / (losses) for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	93,083	93,083	(1)	93,082
Exchange differences on translation of foreign operations	-	-	-	(37,135)	-	-	-	-	-	-	(37,135)	-	(37,135)
Financial Assets - available-for-sale (AFS)	-	-	-	-	-	-	-	(139,509)	-	-	(139,509)	-	(139,509)
Total other comprehensive losses	-	-	-	(37,135)	-	-	-	(139,509)	-	-	(176,644)	-	(176,644)
Total comprehensive income/(losses) for the period	-	-	-	(37,135)	-	-	-	(139,509)	-	93,083	(83,561)	(1)	(83,562)
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(38,210)	-	(38,210)	-	(38,210)
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(23)	(23)
Transfer from accumulated losses to legal reserves	-	-	-	-	20,392	-	-	-	-	(20,392)	-	-	-
Dividend declared	-	-	-	-	-	-	-	-	-	(257,633)	(257,633)	-	(257,633)
Total transactions with owner	-	-	-	-	20,392	-	-	-	(38,210)	(278,025)	(295,843)	(23)	(295,866)
At June 30, 2015	5,233,034	1,347,887	406,116	(58,907)	457,504	19,801	126,667	612,063	(188,777)	(1,112,367)	6,843,021	389	6,843,410

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2016

	Share capital	Share premium	Contributed surplus reserve	Treasury shares reserve	Accumulated losses	Total
	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000
At April 1, 2016	5,233,033	1,347,887	406,116	(188,777)	(1,514,037)	5,284,222
Total comprehensive income for the period						
Profit for the period	-	-	-	-	438,552	438,552
Total other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	438,552	438,552
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Shares bought back as treasury shares	-	-	-	(19,433)	-	(19,433)
Dividend declared	-	-	-	-	(400,000)	(400,000)
Total transactions with owner	-	-	-	(19,433)	(400,000)	(419,433)
At June 30, 2016	5,233,033	1,347,887	406,116	(208,210)	(1,475,485)	5,303,341

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2015

	Share capital	Share premium	Contributed surplus reserve	Treasury shares reserve	Accumulated losses	Total
	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000
At April 1, 2015	5,233,034	1,347,887	406,116	(150,567)	(1,246,653)	5,589,817
Total comprehensive income for the period						
Profit for the period	-	-	-	-	5,367	5,367
Total other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	5,367	5,367
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Shares bought back as treasury shares	-	-	-	(38,210)	-	(38,210)
Dividend declared	-	-	-	-	(257,633)	(257,633)
Total transactions with owner	-	-	-	(38,210)	(257,633)	(295,843)
At June 30, 2015	5,233,034	1,347,887	406,116	(188,777)	(1,498,919)	5,299,341

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 from the General Meeting held on April 21, 2016, the Company continued with its share buy-back exercise. During the period from April 21, 2016 to June 30, 2016, the number of shares purchased by way of market acquisition was 577,500 (in total representing 0.58% 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\$19,433,504. Pursuant to the Bye-laws of the Company, the shares purchased are

treated as treasury shares.

As at June 30, 2016, the issued share capital less treasury shares of the Company was 98,805,382 shares (104,660,662 issued shares less 5,855,280 treasury shares) and the issued capital amounted to NT\$5,233,033,100.

As at December 31, 2015, the issued share capital less treasury shares of the Company was 99,382,882 shares (104,660,662 issued shares less 5,277,780 treasury shares) and the issued capital amounted to NT\$5,233,033,100.

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.

	30/6/2016	31/12/2015
Total number of issued shares, excluding treasury shares	98,805,382	99,382,882

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.

	Number of Shares
At January 1, 2016	5,277,780
Shares bought back as treasury shares	577,500
At June 30, 2016	5,855,280

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 FY2016 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\$	
	2Q 2016	2Q 2015
Earnings per ordinary share after deducting any provisions for preference dividends :		
(a) Based on weighted average number of ordinary shares on issue; and	0.26	(Restated)* 0.93
(b) On a fully diluted basis	0.26	0.93
Earnings per ordinary share has been computed on the following weighted average number of shares :		
(a) Basic	99,186,939	99,845,879
(b) Diluted	99,186,939	99,845,879

*On 9 December 2015, the Company consolidated every 10 ordinary shares into 1 ordinary share in the capital of the Company and earnings per share for 2Q2015 has been adjusted for the effect of the share consolidation for comparison purposes.

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	
		30/6/2016	31/12/2015	30/6/2016	31/12/2015
Net asset value (attributable to owners of the Company)	NT\$	72.75	77.79	53.67	53.24
per share based on issued share capital at end of the period/year	S\$	3.04	3.35	2.24	2.29

Note : Exchange rate of S\$1: NT\$23.91 for 2016.6.30 and S\$1:NT\$23.25 for 2015.12.31

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 revenue of NT\$84.9 million came primarily from divestment and dividend as follows:
 - i. Gains of NT\$46.4 million (2Q2015: gains of NT\$55.5 million) on sales of available-for sale investments;
 - ii. Gains of NT\$14.3 million (2Q2015: losses of NT\$0.3 million) on sales of other financial assets at fair value through profit or loss (FVTPL) mainly from quoted investments sold in 2Q2016;
 - iii. Dividend/distribution income of NT\$33.0 million (2Q2015: NT\$34.1 million) received including distribution proceeds from fund investments of NT\$13.8 million (2Q2015: NT\$30.7 million);and
 - iv. Due to an unfavourable market prices for FVTPL portfolios at the end of 2Q2016, the mark to market revaluation result with losses of NT\$15.8 million (2Q2015: gains of NT\$127.8 million). While at the end of 2Q2015 revaluation gains arose mainly from the significant increase in the market prices for one quoted portfolio.
2. Certain available-for-sale investments that were impaired in the previous period were further impaired in 2Q2016 by NT\$3.7 million (2Q2015: NT\$93.8 million) due to prolonged declining market prices.
3. The Group's other comprehensive gains of NT\$55.9 million (2Q2015: losses of NT\$176.6 million) came mainly from the following items:
 - i. The net gains of NT\$75.9 million of favorable change on fair value of available-for-sale assets (2Q2015: losses of NT\$133.4 million);
 - ii. The reclassification adjustments for gains on sales taken to P/L of NT\$44.7 million (2Q2015:gains of NT\$32.1 million);
 - iii. Gains on the exchange difference on translation of foreign operations of NT\$11.7 million due to the appreciation of US dollar against NT dollar during 2Q2016 (2Q2015: losses of NT\$37.1 million); and
 - iv. The decrease on fair value of Taiwan AFS investments resulted in a tax benefit of NT\$13.3 million.

(b)

1. The decrease in the Group's FVTPL investments from NT\$1,225.5 million to NT\$630.2 million was mainly due to divestments in 1Q2016.
2. The decrease in the Group's held-for-trading investments from NT\$38.7 million to NT\$7.5 million was mainly due to divestments in 1Q2016.

3. Trade and other receivables (current) of NT\$59.7 million was mainly due to proceeds from investments divested with settlement date in the early July 2016.
4. The decrease in the Group's deferred tax liability from NT\$101.8 million to NT\$44.4 million was mainly to adjust the deferred tax liability per outstanding investments in Taiwan at the end of 2Q2016.
5. Advance receipts of NT\$60.0 million were recognised as the investment was derecognized at the end of 2Q2016.
6. Trade and other payables decreased from NT\$72.2 million to NT\$49.2 million mainly due to the payment of 2015 accrual expenses in 2Q2016.
7. The decrease income tax payables of NT\$19.9 million mainly arose from the payment of 2015 income tax for the Taiwan subsidiaries of the Group in May 2016.

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 second quarter 2016 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.

British exit from the EU and the depreciation of CNY to its lowest in the last 5 years will impact the Greater China Region. The volatility in the global equities and currency markets presents uncertainty. Nevertheless the Group will continue to tap on its expertise, network and resources to identify sound investment and divestment opportunities.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(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

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group, comprising the statements of financial position (Group and Company), consolidated statement of comprehensive income, statements of changes in equity (Group and Company) and consolidated statement of cash flows, together with the accompanying information required by Appendix 7.2 of Listing Manual of the Singapore Exchange Securities Trading Limited, for the second quarter ended June 30, 2016, to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the listing manual.

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the listing manual.

BY ORDER OF THE BOARD

Shu-Hui Lo

Company Secretary
August 10, 2016