



**HOTUNG GROUP**

HOTUNG INVESTMENT HOLDINGS LIMITED

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**Full Year Financial Statement for the Period Ended 31/12/2018**

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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, 2018

	Group		Change %
	2018 NT\$'000	2017 NT\$'000	
<b>Revenue</b>			
Interest income	4,619	6,674	(31)
Dividend/distribution income	138,477	143,952	(4)
Gains on sale of held-for-trading investments	-	8,254	
Gains on sale of available-for-sale investments	-	516,323	nm
Gains on sale of other financial assets at fair value through profit or loss	-	8,184	nm
Changes in fair value of held-for-trading investments	-	7,198	nm
Changes in fair value of other financial assets at fair value through profit or loss	-	(4,118)	nm
Net gains on financial assets at fair value through profit or loss	291,662	-	nm
Foreign exchange losses	(317)	(35,598)	(99)
Others	8,978	11,509	(22)
<b>Total revenue</b>	<b>443,419</b>	<b>662,378</b>	<b>(33)</b>
<b>Impairment losses</b>			
Impairment losses on available-for-sale investments	-	(97,721)	nm
<b>Total impairment losses</b>	<b>-</b>	<b>(97,721)</b>	<b>nm</b>
<b>Operating expenses</b>			
General and administrative expenses	(135,777)	(144,691)	(6)
<b>Total operating expenses</b>	<b>(135,777)</b>	<b>(144,691)</b>	<b>(6)</b>
<b>Profit before tax</b>	<b>307,642</b>	<b>419,966</b>	<b>(27)</b>
Tax expense	(13,797)	(45,720)	(70)
<b>Profit after tax</b>	<b>293,845</b>	<b>374,246</b>	<b>(21)</b>
<b>Other comprehensive income/(losses):</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations and others	89,183	(243,611)	nm
Financial assets - available-for-sale (AFS):			
- Net change in fair value	-	(439,309)	nm
- Reclassification adjustments for impairment losses taken to profit before tax	-	(7,430)	nm
- Reclassification adjustments for gains taken to profit before tax from sale of AFS financial assets	-	(416,317)	nm
Tax relating to components of other comprehensive losses	-	40,404	nm
<b>Other comprehensive income/(losses) for the year, net of tax</b>	<b>89,183</b>	<b>(1,066,263)</b>	<b>nm</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSSES) FOR THE YEAR</b>	<b>383,028</b>	<b>(692,017)</b>	<b>nm</b>
<b>Profit attributable to:</b>			
Owners of the Company	270,812	345,393	(22)
Non-controlling interests	23,033	28,853	(20)
	<b>293,845</b>	<b>374,246</b>	<b>(21)</b>
<b>Total comprehensive income/(losses) for the year attributable to:</b>			
Owners of the Company	359,995	(720,870)	nm
Non-controlling interests	23,033	28,853	(20)
	<b>383,028</b>	<b>(692,017)</b>	<b>nm</b>

nm: Not Meaningful

The Group has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated. See Note 4 and 5.

**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, 2018

	Group			Company		
	31/12/2018 NTS'000	31/12/2017 NTS'000	Change %	31/12/2018 NTS'000	31/12/2017 NTS'000	Change %
<b>Assets</b>						
<b>Non-current assets:</b>						
Investments in subsidiaries	-	-	-	4,714,147	4,960,021	(5)
Available-for-sale investments	-	2,830,613	nm	-	-	-
Financial assets at fair value through profit or loss	5,122,927	1,928,046	166	-	-	-
Property, plant and equipment	770	1,149	(33)	-	-	-
	<u>5,123,697</u>	<u>4,759,808</u>	8	<u>4,714,147</u>	<u>4,960,021</u>	(5)
<b>Current assets:</b>						
Held-for-trading investments	-	148,075	nm	-	-	-
Financial assets at fair value through profit or loss	85,766	-	nm	-	-	-
Trade and other receivables	8,184	13,758	(41)	1,548	684	126
Cash and cash equivalents	1,134,962	1,522,667	(25)	41,582	58,100	(28)
	<u>1,228,912</u>	<u>1,684,500</u>	(27)	<u>43,130</u>	<u>58,784</u>	(27)
<b>Total assets</b>	<u>6,352,609</u>	<u>6,444,308</u>	(1)	<u>4,757,277</u>	<u>5,018,805</u>	(5)
<b>Equity</b>						
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	-
Reserves	668,140	504,047	33	105,882	115,016	(8)
Accumulated losses	(1,102,307)	(959,777)	15	(1,949,738)	(1,701,112)	15
<b>Equity attributable to owners of the Company</b>	<u>6,146,753</u>	<u>6,125,190</u>	-	<u>4,737,064</u>	<u>4,994,824</u>	(5)
Non-controlling interests	95,156	101,456	(6)	-	-	-
<b>Total equity</b>	<u>6,241,909</u>	<u>6,226,646</u>	-	<u>4,737,064</u>	<u>4,994,824</u>	(5)
<b>Current liabilities:</b>						
Advance receipts	-	73,748	nm	-	-	-
Trade and other payables	74,419	81,437	(9)	20,213	23,981	(16)
Income tax payable	36,281	62,477	(42)	-	-	-
	<u>110,700</u>	<u>217,662</u>	(49)	<u>20,213</u>	<u>23,981</u>	(16)
<b>Total liabilities</b>	<u>110,700</u>	<u>217,662</u>	(49)	<u>20,213</u>	<u>23,981</u>	(16)
<b>Total equity and liabilities</b>	<u>6,352,609</u>	<u>6,444,308</u>	(1)	<u>4,757,277</u>	<u>5,018,805</u>	(5)

nm: Not Meaningful

The Group has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated. See Note 4 and 5.

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

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

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

**Amount repayable after one year**

As at 31/12/2018		As at 31/12/2017	
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, 2018

	GROUP	
	2018	Restated*
	NT\$'000	NT\$'000
<b>Cash flows from operating activities</b>		
Profit after tax	293,845	374,246
Adjustments for:		
Changes in fair value of other financial assets at fair value through profit or loss	-	4,118
Net gains on financial assets at fair value through profit or loss	(291,662)	-
Dividend/distribution income	(138,477)	(143,952)
Gains on sale of held-for-trading investments	-	(8,254)
Gains on sale of available-for-sale investments	-	(516,323)
Gains on sale of other financial assets at fair value through profit or loss	-	(8,184)
Impairment losses on available-for-sale investments	-	97,721
Depreciation expense	379	296
Interest income	(4,619)	(6,674)
Tax expense	13,797	45,720
	<u>(126,737)</u>	<u>(161,286)</u>
Changes to:		
Held-for-trading investments	-	(98,770)
Available-for-sale investments	-	795,723
Financial assets at fair value through profit or loss	(5,057)	(838,669)
Trade and other receivables	5,213	120
Trade and other payables	(9,151)	(10,706)
Advance receipts	-	73,748
Cash used in operations	<u>(135,732)</u>	<u>(239,840)</u>
Interest received	5,553	6,786
Dividend/distribution income received	137,904	143,952
Tax paid	(39,993)	(45,085)
<b>Net cash used in operating activities</b>	<u>(32,268)</u>	<u>(134,187)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	-	(429)
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(429)</u>
<b>Cash flows from financing activities:</b>		
Dividend paid to non-controlling shareholders in subsidiaries	(28,067)	(39,295)
Capital reduction in subsidiaries paid to non-controlling interests	(10)	(11)
Dividends paid to shareholders of the Company	(329,298)	(301,331)
Purchase of treasury shares	(9,134)	(44,363)
<b>Net cash used in financing activities</b>	<u>(366,509)</u>	<u>(385,000)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(398,777)</u>	<u>(519,616)</u>
Cash and cash equivalents at January 1	1,522,667	2,078,778
Effect of exchange rate on cash and cash equivalents	11,072	(37,203)
<b>Cash and cash equivalents at December 31</b>	<u>1,134,962</u>	<u>1,521,959</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash and cash equivalent in the statement of cash flows	1,134,962	1,521,959
Cash held by trustee	-	708
<b>Cash and cash equivalent in the statement of financial position</b>	<u>1,134,962</u>	<u>1,522,667</u>

\*In 2017, the Group presented its cash flows from available-for-sale investments and financial assets at fair value through profit or loss as cash flows arising from investing activities. In 2018, the Group assessed that as its principal activities pertain to investment and fund management, it is more appropriate to present the relevant cash flows as cash flows from operating activities. The 2017 comparatives have been restated to provide consistency in the presentation of the financial statements.

\*\*The Group has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated. See Note 4 and 5.

**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, 2018

	Attributable to owners of the Company											Non-controlling interests	Total
	Share capital	Share premium	Contributed surplus reserve	Currency translation and other 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	NT\$'000
<b>At December 31, 2017</b>	5,233,033	1,347,887	406,116	(181,203)	486,947	19,801	126,667	(63,181)	(291,100)	(959,777)	6,125,190	101,456	6,226,646
Adjustment on initial application of IFRS9 (net of tax)	-	-	-	-	-	-	-	63,181	-	(63,181)	-	-	-
Adjusted At January 1, 2018	5,233,033	1,347,887	406,116	(181,203)	486,947	19,801	126,667	-	(291,100)	(1,022,958)	6,125,190	101,456	6,226,646
<b>Total comprehensive income for the year</b>													
Profit for the year	-	-	-	-	-	-	-	-	-	270,812	270,812	23,033	293,845
Exchange differences on translation of foreign operations and others	-	-	-	89,183	-	-	-	-	-	-	89,183	-	89,183
Total other comprehensive income	-	-	-	89,183	-	-	-	-	-	-	89,183	-	89,183
<b>Total comprehensive income for the year</b>	-	-	-	89,183	-	-	-	-	-	270,812	359,995	23,033	383,028
<b>Transactions with owners, recognised directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(9,134)	-	(9,134)	-	(9,134)
Transfer to legal reserve of certain subsidiaries	-	-	-	-	20,863	-	-	-	-	(20,863)	-	-	-
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(329,298)	(329,298)	(29,323)	(358,621)
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
<b>Total transactions with owner</b>	-	-	-	-	20,863	-	-	-	(9,134)	(350,161)	(338,432)	(29,333)	(367,765)
<b>At December 31, 2018</b>	5,233,033	1,347,887	406,116	(92,020)	507,810	19,801	126,667	-	(300,234)	(1,102,307)	6,146,753	95,156	6,241,909

The Group has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information has not been restated. See Note 4 and 5.

GROUP STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 2017

	Attributable to owners of the Company												Non-controlling interests	Total
	Share capital	Share premium	Contributed surplus reserve	Currency translation and other 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	NT\$'000	NT\$'000
<b>At January 1, 2017</b>	5,233,033	1,347,887	406,116	62,408	477,508	19,801	126,667	759,471	(254,062)	(994,400)	7,184,429	113,667	7,298,096	
<b>Total comprehensive income/(losses) for the year</b>														
Profit for the year	-	-	-	-	-	-	-	-	-	345,393	345,393	28,853	374,246	
Exchange differences on translation of foreign operations and others	-	-	-	(243,611)	-	-	-	-	-	-	(243,611)	-	(243,611)	
Financial Assets - available-for-sale (AFS)	-	-	-	-	-	-	-	(822,652)	-	-	(822,652)	-	(822,652)	
Total other comprehensive losses	-	-	-	(243,611)	-	-	-	(822,652)	-	-	(1,066,263)	-	(1,066,263)	
<b>Total comprehensive income/(losses) for the year</b>	-	-	-	(243,611)	-	-	-	(822,652)	-	345,393	(720,870)	28,853	(692,017)	
<b>Transactions with owners, recognised directly in equity</b>														
<b>Contributions by and distributions to owners</b>														
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(37,038)	-	(37,038)	-	(37,038)	
Transfer from accumulated losses to legal reserves	-	-	-	-	9,439	-	-	-	-	(9,439)	-	-	-	
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(301,331)	(301,331)	(41,053)	(342,384)	
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(11)	(11)	
<b>Total transactions with owner</b>	-	-	-	-	9,439	-	-	-	(37,038)	(310,770)	(338,369)	(41,064)	(379,433)	
<b>At December 31, 2017</b>	5,233,033	1,347,887	406,116	(181,203)	486,947	19,801	126,667	(63,181)	(291,100)	(959,777)	6,125,190	101,456	6,226,646	

COMPANY STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 2018

	Share capital	Share premium	Contributed surplus reserve	Treasury shares reserve	Accumulated losses	Total
	NTS'000	NTS'000	NTS'000	NTS'000	NTS'000	NTS'000
At January 1, 2018	5,233,033	1,347,887	406,116	(291,100)	(1,701,112)	4,994,824
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	80,672	80,672
Total other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>					80,672	80,672
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Shares bought back as treasury shares	-	-	-	(9,134)	-	(9,134)
Dividend paid to shareholders of the Company	-	-	-	-	(329,298)	(329,298)
<b>Total transactions with owner</b>				(9,134)	(329,298)	(338,432)
At December 31, 2018	5,233,033	1,347,887	406,116	(300,234)	(1,949,738)	4,737,064

COMPANY STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 2017

	Share capital	Share premium	Contributed surplus reserve	Treasury shares reserve	Accumulated losses	Total
	NTS'000	NTS'000	NTS'000	NTS'000	NTS'000	NTS'000
At January 1, 2017	5,233,033	1,347,887	406,116	(254,062)	(1,393,374)	5,339,600
<b>Total comprehensive losses for the year</b>						
Losses for the year	-	-	-	-	(6,407)	(6,407)
Total other comprehensive losses for the year	-	-	-	-	-	-
<b>Total comprehensive losses for the year</b>					(6,407)	(6,407)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Shares bought back as treasury shares	-	-	-	(37,038)	-	(37,038)
Dividend paid to shareholders of the Company	-	-	-	-	(301,331)	(301,331)
<b>Total transactions with owner</b>				(37,038)	(301,331)	(338,369)
At December 31, 2017	5,233,033	1,347,887	406,116	(291,100)	(1,701,112)	4,994,824

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**



	Number of Shares	
	2018	2017
Issued ordinary shares :		
As at beginning of period	104,660,662	104,660,662
Issued during the period	-	-
As at end of period	<u>104,660,662</u>	<u>104,660,662</u>
Treasury shares :		
As at beginning of period	8,175,180	7,240,280
Purchase of treasury shares	199,400	934,900
As at end of period	<u>8,374,580</u>	<u>8,175,180</u>
Issued ordinary shares excluding treasury shares	<u>96,286,082</u>	<u>96,485,482</u>

The Company has no subsidiary holdings as at 31 December 2018 and 31 December 2017.

**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.**

	31/12/2018	31/12/2017
Total number of issued shares, excluding treasury shares	<u>96,286,082</u>	<u>96,485,482</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.**

The movement of treasury share is as follows:

	Number of Shares
At January 1, 2018	8,175,180
Shares bought back as treasury shares	199,400
At December 31, 2018	<u>8,374,580</u>

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

Not applicable. The Company has no subsidiary holdings as at 31 December 2018.

**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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as those applied in the audited financial statements for the year ended 31 December 2017 except for the adoption of the revised and/or new International Financial Reporting Standards (IFRS) effective in FY2018. The adoption of these revised and/or new IFRS have no significant impact on the Group's financial statements except as described in note 5 below.

**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.**

IFRS 9 is effective on 1 January 2018. The Group's financial assets in relation to the portfolio of available-for-sale financial assets have been designated as fair value through profit or loss (FVTPL) and the associated balances of the fair value reserve have been reclassified to retained earnings on the initial date of application of IFRS 9. Under the transition method chosen, comparative information has not been restated.

The impact of the adoption of IFRS 9 on the Group's equity as at 1 January 2018 is summarised below.

<b>NTS'000</b>	<b>As reported at 31 December 2017</b>	<b>Adjustments due to adoption of IFRS 9</b>	<b>Adjusted opening balance at 1 January 2018</b>
Fair value reserve	(63,181)	63,181	–
Accumulated losses	(959,777)	(63,181)	(1,022,958)

**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\$	
	2018	2017
<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	2.81	3.56
(b) On a fully diluted basis	2.81	3.56
<b>Earnings per ordinary share has been computed on the following weighted average number of shares :</b>		
(a) Basic	96,338,030	96,890,135
(b) Diluted	96,338,030	96,890,135

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	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net asset value (attributable to owners of the Company)	NT\$	63.84	63.48	49.20	51.77
per share based on issued share capital at end of the year	S\$	2.84	2.85	2.19	2.33

Note : Exchange rate of S\$1: NT\$22.48 for 2018.12.31 and S\$1:NT\$22.26 for 2017.12.31

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 net gains on financial assets at fair value through profit or loss of NT\$291.7 million arose mainly due to the change in fair value of FVTPL investments and the gains on divestment.
2. Dividend/distribution income of NT\$138.5 million (2017: NT\$144 million) received, including distribution proceeds from fund investments of NT\$91.3 million (2017: NT\$98.1 million).
3. The decrease in the Group's tax expense from NT\$45.7 million to NT\$13.8 million was mainly due to reduction in capital gains tax expenses from divestments made by the Taiwan subsidiaries of the Group.

(b)

1. During 2018, the Group's Cash balance reduced from NT\$1,522.7 million to NT\$1,135 million was mainly due to the payment of the 2017 dividend NT\$329.3 million to Shareholders in June 2018.
2. The Group has designated the portfolio of held-for-trading financial assets (2017: NT\$148.1 million) as FVTPL (current) on initial application of IFRS 9 as of 1 January 2018.
3. The portfolio of available-for-sale financial assets of NT\$2,830.6 million at the end of 2017 has been designated as FVTPL on initial application of IFRS 9 as at 1 January 2018.
4. The increase of NT\$164.1 million in the Group's reserves from NT\$504 million to NT\$668.1 million mainly arose from the currency translation of foreign operations due to the appreciation of US Dollar against NT Dollar.
5. Advance receipts of NT\$73.7 million as at the end of year 2017 were recognised as the investment was derecognized at 1Q2018.
6. The decrease in the Group's income tax payables of NT\$26.2 million was mainly due to the payment of 2017 income tax for the Group's Taiwan subsidiaries in May 2018.

**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 2018 full year 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 extended US-China trade negotiations beyond 1<sup>st</sup> March 2019 if it results in a trade agreement is expected to bring stability to the global economy and possibly the further strengthening of US dollar. Nevertheless the longer term disruption of the global electronic supply chain is expected to continue.

**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\$2.8 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\$3.42 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 sought 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.

**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.

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

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

**16. 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 identified the operating segments based on internal reporting that the Group’s chief decision makers regularly review. The investments segment includes all investment subsidiaries of the Group and the Fund Management segment relates to the activities of the fund management subsidiary.

1. Investment - the Group’s core business segment conducted mainly 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. Fund management - relates to the Group’s fund management conducted by its subsidiary, Hotung International Co., Ltd., with the main objective of providing investment consultancy and advisory services to entities within the Group.

There were no inter-segment transactions during the year except for the management and incentive fees paid from entities within the Investment segment to the fund management subsidiary company in the Fund management segment which was eliminated on consolidation.

2018	Investment business NT\$'000	Fund management NT\$'000	Eliminations NT\$'000	Consolidated NT\$'000
Revenue				
External revenue	435,027	8,392	-	443,419
Inter-segmental revenue	332	123,694	(124,026)	-
Total revenue	435,359	132,086	(124,026)	443,419
Interest income	4,222	397	-	4,619
Depreciation	-	379	-	379
Profit before tax	263,583	44,059	-	307,642
Tax expenses	(8,999)	(4,798)	-	(13,797)
Profit after tax but before non-controlling interests	254,584	39,261	-	293,845
Non-controlling interests	(8)	(23,025)	-	(23,033)
Profit attributable to owners of the Company	254,576	16,236	-	270,812
Other information				
Segment assets	6,160,697	217,790	(25,878)	6,352,609
Segment assets includes:				
Additions to:				
-Property, plant and equipment	-	-	-	-
Segment liabilities	47,888	52,409	(25,878)	74,419
Current income tax liabilities	32,538	3,743	-	36,281
Total liabilities	80,426	56,152	(25,878)	110,700
2017				
Revenue				
External revenue	661,071	1,307	-	662,378
Inter-segmental revenue	420	149,734	(150,154)	-
Total revenue	661,491	151,041	(150,154)	662,378
Interest income	5,740	934	-	6,674
Depreciation	-	296	-	296
Impairment losses on AFS	97,721	-	-	97,721
Profit before tax	361,812	58,154	-	419,966
Tax expenses	(36,744)	(8,976)	-	(45,720)
Profit after tax but before non-controlling interests	325,068	49,178	-	374,246
Non-controlling interests	(12)	(28,841)	-	(28,853)
Profit attributable to owners of the Company	325,056	20,337	-	345,393
Other information				
Segment assets	6,243,780	236,507	(35,979)	6,444,308
Segment assets includes:				
Additions to:				
-Property, plant and equipment	-	429	-	429
Segment liabilities	134,839	56,325	(35,979)	155,185
Current income tax liabilities	54,671	7,806	-	62,477
Total liabilities	189,510	64,131	(35,979)	217,662

Information about geographical areas:

	Revenue	
	NT\$'000	
	2018	2017
Greater China	421,084	555,747
United States	(11,348)	104,340
Other countries	33,683	2,291
Total	443,419	662,378

**17. 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.

**18. A breakdown of sales.**

	Group		
	NT\$'000		Change %
	2018	2017	
Revenue reported for first half year	241,603	323,352	(25)
Operating profit after tax before non-controlling interests reported for first half year	170,951	161,627	6
Revenue reported for second half year	201,816	339,026	(40)
Operating profit after tax before non-controlling interests reported for second half year	122,894	212,619	(42)

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

	2018	2017
	NT\$'000	NT\$'000
Ordinary (tax exempt one-tier)		
- final	-	329,298
Ordinary (tax exempt one-tier)		
- final (proposed)	269,601	-
Total :	269,601	329,298



20. **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 2018
Ms. Tsui-Hui Huang	55	Wife of Mr. Andy C.W. Chen (non-executive Director)	Managing Director - Hotung Investment Holdings Limited since August 1, 2006.  Executive Director - Hotung Investment Holdings Limited since June 20, 2005.	nil

**BY ORDER OF THE BOARD**

Hsin-Chieh Chung  
Company Secretary  
February 26, 2019