



RESPONSES TO SGX-ST'S QUERIES IN RELATION TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The board of directors (the "Board") of Hotung Investment Holdings Limited (the "Company") refers to the queries raised by the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 17 April 2015 in relation to the Company's annual report for the financial year ended 31 December 2014 (the "Annual Report 2014") and wishes to provide the following information in response:

SGX-ST Query:

On Page 31 on "Interested Person Transactions" ("IPTs"), the Company stated that the Company does not have any interested party transactions. However, we note the Company's disclosure in paragraph 26 of the Notes to the Financial Statements on "Related Party Transactions" on three significant related party transactions:-

- (a) Management fees to an associate;*
 - (b) Incentive fees to an associate; and*
 - (c) Rental expenses to a corporate shareholder in which directors have interests.*
- Please reconcile the amounts under both sections and account for the differences.*

Company's Response:

For items disclosed in paragraph 26 of the Notes to the Financial Statements on "Other Related Parties Transactions" of the Company's Annual Report 2014, (i) the management fees and incentive fees paid to an associate is in relation to payments made by the Company to Hotung International Company Ltd. ("HIC"), by which the Company's subsidiaries are managed. Although HIC constitutes a "related party" within the relevant definition under accounting rules, HIC does not fall within the definition of an "interested person" of Chapter 9 of the SGX Rules. As such, these fees paid to HIC do not constitute IPTs within the meaning of Chapter 9; and (ii) the rental expenses paid to a corporate shareholder relate to payments made by the Company's subsidiaries to Tai Lung Capital Inc. (a shareholder of the Company), details of which have been elaborated on page 33 of the Annual Report 2014. As the rental payment amount is less than the equivalent of S\$100,000, thus this amount can

be excluded for purposes of any Rule 907 disclosures.

BY ORDER OF THE BOARD

Shu-Hui Lo

Company Secretary

21 April 2015