



**HOTUNG GROUP**

HOTUNG INVESTMENT HOLDINGS LIMITED

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**Second Quarter Financial Statement for the Period Ended 30/6/2017**

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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  
FOR THE SECOND QUARTER ENDED JUNE 30, 2017

	Group		
	2Q 2017	2Q 2016	Change
	NT\$'000	NT\$'000	%
Revenue			
Interest income	1,729	1,481	17
Dividend/distribution income	48,468	32,992	47
Gains on sale of held-for-trading investments	7,802	-	nm
Gains on sale of available-for-sale investments	99,064	46,424	113
Gains on sale of other financial assets at fair value through profit or loss	-	14,337	nm
Changes in fair value of held-for-trading investments	(8,044)	(904)	790
Changes in fair value of other financial assets at fair value through profit or loss	39,734	(15,776)	nm
Foreign exchange gains	1,952	3,722	(48)
Others	2,277	2,634	(14)
Total revenue	192,982	84,910	127
Impairment losses			
Impairment losses on available-for-sale investments	(64,797)	(3,719)	1642
Total impairment losses	(64,797)	(3,719)	1642
Operating expenses			
General and administrative expenses	(38,433)	(30,774)	25
Total operating expenses	(38,433)	(30,774)	25
<b>Profit before tax</b>	89,752	50,417	78
Tax expense	(1,201)	(18,235)	(93)
<b>Profit after tax</b>	88,551	32,182	175
<b>Other comprehensive (losses)/income:</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations and others	8,938	11,729	(24)
Financial Assets - available-for-sale (AFS):			
- Net change in fair value	(107,659)	75,906	nm
- Reclassification adjustments for impairment losses taken to profit before tax	(1,602)	(254)	531
- Reclassification adjustments for gains taken to profit before tax from sale of AFS financial assets	(91,445)	(44,718)	104
Tax relating to components of other comprehensive income	12,765	13,278	(4)
<b>Other comprehensive (losses)/income for the period, net of tax</b>	(179,003)	55,941	nm
<b>TOTAL COMPREHENSIVE (LOSSES)/INCOME FOR THE PERIOD</b>	(90,452)	88,123	nm
<b>Profit attributable to:</b>			
Owners of the Company	74,652	25,984	187
Non-controlling interests	13,899	6,198	124
	88,551	32,182	175
<b>Total comprehensive (losses)/income for the period attributable to:</b>			
Owners of the Company	(104,351)	81,925	nm
Non-controlling interests	13,899	6,198	124
	(90,452)	88,123	nm

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 JUNE 30, 2017

	Group			Company		
	30/6/2017 NT\$'000	31/12/2016 NT\$'000	Change %	30/6/2017 NT\$'000	31/12/2016 NT\$'000	Change %
<b>Assets</b>						
<b>Non-current assets:</b>						
Investments in subsidiaries	-	-	-	4,960,021	5,255,069	(6)
Available-for-sale investments	3,418,759	4,214,758	(19)	-	-	-
Other financial assets at fair value through profit or loss	1,573,149	1,144,159	37	-	-	-
Property, plant and equipment	885	1,016	(13)	-	-	-
Trade and other receivables	4,563	4,837	(6)	-	-	-
	<u>4,997,356</u>	<u>5,364,770</u>	(7)	<u>4,960,021</u>	<u>5,255,069</u>	(6)
<b>Current assets:</b>						
Held-for-trading investments	-	46,578	nm	-	-	-
Trade and other receivables	8,011	12,686	(37)	699	42	1,564
Cash and cash equivalents	1,725,507	2,079,545	(17)	74,083	114,293	(35)
	<u>1,733,518</u>	<u>2,138,809</u>	(19)	<u>74,782</u>	<u>114,335</u>	(35)
<b>Total assets</b>	<u>6,730,874</u>	<u>7,503,579</u>	(10)	<u>5,034,803</u>	<u>5,369,404</u>	(6)
<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	1,016,338	1,597,909	(36)	125,704	152,054	(17)
Accumulated losses	(1,159,257)	(994,400)	17	(1,688,432)	(1,393,374)	21
<b>Equity attributable to owners of the Company</b>	<u>6,438,001</u>	<u>7,184,429</u>	(10)	<u>5,018,192</u>	<u>5,339,600</u>	(6)
Non-controlling interests	88,317	113,667	(22)	-	-	-
<b>Total equity</b>	<u>6,526,318</u>	<u>7,298,096</u>	(11)	<u>5,018,192</u>	<u>5,339,600</u>	(6)
<b>Liabilities</b>						
<b>Non-current liability:</b>						
Deferred tax liability	25,683	40,404	(36)	-	-	-
	<u>25,683</u>	<u>40,404</u>	(36)	<u>-</u>	<u>-</u>	-
<b>Current liabilities:</b>						
Advance receipts	55,954	-	nm	-	-	-
Trade and other payables	86,994	103,237	(16)	16,611	29,804	(44)
Income tax payables	35,925	61,842	(42)	-	-	-
	<u>178,873</u>	<u>165,079</u>	8	<u>16,611</u>	<u>29,804</u>	(44)
<b>Total liabilities</b>	<u>204,556</u>	<u>205,483</u>	-	<u>16,611</u>	<u>29,804</u>	(44)
<b>Total equity and liabilities</b>	<u>6,730,874</u>	<u>7,503,579</u>	(10)	<u>5,034,803</u>	<u>5,369,404</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 30/6/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

**Amount repayable after one year**

As at 30/6/2017		As at 31/12/2016	
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, 2017

	GROUP	
	2Q	2Q
	2017	2016
	NT\$'000	NT\$'000
<b>Cash flows from operating activities</b>		
Profit after tax	88,551	32,182
Adjustments for:		
Changes in fair value of other financial assets at fair value through profit or loss	(39,734)	15,776
Dividend/ distribution income	(48,468)	(32,992)
Gains on sale of held-for-trading investments	(7,802)	-
Gains on sale of available-for-sale investments	(99,064)	(46,424)
Gains on sale of other financial assets at fair value through profit or loss	-	(14,337)
Impairment losses on available-for-sale investments	64,797	3,719
Depreciation expense	65	21
Interest income	(1,729)	(1,481)
Tax expenses	1,201	18,235
	(42,183)	(25,301)
Changes to:		
Held-for-trading investments	58,076	597
Trade and other receivables	(154)	376
Trade and other payables	2,805	(32,503)
Cash used in operating activities	18,544	(56,831)
Interest received	1,481	2,191
Tax paid	(35,697)	(68,332)
<b>Net cash used in operating activities</b>	<b>(15,672)</b>	<b>(122,972)</b>
<b>Cash flows from investing activities:</b>		
Acquisition of available-for-sale investments	(31,600)	(196,313)
Acquisition of other financial assets at fair value through profit or loss	(333,601)	(2,147)
Proceeds from disposal of available-for-sale investments	251,987	104,450
Proceeds from disposal of other financial assets at fair value through profit or loss	-	138,849
Dividend/ distribution income received from investments	68,405	49,949
Acquisition of property, plant and equipment	-	(855)
<b>Net cash (used in)/from investing activities</b>	<b>(44,809)</b>	<b>93,933</b>
<b>Cash flows from financing activities:</b>		
Dividend paid to non-controlling shareholders in subsidiaries	(39,295)	(26,400)
Capital reduction in subsidiaries paid to non-controlling interests	(11)	-
Dividends paid to shareholders of the Company	(301,331)	(400,000)
Purchase of treasury shares	(19,099)	(19,433)
<b>Net cash used in financing activities</b>	<b>(359,736)</b>	<b>(445,833)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(420,217)</b>	<b>(474,872)</b>
Cash and cash equivalents at April 1	2,140,535	2,324,536
Effect of exchange rate on cash and cash equivalents	4,465	5,293
<b>Cash and cash equivalents at June 30</b>	<b>1,724,783</b>	<b>1,854,957</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash and cash equivalent in the statement of cash flows	1,724,783	1,854,957
Cash held by trustee	724	768
<b>Cash and cash equivalent in the statement of financial position</b>	<b>1,725,507</b>	<b>1,855,725</b>

**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, 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			
At April 1, 2017	5,233,033	1,347,887	406,116	(109,429)	486,947	19,801	126,667	545,651	(261,313)	(932,578)	6,862,782	115,482	6,978,264	
Total comprehensive income/(losses) for the period														
Profit for the period	-	-	-	-	-	-	-	-	-	74,652	74,652	13,899	88,551	
Exchange differences on translation of foreign operations and others	-	-	-	8,938	-	-	-	-	-	-	8,938	-	8,938	
Financial Assets - available-for-sale (AFS)	-	-	-	-	-	-	-	(187,941)	-	-	(187,941)	-	(187,941)	
Total other comprehensive income/ (losses)	-	-	-	8,938	-	-	-	(187,941)	-	-	(179,003)	-	(179,003)	
Total comprehensive income/(losses) for the period	-	-	-	8,938	-	-	-	(187,941)	-	74,652	(104,351)	13,899	(90,452)	
Transactions with owners, recognised directly in equity														
Contributions by and distributions to owners														
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(19,099)	-	(19,099)	-	(19,099)	
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(301,331)	(301,331)	(41,053)	(342,384)	
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(11)	(11)	
Total transactions with owner	-	-	-	-	-	-	-	-	(19,099)	(301,331)	(320,430)	(41,064)	(361,494)	
At June 30, 2017	5,233,033	1,347,887	406,116	(100,491)	486,947	19,801	126,667	357,710	(280,412)	(1,159,257)	6,438,001	88,317	6,526,318	

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

	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			
	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 April 1, 2016</b>	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
<b>Total comprehensive income for the period</b>													
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
<b>Total comprehensive income for the period</b>	-	-	-	11,729	-	-	-	44,212	-	25,984	81,925	6,198	88,123
<b>Transactions with owners, recognised directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(19,433)	-	(19,433)	-	(19,433)
Transfer to legal reserve of certain subsidiaries	-	-	-	-	20,004	-	-	-	-	(20,004)	-	-	-
Dividend paid to Shareholders of the Company	-	-	-	-	-	-	-	-	-	(400,000)	(400,000)	(26,400)	(426,400)
<b>Total transactions with owner</b>	-	-	-	-	20,004	-	-	-	(19,433)	(420,004)	(419,433)	(26,400)	(445,833)
<b>At June 30, 2016</b>	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

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED JUNE 30, 2017

	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, 2017	5,233,033	1,347,887	406,116	(261,313)	(1,404,510)	5,321,213
<b>Total comprehensive income for the period</b>						
Profits for the period	-	-	-	-	17,409	17,409
Total other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	17,409	17,409
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Shares bought back as treasury shares	-	-	-	(19,099)	-	(19,099)
Dividend paid to shareholders of the Company	-	-	-	-	(301,331)	(301,331)
<b>Total transactions with owner</b>	-	-	-	(19,099)	(301,331)	(320,430)
At June 30, 2017	5,233,033	1,347,887	406,116	(280,412)	(1,688,432)	5,018,192

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
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	438,552	438,552
Total other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	438,552	438,552
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Shares bought back as treasury shares	-	-	-	(19,433)	-	(19,433)
Dividend paid to shareholders of the Company	-	-	-	-	(400,000)	(400,000)
<b>Total transactions with owner</b>	-	-	-	(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

**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	
	2Q 2017	2Q 2016
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	7,456,880	5,277,780
Purchase of treasury shares	484,200	577,500
As at end of period	<u>7,941,080</u>	<u>5,855,280</u>
Issued ordinary shares excluding treasury shares	<u>96,719,582</u>	<u>98,805,382</u>

The Company has no subsidiary holdings as at 30 June 2017 and 30 June 2016.

**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.**

	30/6/2017	31/12/2016
Total number of issued shares, excluding treasury shares	<u>96,719,582</u>	<u>97,420,382</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, 2017	7,240,280
Shares bought back as treasury shares	700,800
At June 30, 2017	<u>7,941,080</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 30 June 2017.

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 FY2017 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 2017	2Q 2016
<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	0.77	0.26
(b) On a fully diluted basis	0.77	0.26
<b>Earnings per ordinary share has been computed on the following weighted average number of shares :</b>		
(a) Basic	97,031,522	99,186,939
(b) Diluted	97,031,522	99,186,939

- 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	
		30/6/2017	31/12/2016	30/6/2017	31/12/2016
Net asset value (attributable to owners of the Company)	NT\$	66.56	73.75	51.88	54.81
per share based on issued share capital at end of the period/year	S\$	3.01	3.31	2.35	2.46

Note : Exchange rate of S\$1: NT\$22.1 for 2017.6.30 and S\$1:NT\$22.29 for 2016.12.31

- 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\$193 million came primarily from divestment and dividend as follows:

- Gains of NT\$99.1 million (2Q2016: gains of NT\$46.4 million) on sales of available-for-sale investments;
- Dividend/distribution income of NT\$48.5 million (2Q2016: NT\$33 million) received including distribution income from fund investments of NT\$34.3 million (2Q2016: NT\$13.8 million); and
- The revaluation result with gains of NT\$39.7 million (2Q2016: losses of NT\$15.8million) on other financial assets at fair value through profit or loss arose from favourable mark to market.

2. The Group identified provision of NT\$64.8 million (2Q2016: NT\$3.7 million) for impairment as follows:

- Certain quoted investments were impaired by NT\$2 million due to market prices being further lower than investment costs; and
- NT\$62.8 million of impairment loss was recognized for unquoted investments since certain investee companies were in loss-making position for prolonged periods without any sign of improvement or changes to operational strategies that would turn around the companies.

3. The Group's other comprehensive losses of NT\$179 million (2Q2016: gains of NT\$55.9 million) arose mainly from the following items:

- i. The net losses of NT\$107.7 million was due to unfavorable change in fair value of available-for-sale investments (2Q2016: gains of NT\$75.9 million); and
- ii. The reclassification adjustments for gains on sales taken to profit or loss amounted to NT\$91.4 million (2Q2016: NT\$44.7 million).

(b)

- 1. The decrease of NT\$354 million in the Group's Cash balance from NT\$2,079.5 million to NT\$1,725.5 million was mainly due to the payment of the 2016 dividend NT\$301.3 million to Shareholders in June 2017.
- 2. The decrease of NT\$796 million in the Group's available-for-sale investments from NT\$4,214.8 million to NT\$3,418.8 million was mainly due to divestments in 1H2017 and unfavorable evaluation at the end of 2Q2017.
- 3. The increase in the Group's FVTPL investments from NT\$1,144.2 million to NT\$1,573.1 million was mainly due to new acquisitions during 2017.
- 4. Held-for-trading investments have been sold out at the end of 2Q2017.
- 5. The decrease of NT\$581.6 million in the Group's reserves from NT\$1,597.9 million to NT\$1,016.3 million was mainly due to reclassification adjustments for gains on sales taken to profit or loss during 1H2017, unfavorable changes on the fair value of existing investments and translation of foreign operations at the end of 2Q2017.
- 6. The Group's advance receipts of NT\$56 million was mainly due to an installment proceeds received as at the end of 2Q2017.
- 7. The decrease in the Group's deferred tax liabilities from NT\$40.4 million to NT\$25.7 million was mainly due to fair value decrease in Taiwan's investments at the end of 2Q2017.
- 8. The decrease in the Group's income tax payables of NT\$25.9 million was mainly due to the payment of 2016 income tax by the Taiwan subsidiaries of the Group in May 2017.

**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 2017 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 2nd half year of 2017 remains challenging. The Group will continue to leverage its investment expertise to maximise returns with calculated risks.

**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, 2017, 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**

Hsin-Chieh Chung  
Company Secretary  
August 11, 2017