



HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED

Second Quarter Financial Statement for the Period Ended 30/6/2015

**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, 2015

	Group		Change %
	2Q 2015 NT\$'000	2Q 2014 NT\$'000	
Revenue			
Interest income	1,153	1,359	(15)
Dividend income/distribution income	34,099	25,225	35
Gains on sale of held-for-trading investments	-	395	nm
Gains on sale of available-for-sale investments	55,545	88,710	(37)
Losses on sale of other financial assets at fair value through profit or loss	(304)	(1,274)	(76)
Changes in fair value of held-for-trading investments	(3,866)	(6,586)	(41)
Changes in fair value of other financial assets at fair value through profit or loss	127,770	(10,832)	nm
Foreign exchange losses	(1,221)	(7,554)	(84)
Others	178	327	(46)
Total Revenue	213,354	89,770	138
Impairment losses			
Impairment losses on available-for-sale investments	(83,764)	(15,966)	425
Impairment losses on other financial assets at fair value through profit or loss	(10,055)	-	nm
Total impairment losses	(93,819)	(15,966)	488
Operating expenses			
General and administrative expenses	(38,183)	(41,994)	(9)
Total operating expenses	(38,183)	(41,994)	(9)
Share of profits of associates	3,923	3,520	11
Profit before tax	85,275	35,330	141
Tax benefit	7,807	10,663	(27)
Profit after tax	93,082	45,993	102
Other comprehensive income/(losses):			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(37,135)	(48,466)	(23)
Financial Assets - available-for-sale (AFS):			
- Net change in fair value	(133,357)	40,572	nm
- Reclassification adjustments for impairment losses taken to profit before tax	17,452	(11,680)	nm
- Reclassification adjustments for gains taken to profit before tax from sales of AFS financial assets	(32,063)	(70,322)	(54)
Share of other comprehensive income of associates	-	(64)	nm
Tax relating to components of other comprehensive gains	8,459	1,903	345
Other comprehensive losses for the period, net of tax	(176,644)	(88,057)	101
TOTAL COMPREHENSIVE LOSSES FOR THE PERIOD	(83,562)	(42,064)	99
Profit attributable to:			
Owners of the Company	93,083	45,991	102
Non-controlling interests	(1)	2	nm
	93,082	45,993	102
Total comprehensive losses for the period attributable to:			
Owners of the Company	(83,561)	(42,066)	99
Non-controlling interests	(1)	2	nm
	(83,562)	(42,064)	99

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, 2015

	Group			Company		
	30/6/2015 NT\$'000	31/12/2014 NT\$'000	Change %	30/6/2015 NT\$'000	31/12/2014 NT\$'000	Change %
Assets						
Non-current assets:						
Investments in subsidiaries	-	-	-	5,246,809	5,544,252	(5)
Investments in associates	58,396	67,350	(13)	8,260	8,260	-
Available-for-sale investments	4,636,133	4,919,263	(6)	-	-	-
Other financial assets at fair value through profit or loss	1,489,043	1,095,463	36	-	-	-
	<u>6,183,572</u>	<u>6,082,076</u>	2	<u>5,255,069</u>	<u>5,552,512</u>	(5)
Current assets:						
Held-for-trading investments	44,881	135,896	(67)	-	-	-
Trade and other receivables	1,321	13,001	(90)	1	1,429	(100)
Cash and cash equivalents	850,870	1,067,658	(20)	61,888	93,932	(34)
	<u>897,072</u>	<u>1,216,555</u>	(26)	<u>61,889</u>	<u>95,361</u>	(35)
Total assets	<u><u>7,080,644</u></u>	<u><u>7,298,631</u></u>	(3)	<u><u>5,316,958</u></u>	<u><u>5,647,873</u></u>	(6)
Equity						
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	(58,907)	6,721	nm	-	-	-
Legal reserve	457,504	437,112	5	-	-	-
Special reserve	19,801	19,801	-	-	-	-
Capital surplus - net assets from merger	126,667	126,667	-	-	-	-
Fair value reserve	612,063	719,213	(15)	-	-	-
Treasury shares reserve	(188,777)	(123,885)	52	(188,777)	(123,885)	52
Accumulated losses	(1,112,367)	(1,033,718)	8	(1,498,919)	(1,233,285)	22
Equity attributable to owners of the Company	<u>6,843,021</u>	<u>7,138,948</u>	(4)	<u>5,299,341</u>	<u>5,629,867</u>	(6)
Non-controlling interests	389	408	(5)	-	-	-
Total equity	<u><u>6,843,410</u></u>	<u><u>7,139,356</u></u>	(4)	<u><u>5,299,341</u></u>	<u><u>5,629,867</u></u>	(6)
Liabilities						
Non-current liabilities:						
Advance receipts	56,362	13,243	326	-	-	-
Deferred tax liability	42,864	36,286	18	-	-	-
	<u>99,226</u>	<u>49,529</u>	100	<u>-</u>	<u>-</u>	-
Current liabilities:						
Trade and other payables	100,815	44,156	128	17,617	18,006	(2)
Income tax payable	37,193	65,590	(43)	-	-	-
	<u>138,008</u>	<u>109,746</u>	26	<u>17,617</u>	<u>18,006</u>	(2)
Total liabilities	<u><u>237,234</u></u>	<u><u>159,275</u></u>	49	<u><u>17,617</u></u>	<u><u>18,006</u></u>	(2)
Total equity and liabilities	<u><u>7,080,644</u></u>	<u><u>7,298,631</u></u>	(3)	<u><u>5,316,958</u></u>	<u><u>5,647,873</u></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 30/6/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Amount repayable after one year

As at 30/6/2015		As at 31/12/2014	
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, 2015

	GROUP	
	2Q	2Q
	2015	2014
	NT\$'000	NT\$'000
Cash flows from operating activities		
Profit before tax	85,275	35,330
Adjustments for:		
Changes in fair value of held-for-trading investments	3,866	6,586
Changes in fair value of other financial assets at fair value through profit or loss	(127,770)	10,832
Dividend / distribution income	(34,099)	(25,225)
Gains on sale of held-for-trading investments	-	(395)
Gains on sale of available-for-sale investments	(55,545)	(88,710)
Losses on sale of other financial assets at fair value through profit or loss	304	1,274
Impairment losses on available-for-sale investments	83,764	15,966
Impairment losses on other financial assets at fair value through profit or loss	10,055	-
Interest income	(1,153)	(1,359)
Foreign exchange losses	1,221	7,554
Share of profits of associates	(3,923)	(3,520)
	<u>(38,005)</u>	<u>(41,667)</u>
Acquisition of held-for-trading investments	-	(47,883)
Proceeds from disposal of held-for-trading investments	4,204	128,161
Trade and other receivables	341	304
Trade and other payables	(9,895)	(4,697)
Advance receipts	43,449	12,497
Cash from operations	94	46,715
Interest received	1,710	1,870
Dividend / distribution income received	55,889	25,225
Tax paid	(31,214)	(25,008)
Net cash from operating activities	<u>26,479</u>	<u>48,802</u>
Cash flows from investing activities:		
Dividend received from associates	16,541	16,541
Acquisition of available-for-sale investments	(202,231)	(474,111)
Acquisition of other financial assets at fair value through profit or loss	(7,549)	-
Proceeds from disposal of available-for-sale investments	78,977	337,861
Proceeds from disposal of other financial assets at fair value through profit or loss	8,435	31,112
Net cash used in investing activities	<u>(105,827)</u>	<u>(88,597)</u>
Cash flows from financing activities:		
Capital reduction in subsidiaries	(23)	(10)
Purchase of treasury shares	(38,210)	(40,768)
Dividend paid to Shareholders of the Company	(257,633)	(313,851)
Net cash used in financing activities	<u>(295,866)</u>	<u>(354,629)</u>
Net decrease in cash and cash equivalents	<u>(375,214)</u>	<u>(394,424)</u>
Cash and cash equivalents at April 1	1,219,808	1,653,333
Effect of exchange rate on cash and cash equivalents	(3,954)	(13,262)
Cash and cash equivalents at June 30	<u>840,640</u>	<u>1,245,647</u>
Supplemental disclosure of cash flow information		
Cash and cash equivalent in the statement of cash flows	840,640	1,245,647
Cash held by trustee	10,230	6,554
Cash and cash equivalent in the statement of financial position	<u>850,870</u>	<u>1,252,201</u>

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, 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 reserve	-	-	-	-	20,392	-	-	-	-	(20,392)	-	-	-
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(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

	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, 2014	5,233,034	1,347,887	406,116	(88,458)	437,112	19,801	126,667	668,987	(83,117)	(859,678)	7,208,351	414	7,208,765
Total comprehensive income/(losses) for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	45,991	45,991	2	45,993
Exchange differences on translation of foreign operations	-	-	-	(48,466)	-	-	-	-	-	-	(48,466)	-	(48,466)
Financial Assets - available-for-sale (AFS)	-	-	-	-	-	-	-	(39,527)	-	-	(39,527)	-	(39,527)
Share of other comprehensive income of associates	-	-	-	(64)	-	-	-	-	-	-	(64)	-	(64)
Total other comprehensive losses	-	-	-	(48,530)	-	-	-	(39,527)	-	-	(88,057)	-	(88,057)
Total comprehensive income/(losses) for the period	-	-	-	(48,530)	-	-	-	(39,527)	-	45,991	(42,066)	2	(42,064)
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Shares bought back as treasury shares	-	-	-	-	-	-	-	(40,768)	-	-	(40,768)	-	(40,768)
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(313,851)	(313,851)	-	(313,851)
Total transactions with owner	-	-	-	-	-	-	-	(40,768)	-	(313,851)	(354,619)	(10)	(354,629)
At June 30, 2014	5,233,034	1,347,887	406,116	(136,988)	437,112	19,801	126,667	629,460	(123,885)	(1,127,538)	6,811,666	406	6,812,072

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
	NTS'000	NTS'000	NTS'000	NTS'000	NTS'000	NTS'000
At April 1, 2015	5,233,034	1,347,887	406,116	(150,567)	(1,246,653)	5,589,817
Total comprehensive losses 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 paid to shareholders of the Company	-	-	-	-	(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

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2014

	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 April 1, 2014	5,233,034	1,347,887	406,116	(83,117)	(1,018,180)	5,885,740
Total comprehensive income for the period						
Profit for the period	-	-	-	-	108,062	108,062
Total other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	108,062	108,062
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Shares bought back as treasury shares	-	-	-	(40,768)	-	(40,768)
Dividend paid to shareholders of the Company	-	-	-	-	(313,851)	(313,851)
Total transactions with owner	-	-	-	(40,768)	(313,851)	(354,619)
At June 30, 2014	5,233,034	1,347,887	406,116	(123,885)	(1,223,969)	5,639,183

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 29, 2014, the Company continued with its share buy-back exercise. During the period from January 1, 2015 to April 23, 2015, the number of shares purchased by way of market acquisition was 12,747,400 (in total representing 1.26% 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\$45,004,667.

Pursuant to the general mandate obtained from the General Meeting held on April 24, 2015, the Company continued with its share buy-back exercise. During the period from April 24, 2015 to June 30, 2015, the number of shares purchased by way of market acquisition was 5,846,400 (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\$19,887,661. Pursuant to the Bye-laws of the Company, the shares purchased are treated as treasury shares.

As at June 30, 2015, the issued share capital less treasury shares of the Company was 993,828,983 shares (1,046,606,783 issued shares less 52,777,800 treasury shares) and the issued capital amounted to NT\$5,233,033,915.

As at December 31, 2014, the issued share capital less treasury shares of the Company was 1,012,422,783 shares (1,046,606,783 issued shares less 34,184,000 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>30/6/2015</u>	<u>31/12/2014</u>
Total number of issued shares, excluding treasury shares	<u>993,828,983</u>	<u>1,012,422,783</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.

The movement of treasury shares is as follows:

	<u>Number of Shares</u>
At January 1, 2015	34,184,000
Shares bought back as treasury shares	<u>18,593,800</u>
At June 30, 2015	<u>52,777,800</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 FY2015 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 2015	2Q 2014
Earnings per ordinary share after deducting any provisions for preference dividends :		
(a) Based on weighted average number of ordinary shares on issue; and	0.09	0.04
(b) On a fully diluted basis	0.09	0.04
Earnings per ordinary share has been computed on the following weighted average number of shares :		
(a) Basic	998,458,792	1,014,564,475
(b) Diluted	998,458,792	1,014,564,475

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	
		30/6/2015	31/12/2014	30/6/2015	31/12/2014
Net asset value (attributable to owners of the Company)	NT\$	6.89	7.05	5.33	5.56
per share based on issued share capital at end of the period/year	S\$	0.300	0.294	0.232	0.232

Note : Exchange rate of S\$1: NT\$22.96 for 2015.6.30 and S\$1:NT\$23.94 for 2014.12.31

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\$213.4 million came primarily from divestment and revaluation of its investments as follows:
 - i. Gains of NT\$55.5 million (2Q2014: gains of NT\$88.7 million) on sales of available-for sale investments;
 - ii. Losses of NT\$0.3 million (2Q2014: losses of NT\$1.3 million) on sales of other financial assets at fair value through profit or loss (FVTPL);
 - iii. Dividend income/distribution income of NT\$34.1 million (2Q2014: NT\$25.2 million) received including distribution proceeds from fund investments of NT\$30.7 million (2Q2014: NT\$11.6 million);
 - iv. Losses of NT\$3.9 million (2Q2014: losses of NT\$6.6 million) from the unfavorable change in fair value of held-for-trading investments; and
 - v. Revaluation gains of NT\$127.8 million (2Q2014: losses of NT\$10.8 million) on other financial assets at fair value through profit or loss arose mainly from the significant increase in the market prices at the end of 2Q2015.

2. The Group identified impairment provision of NT\$93.8 million for 2Q2015 (2Q2014: NT\$16.0 million) as follows:
 - i. Certain quoted investments were impaired by NT\$28.8 million due to market prices being significantly lower than investment costs. The remaining impairment amount of NT\$54.9 million was due to certain available-for-sale investments as the investee companies were loss-making for prolonged periods without any sign of improvement or changes to operational strategies that would turn around the companies; and
 - ii. The impairment losses on the other financial assets at fair value through profit or loss of NT\$10.1 million resulted from one investee company which had suffered prolonged period of losses without any sign of improvement in operation.

3. The Group's other comprehensive losses of NT\$176.6 million (2Q2014: losses of NT\$88.1 million) came mainly from the following items:
 - i. The net losses of NT\$133.4 million in fair value of available-for-sale assets (2Q2014: gains of NT\$40.6 million);
 - ii. The reclassification adjustments of impairments losses taken to the income statement of NT\$17.5 million (2Q2014 reclassification of gains of NT\$11.7 million);

- iii. The reclassification adjustments for gains on sales taken to the income statement of NT\$32.1 million (2Q2014: gains of NT\$70.3 million);and
- iv. Losses on the exchange difference on translation of foreign operations of NT\$37.1 million due to the depreciation of US dollar against NT dollar during 2Q2015 (2Q2014: losses of NT\$48.5 million).

(b)

- 1. The Group cash balance decreased from NT\$1,067.7 million to NT\$850.9 million mainly due to the payment of the 2014 dividend NT\$257.6 million to Shareholders in June 2015.
- 2. The increase in the Group's FVTPL investments from NT\$1,095.5 million to NT\$1,489.0 million was mainly due to new acquisitions of NT\$271.3 million and favorable fair value changes of NT\$122.2 million on the existing investments in 1H2015.
- 3. The decrease in the Group's held-for-trading investments from NT\$135.9 million to NT\$44.9 million was mainly due to divestments during 1H2015.
- 4. Trade and other receivables decreased from NT\$13.0 million to NT\$1.3 million due to divestment proceeds of NT\$9.3 million received in January 2015.
- 5. The increase in the Group's advance receipts from NT\$13.2 million to NT\$56.4 million was mainly due to an installment proceeds received in advance.
- 6. The increase in the Group's trade and other payables from NT\$44.2 million to NT\$100.8 million was mainly due to unsettled amount of NT\$70.3 million for purchases of a quoted security made at the end of 2Q2015.
- 7. The decrease income tax payables of NT\$28.4 million mainly arose from the payment of 2014 income tax for the Taiwan subsidiaries of the Group in May 2015.

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 2015 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.

Volatility in the global stock markets will persist in the second half of 2015 as the economic and political environment of Europe, the United States and China remain uncertain. As this volatility is likely to affect the markets in China, Hong Kong and Taiwan, the Group will be focusing closely on these risks in continuing the sound risk management of its portfolio.

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, 2015, to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Shu-Hui Lo

Company Secretary

August 6, 2015