HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED

**Full Year Financial Statement for the Period Ended 31/12/2015**

## 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
YEAR ENDED DECEMBER 31, 2015

| | Group | | |
|---|---|---|---|
| | 2015 | 2014 | Change |
| | NT$'000 | NT$'000 | % |
| Revenue | | | |
| Interest income | 3,901 | 5,155 | (24) |
| Dividend/distribution income | 293,216 | 179,531 | 63 |
| (Losses)/gains on sale of held-for-trading investments | (1,347) | 1,061 | nm |
| Gains on sale of available-for-sale investments | 217,320 | 284,257 | (24) |
| Gains/(losses) on sale of other financial assets at fair value through profit or loss | 165,968 | (18,256) | nm |
| Gains on sale of investments in associates | 185 | - | nm |
| Changes in fair value of held-for-trading investments | 17,835 | (34,693) | nm |
| Changes in fair value of other financial assets at fair value through profit or loss | 179,726 | 105,980 | 70 |
| Foreign exchange gains | 3,542 | 7,846 | (55) |
| Others | 11,312 | 3,247 | 248 |
| Total Revenue | 891,658 | 534,128 | 67 |
| Impairment losses | | | |
| Impairment losses on available-for-sale investments | (232,297) | (94,751) | 145 |
| Impairment losses on other financial assets at fair value through profit or loss | (20,109) | (10,055) | 100 |
| Total impairment losses | (252,406) | (104,806) | 141 |
| Operating expenses | | | |
| General and administrative expenses | (171,707) | (177,071) | (3) |
| Total operating expenses | (171,707) | (177,071) | (3) |
| Share of profits of associates | 9,353 | 18,150 | (48) |
| **Profit before tax** | 476,898 | 270,401 | 76 |
| Tax expense | (44,050) | (8,259) | 433 |
| **Profit after tax** | 432,848 | 262,142 | 65 |
| **Other comprehensive income:** | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations | 105,572 | 149,190 | (29) |
| Financial Assets - available-for-sale (AFS): | | | |
| - Net change in fair value | 513,082 | 309,142 | 66 |
| - Reclassification adjustments for impairment losses taken to profit before tax | 36,988 | (5,058) | nm |
| - Reclassification adjustments for gains taken to profit before tax from sales of AFS financial assets | (106,772) | (233,623) | (54) |
| Share of other comprehensive income of associates | - | 195 | nm |
| Tax relating to components of other comprehensive (losses)/gains | (53,967) | 15,100 | nm |
| **Other comprehensive income for the year, net of tax** | 494,903 | 234,946 | 111 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | 927,751 | 497,088 | 87 |
| **Profit attributable to:** | | | |
| Owners of the Company | 419,469 | 262,136 | 60 |
| Non-controlling interests | 13,379 | 6 | 222883 |
| | 432,848 | 262,142 | 65 |
| **Total comprehensive income for the year attributable to:** | | | |
| Owners of the Company | 914,372 | 497,082 | 84 |
| Non-controlling interests | 13,379 | 6 | 222883 |
| | 927,751 | 497,088 | 87 |

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 DECEMBER 31, 2015

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31/12/2015 | 31/12/2014 | Change | 31/12/2015 | 31/12/2014 | Change |
| | NT$'000 | NT$'000 | % | NT$'000 | NT$'000 | % |
| **Assets** | | | | | | |
| **Non-current assets:** | | | | | | |
| Investments in subsidiaries | - | - | - | 5,255,069 | 5,544,252 | (5) |
| Investments in associates | - | 67,350 | nm | - | 8,260 | nm |
| Available-for-sale investments | 5,033,759 | 4,919,263 | 2 | - | - | - |
| Other financial assets at fair value through profit or loss | 1,225,459 | 1,095,463 | 12 | - | - | - |
| Property, plant and equipment | 95 | - | nm | - | - | - |
| Trade and other receivables | 9,847 | - | nm | - | - | - |
| | 6,269,160 | 6,082,076 | 3 | 5,255,069 | 5,552,512 | (5) |
| **Current assets:** | | | | | | |
| Held-for-trading investments | 38,714 | 135,896 | (72) | - | - | - |
| Trade and other receivables | 47,317 | 13,001 | 264 | 1,611 | 1,429 | 13 |
| Cash and cash equivalents | 1,774,550 | 1,067,658 | 66 | 57,310 | 93,932 | (39) |
| | 1,860,581 | 1,216,555 | 53 | 58,921 | 95,361 | (38) |
| **Total assets** | 8,129,741 | 7,298,631 | 11 | 5,313,990 | 5,647,873 | (6) |
| **Equity** | | | | | | |
| Share capital | 5,233,033 | 5,233,034 | - | 5,233,033 | 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 | 112,293 | 6,721 | 1571 | - | - | - |
| 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 | 1,108,544 | 719,213 | 54 | - | - | - |
| Treasury shares reserve | (188,777) | (123,885) | 52 | (188,777) | (123,885) | 52 |
| Accumulated losses | (892,274) | (1,033,718) | (14) | (1,507,229) | (1,233,285) | 22 |
| **Equity attributable to owners of the Company** | 7,730,794 | 7,138,948 | 8 | 5,291,030 | 5,629,867 | (6) |
| Non-controlling interests | 96,551 | 408 | 23564 | - | - | - |
| **Total equity** | 7,827,345 | 7,139,356 | 10 | 5,291,030 | 5,629,867 | (6) |
| **Liabilities** | | | | | | |
| **Non-current liabilities:** | | | | | | |
| Advance receipts | - | 13,243 | nm | - | - | - |
| Deferred tax liability | 101,750 | 36,286 | 180 | - | - | - |
| | 101,750 | 49,529 | 105 | - | - | - |
| **Current liabilities:** | | | | | | |
| Advance receipts | 59,951 | - | nm | - | - | - |
| Trade and other payables | 72,249 | 44,156 | 64 | 22,960 | 18,006 | 28 |
| Income tax payable | 68,446 | 65,590 | 4 | - | - | - |
| | 200,646 | 109,746 | 83 | 22,960 | 18,006 | 28 |
| **Total liabilities** | 302,396 | 159,275 | 90 | 22,960 | 18,006 | 28 |
| **Total equity and liabilities** | 8,129,741 | 7,298,631 | 11 | 5,313,990 | 5,647,873 | (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 31/12/2015 | | As at 31/12/2014 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| None | None | None | None |

**Amount repayable after one year**

| As at 31/12/2015 | | 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
YEAR ENDED DECEMBER 31, 2015

| | GROUP | |
|---|---|---|
| | 2015 | 2014 |
| | NT$'000 | NT$'000 |
| **Cash flows from operating activities** | | |
| Profit after tax | 432,848 | 262,142 |
| Adjustments for: | | |
| Changes in fair value of other financial assets at fair value through profit or loss | (179,726) | (105,980) |
| Dividend / distribution income | (293,216) | (179,531) |
| Losses/(gains) on sale of held-for-trading investments | 1,347 | (1,061) |
| Gains on sale of available-for-sale investments | (217,320) | (284,257) |
| (Gains)/losses on sale of other financial assets at fair value through profit or loss | (165,968) | 18,256 |
| Gains on sale of investments in associates | (185) | - |
| Impairment losses on available-for-sale investments | 232,297 | 94,751 |
| Impairment losses on other financial assets at fair value through profit or loss | 20,109 | 10,055 |
| Depreciation expense | 23 | - |
| Interest income | (3,901) | (5,155) |
| Share of profits of associates | (9,353) | (18,150) |
| Tax expenses | 44,050 | 8,259 |
| | (138,995) | (200,671) |
| Changes to: | | |
| Held-for-trading investments | 91,464 | 18,849 |
| Trade and other receivables | 14,069 | 267 |
| Trade and other payables | (4,602) | (14,875) |
| Cash used in operations | (38,064) | (196,430) |
| Interest received | 4,578 | 4,995 |
| Tax paid | (36,482) | (32,041) |
| **Net cash used in operating activities** | (69,968) | (223,476) |
| | | |
| **Cash flows from investing activities:** | | |
| Acquisition of available-for-sale investments | (432,253) | (986,207) |
| Acquisition of other financial assets at fair value through profit or loss | (286,472) | (363,189) |
| Distribution received from available-for-sale investments | 18,888 | 6,060 |
| Proceeds from disposal of available-for-sale investments | 718,246 | 897,311 |
| Proceeds from disposal of other financial assets at fair value through profit or loss | 507,745 | 66,729 |
| Dividend / distribution income received from investments | 379,310 | 204,889 |
| Dividend / distribution received from associates | 18,484 | 18,124 |
| Cash and cash equivalents acquired on control of an subsidiary | 160,356 | - |
| Acquisition of Property, plant and equipment | (63) | - |
| **Net cash from/(used in) investing activities** | 1,084,241 | (156,283) |
| | | |
| **Cash flows from financing activities:** | | |
| Capital reduction in subsidiaries paid to non-controlling interests | (23) | (9) |
| Dividend paid to shareholders of the Company | (257,633) | (313,851) |
| Purchase of treasury shares | (64,892) | (40,768) |
| **Net cash used in financing activities** | (322,548) | (354,628) |
| | | |
| **Net increase/(decrease) in cash and cash equivalents** | 691,725 | (734,387) |
| Cash and cash equivalents at January 1 | 1,058,082 | 1,774,456 |
| Effect of exchange rate on cash and cash equivalents | 16,819 | 18,013 |
| **Cash and cash equivalents at December 31** | 1,766,626 | 1,058,082 |
| | | |
| **Supplemental disclosure of cash flow information** | | |
| Cash and cash equivalent in the statement of cash flows | 1,766,626 | 1,058,082 |
| Cash held by trustee | 7,924 | 9,576 |
| **Cash and cash equivalent in the statement of financial position** | 1,774,550 | 1,067,658 |

**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, 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 January 1, 2015** | 5,233,034 | 1,347,887 | 406,116 | 6,721 | 437,112 | 19,801 | 126,667 | 719,213 | (123,885) | (1,033,718) | 7,138,948 | 408 | 7,139,356 |
| **Total comprehensive income for the year** | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | - | 419,469 | 419,469 | 13,379 | 432,848 |
| Exchange differences on translation of foreign operations | - | - | - | 105,572 | - | - | - | - | - | - | 105,572 | - | 105,572 |
| Financial Assets - available-for-sale (AFS) | - | - | - | - | - | - | - | 389,331 | - | - | 389,331 | - | 389,331 |
| Total other comprehensive income | - | - | - | 105,572 | - | - | - | 389,331 | - | - | 494,903 | - | 494,903 |
| **Total comprehensive income for the year** | - | - | - | 105,572 | - | - | - | 389,331 | - | 419,469 | 914,372 | 13,379 | 927,751 |
| **Transactions with owners, recognised directly in equity** | | | | | | | | | | | | | |
| **Contributions by and distributions to owners** | | | | | | | | | | | | | |
| Shares bought back as treasury shares | - | - | - | - | - | - | - | - | (64,892) | - | (64,892) | - | (64,892) |
| Capital reduction in subsidiaries | - | - | - | - | - | - | - | - | - | - | - | (23) | (23) |
| Transfer from accomulated losses to legal reserve | - | - | - | - | 20,392 | - | - | - | - | (20,392) | - | - | - |
| Dividend paid to shareholders of the Company | - | - | - | - | - | - | - | - | - | (257,633) | (257,633) | - | (257,633) |
| Effect on share consolidation | (1) | - | - | - | - | - | - | - | - | - | (1) | - | (1) |
| Acquisition of subsidiary with non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 82,787 | 82,787 |
| **Total transactions with owner** | (1) | - | - | - | 20,392 | - | - | - | (64,892) | (278,025) | (322,526) | 82,764 | (239,762) |
| **At December 31, 2015** | 5,233,033 | 1,347,887 | 406,116 | 112,293 | 457,504 | 19,801 | 126,667 | 1,108,544 | (188,777) | (892,274) | 7,730,794 | 96,551 | 7,827,345 |

GROUP STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2014

| | 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 January 1, 2014** | 5,233,034 | 1,347,887 | 406,116 | (142,664) | 405,641 | 19,801 | 126,667 | 633,652 | (83,117) | (950,532) | 6,996,485 | 411 | 6,996,896 |
| **Total comprehensive income for the year** | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | - | 262,136 | 262,136 | 6 | 262,142 |
| Exchange differences on translation of foreign operations | - | - | - | 149,190 | - | - | - | - | - | - | 149,190 | - | 149,190 |
| Financial Assets - available-for-sale (AFS) | - | - | - | - | - | - | - | 85,561 | - | - | 85,561 | - | 85,561 |
| Share of other comprehensive income of associates | - | - | - | 195 | - | - | - | - | - | - | 195 | - | 195 |
| Total other comprehensive income | - | - | - | 149,385 | - | - | - | 85,561 | - | - | 234,946 | - | 234,946 |
| **Total comprehensive income for the year** | - | - | - | 149,385 | - | - | - | 85,561 | - | 262,136 | 497,082 | 6 | 497,088 |
| **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 | - | - | - | - | - | - | - | - | - | - | - | (9) | (9) |
| Transfer from accumulated losses to legal reserves | - | - | - | - | 31,471 | - | - | - | - | (31,471) | - | - | - |
| Dividend paid to shareholders of the Company | - | - | - | - | - | - | - | - | - | (313,851) | (313,851) | - | (313,851) |
| **Total transactions with owner** | - | - | - | - | 31,471 | - | - | - | (40,768) | (345,322) | (354,619) | (9) | (354,628) |
| **At December 31, 2014** | 5,233,034 | 1,347,887 | 406,116 | 6,721 | 437,112 | 19,801 | 126,667 | 719,213 | (123,885) | (1,033,718) | 7,138,948 | 408 | 7,139,356 |

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 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 January 1, 2015** | **5,233,034** | **1,347,887** | **406,116** | **(123,885)** | **(1,233,285)** | **5,629,867** |
| **Total comprehensive losses for the year** | | | | | | |
| Losses for the year | - | - | - | - | (16,311) | (16,311) |
| Total other comprehensive losses for the year | - | - | - | - | - | - |
| **Total comprehensive losses for the year** | **-** | **-** | **-** | **-** | **(16,311)** | **(16,311)** |
| **Transactions with owners, recognised directly in equity** | | | | | | |
| **Contributions by and distributions to owners** | | | | | | |
| Shares bought back as treasury shares | - | - | - | (64,892) | - | (64,892) |
| Effect on share consolidation | (1) | - | - | - | - | (1) |
| Dividend paid to shareholders of the Company | - | - | - | - | (257,633) | (257,633) |
| **Total transactions with owner** | **(1)** | **-** | **-** | **(64,892)** | **(257,633)** | **(322,526)** |
| **At December 31, 2015** | **5,233,033** | **1,347,887** | **406,116** | **(188,777)** | **(1,507,229)** | **5,291,030** |

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2014

| | 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 January 1, 2014** | **5,233,034** | **1,347,887** | **406,116** | **(83,117)** | **(1,012,462)** | **5,891,458** |
| **Total comprehensive income for the year** | | | | | | |
| profit for the year | - | - | - | - | 93,028 | 93,028 |
| Total other comprehensive income for the year | - | - | - | - | - | - |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **93,028** | **93,028** |
| **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 December 31, 2014** | **5,233,034** | **1,347,887** | **406,116** | **(123,885)** | **(1,233,285)** | **5,629,867** |

**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 December 31, 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.

On December 9, 2015, the Company completed a share consolidation of every ten (10) ordinary shares of NT$5.00 par value each in the issued and authorized share capital of the Company into one (1) ordinary share of NT$50.00 par value. Accordingly, adjustments have been made to the number of shares. Fractional entitlements are disregarded.

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 million.

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 million.

**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.**

| | 31/12/2015 | | 31/12/2014 |
|---|---|---|---|
| Total number of issued shares, excluding treasury shares | 99,382,882 | * | 1,012,422,783 |

*The Company completed share consolidation on December 9, 2015.

**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:**

| | Before the share consolidation number of shares | After the share consolidation number of shares |
|---|---|---|
| At January 1, 2015 | 34,184,000 | 3,418,400 |
| Shares bought back as treasury shares | 18,593,800 | 1,859,380 |
| At December 31, 2015 | 52,777,800 | 5,277,780 |

**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$ | |
| | 2015 | 2014 |
| **Earnings per ordinary share after deducting any provisions for preference dividends :** | | |
| | | (Restated)* |
| (a) Based on weighted average number of ordinary shares on issue; and | 4.20 | 2.58 |
| (b) On a fully diluted basis | 4.20 | 2.58 |
| **Earnings per ordinary share has been computed on the following weighted average number of shares :** | | |
| (a) Basic | 99,892,209 | 101,552,926 |
| (b) Diluted | 99,892,209 | 101,552,926 |

*The basic and diluted per share for corresponding period have been restated on the basis of the Company's share consolidation completed on December 9, 2015.

**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 | |
|---|---|---|---|---|---|
| | | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| | | | (Restated)* | | (Restated)* |
| Net asset value (attributable to owners of the Company) | NT$ | 77.79 | 70.51 | 53.24 | 55.61 |
| per share based on issued share capital at end of the year | S$ | 3.35 | 2.94 | 2.29 | 2.32 |

Note : Exchange rate of S$1: NT$23.25 for 2015.12.31 and S$1:NT$23.94 for 2014.12.31

*The net asset value per share of the Group and the Company at the end of the immediately preceding financial year have been restated on the basis of the Company's share consolidation completed on December 9, 2015.

**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.**

On 26 May 2015, the board of directors announced that in view of, inter alia, the increase in the number of nominee directors appointed by the Company to the board of directors of Hotung International Co., Ltd. ("HIC") (which is 41% held by the Company) with effect from 26 May 2015, to compose of half of the board of directors of HIC, the Company has assessed that it holds control over HIC. Accordingly, HIC will be accounted as a subsidiary instead of associate. Given that HIC is not material to the Group, and there is no material impact to the consolidated financial statements, the Group consolidated HIC as a subsidiary with effect from 1 July 2015.

Consequent to the consolidation of HIC as a subsidiary, the Group does not hold interest in any associate at 31 December 2015, and non-controlling interests increased to NT$96.6 million.

(a)

1. The Group's revenue of NT$891.7 million came primarily from divestment and dividend as follows:

   i. Gains of NT$217.3 million (2014: gains of NT$284.3 million) on sales of available-for sale investments;
   ii. Gains of NT$166.0 million (2014: losses of NT$18.3 million ) on sales of other financial assets at fair value through profit or loss (FVTPL) mainly from a quoted investment sold in 2015;

iii. Dividend income/distribution income of NT$293.2 million (2014: NT$179.5 million) received mainly from fund distribution for disposal of portfolios;
iv. Gains of NT$17.8 million (2014: losses of NT$34.7 million) from the favorable change in fair value of held-for-trading investments; and
v. The mark to market revaluation result with gains of NT$179.7 million (2014: gains of NT$106.0 million) on other financial assets at fair value through profit or loss mainly the significant increase in the price of a quoted portfolio.

2. The Group identified impairment provision of NT$252.4 million for 2015 (2014: NT$104.8 million) as follows:

i. Certain quoted investments were impaired by NT$103.8 million due to market prices being significantly lower than investment costs;
ii. The remaining impairment amount of NT$128.5 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
iii. The impairment losses on the other financial assets at fair value through profit or loss of NT$20.1 million resulted from one investee company which had suffered prolonged period of losses without any sign of improvement in operation.

3. Total operating expenses of NT$171.7 million for 2015 (2014: NT$177.1 million) reflect the direct operating expenses of the Group, which included the operating expenses of HIC with effect from 1 July 2015.

4. The increase in the Group's tax expense from NT$8.3 million to NT$44.1 million was mainly arose from capital gains tax expenses from divestments made by the Taiwan subsidiaries of the Group.

5. The Group's other comprehensive income of NT$494.9 million (2014: gains of NT$234.9 million) came mainly from the following items:
i. The net gains of NT$513.1 million in fair value of available-for-sale assets (2014: gains of NT$309.1 million);
ii. The reclassification adjustments for gains on sales taken to P/L of NT$106.8 million (2014: NT$233.6 million);
iii. Gains on the exchange difference on translation of foreign operations of NT$105.6 million due to the appreciation of US dollar against NT dollar during 2015 (2014: gains of NT$149.2 million); and
iv. The increase in fair value of AFS investments resulted in a tax impact of NT$54.0 million that was recognized as an increase of deferred tax liability.

(b)

1. The Group cash balance increased from NT$1,067.7 million to NT$1,774.6 million mainly due to cash of NT$170.7 million arising from consolidation of HIC and proceeds of NT$1,605.3 million from divestment and the cash payout of NT$718.7 million for investments acquisition, partially offset by the 2014 cash dividend payment in 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$1,225.5 million was mainly due to new acquisitions of NT$286.5 million and NT$338.4 million divestment of investments and favorable fair value changes of NT$179.7 million on the existing investments at the end of 2015.

3. The decrease in the Group's held-for-trading investments from NT$135.9 million to NT$38.7 million was mainly due to divestments in 1Q2015.

4. The increase in the Group's trade and other receivables from NT$13.0 million to NT$47.3 million was mainly due to proceeds from investments divested which have not been settled at the end of 2015.

5. The increase in the Group's advance receipts (non-current and current) from NT$13.2 million to NT$60.0 million was mainly due to an installment proceeds received in advance.

6. The increase in the Group's deferred tax liabilities from NT$36.3 million to NT$101.8 million was mainly due to the estimated deferred tax liabilities on favorable revaluation result for those investments in Taiwan at the end of 2015.

7. The increase in the Group's trade and other payables from NT$44.2 million to NT$72.2 million was mainly the accrued expenses payable of HIC at the end of 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 2015 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.**

Market conditions are expected to remain weak and volatile in 2016. The persistently

weak economic outlook in China's markets and continuing weak oil prices remain of concern. The Group will continue to leverage on its capabilities and experience to seek out promising investment and divestment opportunities amidst a challenging macro environment.

**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$4.02484 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$0.258* per share (tax not applicable)
* Before effect of share consolidation in 2015.

**(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**

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.**

In view of the extension of the transitional period to 30 April 2016 for listed issuers to procure the requisite directors' and executive officers' undertakings, the Company will be providing the relevant confirmation in its subsequent financial statements released after 30 April 2016.

## 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, as follows:

1. Investment - the Group's core business segment conducted 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 activities through 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 period except for the management and incentive fees paid from entities within the "investment" business segment to the fund management subsidiary company in the "fund management" segment which was eliminated on consolidation. In 2014, the management and incentive fees transactions between the associate company were not eliminated as the associate company was equity accounted.

| 2015 | Investment business NT$'000 | Fund management NT$'000 | Eliminations NT$'000 | Consolidated NT$'000 |
|---|---|---|---|---|
| Revenue | | | | |
| External revenue | 886,275 | 5,383 | - | 891,658 |
| Inter-segmental revenue | 2,384 | 84,211 | (86,595) | - |
| Total revenue | 888,659 | 89,594 | (86,595) | 891,658 |
| | | | | |
| Result | | | | |
| Segment result | 431,779 | 31,865 | - | 463,644 |
| Share of profits of associates | - | 9,353 | - | 9,353 |
| Interest income | 3,574 | 327 | - | 3,901 |
| Profit before tax | 435,353 | 41,545 | - | 476,898 |
| Tax expenses | (34,654) | (9,396) | - | (44,050) |
| Profit after tax but before non-controlling interests | 400,699 | 32,149 | - | 432,848 |
| Non-controlling interests | (10) | (13,369) | - | (13,379) |
| Profit attributable to owners of the Company | 400,689 | 18,780 | - | 419,469 |
| | | | | |
| Other information | | | | |
| Segment assets | 7,952,507 | 177,234 | - | 8,129,741 |
| Segment assets includes: | | | | |
| Additions to: | | | | |
| -Property, plant and equipment | - | 95 | - | 95 |
| | | | | |
| Segement liabilities | 84,692 | 47,508 | - | 132,200 |
| Current income tax liabilities | 56,643 | 11,803 | - | 68,446 |
| Deferred tax liability | 101,750 | - | - | 101,750 |
| Consolidated total liabilities | 243,085 | 59,311 | - | 302,396 |
| | | | | |
| Depreciation | - | 23 | - | 23 |
| Impairment losses on AFS | 232,297 | - | - | 232,297 |
| Impairment losses on FVTPL | 20,109 | - | - | 20,109 |

| 2014 | Investment business NT$'000 | Fund management NT$'000 | Consolidated NT$'000 |
|---|---|---|---|
| Revenue | | | |
| External revenue | 534,128 | - | 534,128 |
| Inter-segmental revenue | - | - | - |
| Total revenue | 534,128 | - | 534,128 |
| | | | |
| Result | | | |
| Segment result | 247,096 | - | 247,096 |
| Share of profits of associates | - | 18,150 | 18,150 |
| Interest income | 5,155 | - | 5,155 |
| Profit before tax | 252,251 | 18,150 | 270,401 |
| Tax expenses | (8,259) | - | (8,259) |
| Profit after tax but before non-controlling interests | 243,992 | 18,150 | 262,142 |
| Non-controlling interests | (6) | - | (6) |
| Profit attributable to owners of the Company | 243,986 | 18,150 | 262,136 |
| | | | |
| Other information | | | |
| Segment assets | 7,231,281 | - | 7,231,281 |
| Investments in associates | 1,766 | 65,584 | 67,350 |
| Consolidated total assets | 7,233,047 | 65,584 | 7,298,631 |
| | | | |
| Segement liabilities | 57,399 | - | 57,399 |
| Current income tax liabilities | 65,590 | - | 65,590 |
| Deferred tax liability | 36,286 | - | 36,286 |
| Consolidated total liabilities | 159,275 | - | 159,275 |
| | | | |
| Impairment losses on AFS | 94,751 | - | 94,751 |
| Impairment losses on FVTPL | 10,055 | - | 10,055 |

Information about geographical areas:

| | Revenue NT$'000 | |
|---|---|---|
| | 2015 | 2014 |
| Greater China | 814,994 | 539,470 |
| United States | 75,258 | (36,989) |
| Other countries | 1,406 | 31,647 |
| Total | 891,658 | 534,128 |

**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 % |
| | 2015 | 2014 | |
| Revenue reported for first half year | 448,347 | 298,689 | 50 |
| Operating profit after tax before non-controlling interests reported for first half year | 199,380 | 168,321 | 18 |
| Revenue reported for second half year | 443,311 | 235,439 | 88 |
| Operating profit after tax before non-controlling interests reported for second half year | 233,468 | 93,821 | 149 |

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

| | 2015 | 2014 |
|---|---|---|
| | NT$'000 | NT$'000 |
| Ordinary (tax exempt one-tier) | | |
| - final | - | 257,633 |
| Ordinary (tax exempt one-tier) | | |
| - final (proposed) | 400,000 | - |
| Total : | 400,000 | 257,633 |

**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 2015 |
|---|---|---|---|---|
| Ms. Tsui-Hui Huang | 52 | Daughter of Mr. Cheng-Wang Huang (non-executive Director)<br><br>Wife of Mr. Andy C.W. Chen (non-executive Director) | Managing Director – Hotung Investment Holdings Ltd. since August 1, 2006.<br><br>Executive Director – Hotung Investment Holdings Ltd. since June 20, 2005. | nil |

**BY ORDER OF THE BOARD**
Shu-Hui Lo
Company Secretary
February 26, 2016