



HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED

Second Quarter Financial Statement for the Period Ended 30/6/2014

**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, 2014

	Group		Change %
	2Q 2014 NT\$'000	2Q 2013 NT\$'000	
Revenue			
Interest income	1,359	1,412	(4)
Dividend income/ distribution income	25,225	35,133	(28)
Gains on sale of held-for-trading investments	395	5,931	(93)
Gains on sale of available-for-sale investments	88,710	103,119	(14)
(Losses)/Gains on sale of other financial assets at fair value through profit or loss	(1,274)	33,106	nm
Changes in fair value of held-for-trading investments	(6,586)	(4,508)	46
Changes in fair value of other financial assets at fair value through profit or loss	(10,832)	(10,472)	3
Foreign exchange (losses)/ gains	(7,554)	2,516	nm
Others	327	486	(33)
Total Revenue	<u>89,770</u>	<u>166,723</u>	<u>(46)</u>
Impairment losses			
Impairment losses on available-for-sale investments	(15,966)	(28,823)	(45)
Impairment loss on other financial assets at fair value through profit or loss	-	(20,109)	nm
Total impairment losses	<u>(15,966)</u>	<u>(48,932)</u>	<u>(67)</u>
Operating expenses			
General and administrative expenses	(41,994)	(37,025)	13
Total operating expenses	<u>(41,994)</u>	<u>(37,025)</u>	<u>13</u>
Share of profits of associates	3,520	1,595	121
Profit before tax	35,330	82,361	(57)
Tax benefit	10,663	4,420	141
Profit after tax	<u>45,993</u>	<u>86,781</u>	<u>(47)</u>
Other comprehensive income/(losses):			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(48,466)	14,182	nm
Financial Assets - available-for-sale (AFS):			
- Net change in fair value	40,572	(51,608)	nm
- Reclassification adjustments for impairment losses taken to profit before tax	(11,680)	108	nm
- Reclassification adjustments for gains taken to profit before tax from sales of AFS financial assets	(70,322)	(101,258)	(31)
Share of other comprehensive income of associates	(64)	19	nm
Tax relating to components of other comprehensive income	1,903	5,492	(65)
Other comprehensive losses for the period, net of tax	<u>(88,057)</u>	<u>(133,065)</u>	<u>(34)</u>
TOTAL COMPREHENSIVE LOSSES FOR THE PERIOD	<u>(42,064)</u>	<u>(46,284)</u>	<u>(9)</u>
Profit attributable to:			
Owners of the Company	45,991	86,779	(47)
Non-controlling interests	2	2	-
	<u>45,993</u>	<u>86,781</u>	<u>(47)</u>
Total comprehensive losses for the period attributable to:			
Owners of the Company	(42,066)	(46,286)	(9)
Non-controlling interests	2	2	-
	<u>(42,064)</u>	<u>(46,284)</u>	<u>(9)</u>

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, 2014

	Group			Company		
	30/6/2014 NT\$'000	31/12/2013 NT\$'000	Change %	30/6/2014 NT\$'000	31/12/2013 NT\$'000	Change %
Assets						
Non-current assets:						
Investments in subsidiaries	-	-	-	5,544,252	5,740,951	(3)
Investments in associates	61,199	67,129	(9)	8,260	8,260	-
Available-for-sale investments	4,803,714	4,511,114	6	-	-	-
Other financial assets at fair value through profit or loss	723,561	650,449	11	-	-	-
	<u>5,588,474</u>	<u>5,228,692</u>	7	<u>5,552,512</u>	<u>5,749,211</u>	(3)
Current assets:						
Held-for-trading investments	138,612	195,649	(29)	-	-	-
Trade and other receivables	6,230	33,313	(81)	1	712	(100)
Cash and cash equivalents	1,252,201	1,780,996	(30)	99,711	158,427	(37)
	<u>1,397,043</u>	<u>2,009,958</u>	(30)	<u>99,712</u>	<u>159,139</u>	(37)
Total assets	<u>6,985,517</u>	<u>7,238,650</u>	(3)	<u>5,652,224</u>	<u>5,908,350</u>	(4)
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	(136,988)	(142,664)	(4)	-	-	-
Legal reserve	437,112	405,641	8	-	-	-
Special reserve	19,801	19,801	-	-	-	-
Capital surplus - net assets from merger	126,667	126,667	-	-	-	-
Fair value reserve	629,460	633,652	(1)	-	-	-
Treasury shares reserve	(123,885)	(83,117)	49	(123,885)	(83,117)	49
Accumulated losses	(1,127,538)	(950,532)	19	(1,223,969)	(1,012,462)	21
Equity attributable to owners of the Company	<u>6,811,666</u>	<u>6,996,485</u>	(3)	<u>5,639,183</u>	<u>5,891,458</u>	(4)
Non-controlling interests	<u>406</u>	<u>411</u>	(1)	<u>-</u>	<u>-</u>	-
Total equity	<u>6,812,072</u>	<u>6,996,896</u>	(3)	<u>5,639,183</u>	<u>5,891,458</u>	(4)
Liabilities						
Non-current liability:						
Advance receipts	12,497	-	nm	-	-	-
Deferred tax liability	61,316	51,386	19	-	-	-
	<u>73,813</u>	<u>51,386</u>	44	<u>-</u>	<u>-</u>	-
Current liabilities:						
Trade and other payables	30,875	100,996	(69)	13,041	16,892	(23)
Income tax payable	68,757	89,372	(23)	-	-	-
	<u>99,632</u>	<u>190,368</u>	(48)	<u>13,041</u>	<u>16,892</u>	(23)
Total liabilities	<u>173,445</u>	<u>241,754</u>	(28)	<u>13,041</u>	<u>16,892</u>	(23)
Total equity and liabilities	<u>6,985,517</u>	<u>7,238,650</u>	(3)	<u>5,652,224</u>	<u>5,908,350</u>	(4)

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 30/6/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Amount repayable after one year

As at 30/6/2014		As at 31/12/2013	
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, 2014

	GROUP	
	2Q	2Q
	2014	2013
	NT\$'000	NT\$'000
Cash flows from operating activities		
Profit before tax	35,330	82,361
Adjustments for:		
Changes in fair value of held-for-trading investments	6,586	4,508
Changes in fair value of other financial assets at fair value through profit or loss	10,832	10,472
Dividend income/distribution income	(25,225)	(35,133)
Gains on sale of available-for-sale investments	(88,710)	(103,119)
Losses/(Gains) on sale of other financial assets at fair value through profit or loss	1,274	(33,106)
Impairment loss on available-for-sale investments	15,966	28,823
Impairment loss on other financial assets at fair value through profit or loss	-	20,109
Interest income	(1,359)	(1,412)
Gains on sale of held-for-trading investments	(395)	(5,931)
Share of profits of associates	(3,520)	(1,595)
Operating loss before working capital changes	(49,221)	(34,023)
Acquisition of held-for-trading investments	(47,883)	(78,298)
Proceeds from disposal of held-for-trading investments	128,161	135,925
Trade and other receivables	304	377
Trade and other payables	(4,697)	(10,233)
Advance receipts	12,497	-
Cash used in operations	39,161	13,748
Interest received	1,870	1,226
Dividend/distribution received	25,225	42,217
Tax paid	(25,008)	(23,183)
Net cash from operating activities	41,248	34,008
Cash flows from investing activities:		
Dividend received from associate	16,541	16,541
Acquisition of available-for-sale investments	(474,111)	(440,821)
Proceeds from disposal of available-for-sale investments	337,861	204,913
Proceeds from disposal of other financial asset at fair value through profit or loss	31,112	208,043
Net cash used in investing activities	(88,597)	(11,324)
Financing activities:		
Capital reduction in subsidiaries	(10)	(15)
Purchase of treasury shares	(40,768)	(2,384)
Dividend paid to Shareholders of the Company	(313,851)	(317,438)
Net cash used in financing activities	(354,629)	(319,837)
Net decrease in cash and cash equivalents	(401,978)	(297,153)
Cash and cash equivalents at April 1	1,653,333	2,232,635
Effect of exchange rate on cash and cash equivalents	(5,708)	4,638
Cash and cash equivalents at June 30	1,245,647	1,940,120
Supplemental disclosure of cash flow information		
Cash and cash equivalent in the statement of cash flows	1,245,647	1,940,120
Cash held by trustee	6,554	46,794
Cash and cash equivalent in the statement of financial position	1,252,201	1,986,914

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.

FOR THE SECOND QUARTER ENDED JUNE 30, 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 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
Total other comprehensive income/ (losses) for the period	-	-	-	(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

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2013

	Attributable to owners of the Company												Non-controlling interests	Total
	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			
	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, 2013	5,233,034	1,347,887	406,116	(141,691)	388,361	19,801	126,667	733,169	(79,119)	(873,024)	7,161,201	415	7,161,616	
Total comprehensive income/(losses) for the period														
Profit for the period	-	-	-	-	-	-	-	-	-	86,779	86,779	2	86,781	
Total other comprehensive income/ (losses) for the period	-	-	-	14,201	-	-	-	(147,266)	-	-	(133,065)	-	(133,065)	
Total comprehensive income/(losses) for the period	-	-	-	14,201	-	-	-	(147,266)	-	86,779	(46,286)	2	(46,284)	
Transactions with owners, recognised directly in equity														
Contributions by and distributions to owners														
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(2,384)	-	(2,384)	-	(2,384)	
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)	
Transfer from accumulated losses to legal reserves	-	-	-	-	17,280	-	-	-	-	(17,280)	-	-	-	
Dividend paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	(317,438)	(317,438)	-	(317,438)	
Total transactions with owner	-	-	-	-	17,280	-	-	-	(2,384)	(334,718)	(319,822)	(15)	(319,837)	
At June 30, 2013	5,233,034	1,347,887	406,116	(127,490)	405,641	19,801	126,667	585,903	(81,503)	(1,120,963)	6,795,093	402	6,795,495	

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
	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'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

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED JUNE 30, 2013

	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, 2013	5,233,034	1,347,887	406,116	(79,119)	(1,228,013)	5,679,905
Total comprehensive income for the period						
Profit for the period	-	-	-	-	6,679	6,679
Total other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	6,679	6,679
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Shares bought back as treasury shares	-	-	-	(2,384)	-	(2,384)
Dividend paid to shareholders of the Company	-	-	-	-	(317,438)	(317,438)
Total transactions with owner	-	-	-	(2,384)	(317,438)	(319,822)
At June 30, 2013	5,233,034	1,347,887	406,116	(81,503)	(1,538,772)	5,366,762

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 24, 2013, the Company continued with its share buy-back exercise. During the period from January 1, 2014 to April 28, 2014, the number of shares purchased by way of market acquisition was 10,433,000 (in total representing 1.02 % 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\$ 40,767,365. Pursuant to the Bye-laws of the Company, the shares purchased are treated as treasury shares.

Pursuant to the general mandate obtained from the General Meeting held on April 29, 2014, the Company did not repurchase any shares between April 29, 2014 and June 30, 2014.

As at June 30, 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.

As at December 31, 2013, the issued share capital less treasury shares of the Company was 1,022,855,783 shares (1,046,606,783 issued shares less 23,751,000 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>30/6/2014</u>	<u>31/12/2013</u>
Total number of issued shares, excluding treasury shares	<u>1,012,422,783</u>	<u>1,022,855,783</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, 2014	23,751,000
Shares bought back as treasury shares	<u>10,433,000</u>
At June 30, 2014	<u>34,184,000</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 FY2014 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 2014	2Q 2013
Earnings per ordinary share after deducting any provisions for preference dividends :		
(a) Based on weighted average number of ordinary shares on issue; and	0.04	0.08
(b) On a fully diluted basis	0.04	0.08
Earnings per ordinary share has been computed on the following weighted average number of shares :		
(a) Basic	1,014,564,475	1,023,931,385
(b) Diluted	1,014,564,475	1,023,931,385

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	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013
Net asset value (attributable to owners of the Company)	NT\$	6.73	6.84	5.57	5.76
per share based on issued share capital at end of the period/year	S\$	0.281	0.290	0.233	0.244

Note : Exchange rate of S\$1: NT\$23.93 for 2014.6.30 and S\$1:NT\$23.58 for 2013.12.31

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\$89.8 million came primarily from divestment and revaluation of its investments as follows:
 - i. Gains of NT\$88.7 million (2Q2013: NT\$103.1 million) on sales of available-for-sale investments;
 - ii. Gains of NT\$0.4 million (2Q2013: NT\$5.9 million) on sales of held-for-trading investments;
 - iii. Losses of NT\$1.3 million (2Q2013: gains NT\$33.1 million) on sales of other financial assets at fair value through profit or loss. There were two investment portfolios sold with capital gains of NT\$33.1 million in 2Q2013;
 - iv. Dividend income/distribution income of NT\$25.2 million (2Q2013: NT\$35.1 million) received including distribution proceeds from fund investments of NT\$11.6 million; and
 - v. The unfavorable change in fair value of held-for-trading investments of NT\$6.6 million losses (2Q2013: losses of NT\$4.5 million).

2. The Group's impairment losses decreased by 67.4% to NT\$16.0 million at the end of 2Q2014 from NT\$48.9 million at 2Q2013, mainly due to the overall favorable stock market trend for the portfolio of quoted investments. In addition, other than the continued impairment of certain unquoted investments which were impaired in prior quarter, there was no significant impairment of the portfolio of unquoted investments.

3. The increase in the Group's tax benefit from NT\$4.4 million to NT\$10.7 million mainly was due to the reversal of NT\$20.0 million for 2010 income tax liabilities on finalization of the tax return from the Tax Bureau in 2Q2014.

4. The Group's other comprehensive losses of NT\$88.1 million (2Q2013: losses of NT\$133.1 million) came mainly from the following items:
 - i. The net gains of NT\$40.6 million in fair value of available-for-sale assets (2Q2013: losses of NT\$51.6 million);
 - ii. The reclassification adjustments of impairments losses taken to the income statement of NT\$11.7 million arising from reclassification of gain from fair value reserve due to impairment. (2Q2013 reclassification of losses of NT\$0.1 million);
 - iii. The reclassification adjustments for gains on sales taken to the income statement of NT\$70.3 million (2Q2013: gains of NT\$101.3 million);
 - iv. The foreign exchange losses of NT\$48.5 million arising from the appreciation of

NT dollar against US dollar during 2Q2014 (2Q2013: gains of NT\$14.2 million); and

- v. The decrease in fair value of AFS investments during 2Q2014 resulted in a tax impact of NT\$1.9 million (2Q2013: NT\$5.5 million) that was reversal as decrease of deferred tax liability.

(b)

1. The decrease in the Group's held-for-trading investments from NT\$195.6 million to NT\$138.6 million was mainly due to divestments in 2Q2014;
2. Trade receivables decreased from NT\$33.3 million to NT\$6.2 million. The decrease was due to proceeds from fair value through profit or loss securities previously divested now received of NT\$29.5 million.
3. The decrease in the Group's trade and other payables from NT\$101.0 million to NT\$30.9 million was mainly due to purchases of quoted equities made at the end of 2013 which were settled in January 2014.
4. The increase in the Group's deferred tax liabilities from NT\$51.4 million at the end of 2013 to NT\$61.3 million was mainly due to the increase in fair value reserves for the first half year of 2014.
5. Income tax payables decreased from NT\$89.4 million to NT\$68.8 million due to the reversal of NT\$20.0 million for 2010 income tax liabilities on finalization of the tax return from the Tax Bureau in 2Q2014.

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 2014 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 global economy veers towards a slow recovery: China is expected to grow moderately over the medium term as structural reforms take effect. The US struggles to recover amidst improvement in employment and the reduction of liquidity by the Fed. Although the Japanese economy is growing at a slower pace than planned, the private equity sector remains positive and provides the momentum for future growth. The Asian equity markets and their currencies will remain volatile in the near future. Meanwhile in

Taiwan, the strong manufacturing and service sectors and increasing domestic demand bode well for business.

The Group will continue to closely monitor the potential impact of the economic landscape on its investment decisions.

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, 2014, to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Shu-Hui Lo

Company Secretary

6/8/2014