



**HOTUNG GROUP**

HOTUNG INVESTMENT HOLDINGS LIMITED

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**Full Year Financial Statement for the Period Ended 31/12/2016**

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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  
YEAR ENDED DECEMBER 31, 2016

	Group		Change %
	2016 NT\$'000	2015 NT\$'000	
Revenue			
Interest income	6,376	3,901	63
Dividend/ distribution income	154,573	293,216	(47)
Losses on sale of held-for-trading investments	(11,611)	(1,347)	762
Gains on sale of available-for-sale investments	365,280	217,320	68
Gains on sale of other financial assets at fair value through profit or loss	79,068	165,968	(52)
Gains on sale of investments in associates	-	185	nm
Changes in fair value of held-for-trading investments	(6,999)	17,835	nm
Changes in fair value of other financial assets at fair value through profit or loss	152,338	179,726	(15)
Foreign exchange (losses)/ gains	(15,783)	3,542	nm
Others	9,661	11,312	(15)
Total revenue	<u>732,903</u>	<u>891,658</u>	(18)
Impairment losses			
Impairment losses on available-for-sale investments	(132,398)	(232,297)	(43)
Impairment losses on other financial assets at fair value through profit or loss	-	(20,109)	nm
Total impairment losses	<u>(132,398)</u>	<u>(252,406)</u>	(48)
Operating expenses			
General and administrative expenses	(167,314)	(171,707)	(3)
Total operating expenses	<u>(167,314)</u>	<u>(171,707)</u>	(3)
Share of profits of associates	-	9,353	nm
<b>Profit before tax</b>	<u>433,191</u>	<u>476,898</u>	(9)
Tax expense	<u>(71,274)</u>	<u>(44,050)</u>	62
<b>Profit after tax</b>	<u>361,917</u>	<u>432,848</u>	(16)
<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	(50,408)	105,572	nm
Financial Assets - available-for-sale (AFS):			
- Net change in fair value	(269,741)	513,083	nm
- Reclassification adjustments for impairment losses taken to profit before tax	18,376	36,988	(50)
- Reclassification adjustments for gains taken to profit before tax from sales of AFS financial assets	(144,212)	(106,772)	35
Tax relating to components of other comprehensive gains/(losses)	<u>46,504</u>	<u>(53,968)</u>	nm
<b>Other comprehensive (losses)/income for the year, net of tax</b>	<u>(399,481)</u>	<u>494,903</u>	nm
<b>TOTAL COMPREHENSIVE (LOSSES)/INCOME FOR THE YEAR</b>	<u>(37,564)</u>	<u>927,751</u>	nm
<b>Profit attributable to:</b>			
Owners of the Company	317,878	419,469	(24)
Non-controlling interests	44,039	13,379	229
	<u>361,917</u>	<u>432,848</u>	(16)
<b>Total comprehensive (losses)/income for the year attributable to:</b>			
Owners of the Company	(81,080)	914,372	nm
Non-controlling interests	43,516	13,379	225
	<u>(37,564)</u>	<u>927,751</u>	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 DECEMBER 31, 2016

	Group			Company		
	31/12/2016 NT\$'000	31/12/2015 NT\$'000	Change %	31/12/2016 NT\$'000	31/12/2015 NT\$'000	Change %
<b>Assets</b>						
<b>Non-current assets:</b>						
Investments in subsidiaries	-	-	-	5,255,069	5,255,069	-
Available-for-sale investments	4,214,758	5,033,759	(16)	-	-	-
Other financial assets at fair value through profit or loss	1,144,159	1,225,459	(7)	-	-	-
Property, plant and equipment	1,016	95	969	-	-	-
Trade and other receivables	4,837	9,847	(51)	-	-	-
	<u>5,364,770</u>	<u>6,269,160</u>	<u>(14)</u>	<u>5,255,069</u>	<u>5,255,069</u>	-
<b>Current assets:</b>						
Held-for-trading investments	46,578	38,714	20	-	-	-
Trade and other receivables	12,686	47,317	(73)	42	1,611	(97)
Cash and cash equivalents	2,079,545	1,774,550	17	114,293	57,310	99
	<u>2,138,809</u>	<u>1,860,581</u>	<u>15</u>	<u>114,335</u>	<u>58,921</u>	<u>94</u>
<b>Total assets</b>	<u>7,503,579</u>	<u>8,129,741</u>	<u>(8)</u>	<u>5,369,404</u>	<u>5,313,990</u>	<u>1</u>
<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	-
Contributed surplus reserve	406,116	406,116	-	406,116	406,116	-
Currency translation and other reserve	62,408	112,293	(44)	-	-	-
Legal reserve	477,508	457,504	4	-	-	-
Special reserve	19,801	19,801	-	-	-	-
Capital surplus - net assets from merger	126,667	126,667	-	-	-	-
Fair value reserve	759,471	1,108,544	(31)	-	-	-
Treasury shares reserve	(254,062)	(188,777)	35	(254,062)	(188,777)	35
Accumulated losses	(994,400)	(892,274)	11	(1,393,374)	(1,507,229)	(8)
<b>Equity attributable to owners of the Company</b>	<u>7,184,429</u>	<u>7,730,794</u>	<u>(7)</u>	<u>5,339,600</u>	<u>5,291,030</u>	<u>1</u>
Non-controlling interests	113,667	96,551	18	-	-	-
<b>Total equity</b>	<u>7,298,096</u>	<u>7,827,345</u>	<u>(7)</u>	<u>5,339,600</u>	<u>5,291,030</u>	<u>1</u>
<b>Liabilities</b>						
<b>Non-current liability:</b>						
Deferred tax liability	40,404	101,750	(60)	-	-	-
	<u>40,404</u>	<u>101,750</u>	<u>(60)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Current liabilities:</b>						
Advance receipts	-	59,951	nm	-	-	-
Trade and other payables	103,237	72,249	43	29,804	22,960	30
Income tax payable	61,842	68,446	(10)	-	-	-
	<u>165,079</u>	<u>200,646</u>	<u>(18)</u>	<u>29,804</u>	<u>22,960</u>	<u>30</u>
<b>Total liabilities</b>	<u>205,483</u>	<u>302,396</u>	<u>(32)</u>	<u>29,804</u>	<u>22,960</u>	<u>30</u>
<b>Total equity and liabilities</b>	<u>7,503,579</u>	<u>8,129,741</u>	<u>(8)</u>	<u>5,369,404</u>	<u>5,313,990</u>	<u>1</u>

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 31/12/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Amount repayable after one year

As at 31/12/2016		As at 31/12/2015	
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, 2016

	GROUP	
	2016	2015
	NT\$'000	NT\$'000
<b>Cash flows from operating activities</b>		
Profit after tax	361,917	432,848
Adjustments for:		
Changes in fair value of other financial assets at fair value through profit or loss	(152,338)	(179,726)
Dividend/ distribution income	(154,573)	(293,216)
Losses on sale of held-for-trading investments	11,611	1,347
Gains on sale of available-for-sale investments	(365,280)	(217,320)
Gains on sale of other financial assets at fair value through profit or loss	(79,068)	(165,968)
Gains on sale of investments in associates	-	(185)
Impairment losses on available-for-sale investments	132,398	232,297
Impairment losses on other financial assets at fair value through profit or loss	-	20,109
Depreciation expense	166	23
Interest income	(6,376)	(3,901)
Share of profits of associates	-	(9,353)
Tax expense	71,274	44,050
	<u>(180,269)</u>	<u>(138,995)</u>
Changes to:		
Held-for-trading investments	(9,577)	91,464
Trade and other receivables	2,148	14,069
Trade and other payables	18,106	(4,602)
Cash used in operations	<u>(169,592)</u>	<u>(38,064)</u>
Interest received	5,565	4,578
Tax paid	(92,720)	(36,482)
<b>Net cash used in operating activities</b>	<u>(256,747)</u>	<u>(69,968)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of available-for-sale investments	(193,678)	(432,253)
Acquisition of other financial assets at fair value through profit or loss	(354,995)	(286,472)
Distributions received from available-for-sale investments	12,593	18,888
Proceeds from disposal of available-for-sale investments	752,962	718,246
Proceeds from disposal of other financial assets at fair value through profit or loss	631,960	507,745
Dividend/ distribution income received from investments	213,350	379,310
Dividends/ distributions received from associates	-	18,484
Cash and cash equivalents acquired on control of an subsidiary	-	160,356
Acquisition of property, plant and equipment	(1,087)	(63)
<b>Net cash from investing activities</b>	<u>1,061,105</u>	<u>1,084,241</u>
<b>Cash flows from financing activities:</b>		
Dividend paid to non-controlling shareholders in subsidiaries	(26,400)	-
Capital reduction in subsidiaries paid to non-controlling interests	-	(23)
Dividends paid	(400,000)	(257,633)
Purchase of treasury shares	(57,930)	(64,892)
<b>Net cash used in financing activities</b>	<u>(484,330)</u>	<u>(322,548)</u>
<b>Net increase in cash and cash equivalents</b>	320,028	691,725
Cash and cash equivalents at January 1	1,766,626	1,058,082
Effect of exchange rate on cash and cash equivalents	(7,876)	16,819
<b>Cash and cash equivalents at December 31</b>	<u>2,078,778</u>	<u>1,766,626</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash and cash equivalent in the statement of cash flows	2,078,778	1,766,626
Cash held by trustee	767	7,924
<b>Cash and cash equivalent in the statement of financial position</b>	<u>2,079,545</u>	<u>1,774,550</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  
YEAR ENDED DECEMBER 31, 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	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	NT\$'000	NT\$'000
At January 1, 2016	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	
<b>Total comprehensive (losses)/income for the year</b>														
Profit for the year	-	-	-	-	-	-	-	-	-	317,878	317,878	44,039	361,917	
Exchange differences on translation of foreign operations and others	-	-	-	(49,885)	-	-	-	-	-	-	(49,885)	(523)	(50,408)	
Financial Assets - available-for-sale (AFS)	-	-	-	-	-	-	-	(349,073)	-	-	(349,073)	-	(349,073)	
Total other comprehensive losses	-	-	-	(49,885)	-	-	-	(349,073)	-	-	(398,958)	(523)	(399,481)	
<b>Total comprehensive (losses)/income for the year</b>	-	-	-	(49,885)	-	-	-	(349,073)	-	317,878	(81,080)	43,516	(37,564)	
<b>Transactions with owners, recognised directly in equity</b>														
<b>Contributions by and distributions to owners</b>														
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(65,285)	-	(65,285)	-	(65,285)	
Transfer from accumulated losses to legal reserves	-	-	-	-	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	-	-	-	(65,285)	(420,004)	(465,285)	(26,400)	(491,685)	
At December 31, 2016	5,233,033	1,347,887	406,116	62,408	477,508	19,801	126,667	759,471	(254,062)	(994,400)	7,184,429	113,667	7,298,096	

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 and other 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
<b>At January 1, 2015</b>	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
<b>Total comprehensive income for the year</b>													
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
<b>Total comprehensive income for the year</b>	-	-	-	105,572	-	-	-	389,331	-	419,469	914,372	13,379	927,751
<b>Transactions with owners, recognised directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Shares bought back as treasury shares	-	-	-	-	-	-	-	-	(64,892)	-	(64,892)	-	(64,892)
Capital reduction in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(23)	(23)
Transfer from accumulated losses to legal reserves	-	-	-	-	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
<b>Total transactions with owner</b>	(1)	-	-	-	20,392	-	-	-	(64,892)	(278,025)	(322,526)	82,764	(239,762)
<b>At December 31, 2015</b>	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

COMPANY STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED DECEMBER 31, 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 January 1, 2016	5,233,033	1,347,887	406,116	(188,777)	(1,507,229)	5,291,030
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	513,855	513,855
Total other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	513,855	513,855
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Shares bought back as treasury shares	-	-	-	(65,285)	-	(65,285)
Dividend paid to Shareholders of the Company	-	-	-	-	(400,000)	(400,000)
<b>Total transactions with owner</b>	-	-	-	(65,285)	(400,000)	(465,285)
At December 31, 2016	5,233,033	1,347,887	406,116	(254,062)	(1,393,374)	5,339,600

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
<b>Total comprehensive losses for the year</b>						
Losses for the year	-	-	-	-	(16,311)	(16,311)
Total other comprehensive losses for the year	-	-	-	-	-	-
<b>Total comprehensive losses for the year</b>	-	-	-	-	(16,311)	(16,311)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
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)
<b>Total transactions with owner</b>	(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

**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 21, 2016, the Company continued with its share buy-back exercise. During the period from April 21, 2016 to December 31, 2016, the number of shares purchased by way of market acquisition was 1,962,500 (in total representing 1.97% 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\$65,285,328. Pursuant to the Bye-laws of the Company, the shares



purchased are treated as treasury shares.

As at December 31, 2016, the issued share capital less treasury shares of the Company was 97,420,382 shares (104,660,662 issued shares less 7,240,280 treasury shares) and the issued capital amounted to NT\$5,233,033,100.

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\$5,233,033,100.

**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.**

	31/12/2016	31/12/2015
Total number of issued shares, excluding treasury shares	<u>97,420,382</u>	<u>99,382,882</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, 2016	<u>5,277,780</u>
Shares bought back as treasury shares	<u>1,962,500</u>
At December 31, 2016	<u><u>7,240,280</u></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 FY2016 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\$	
	2016	2015
<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	3.21	4.20
(b) On a fully diluted basis	3.21	4.20
<b>Earnings per ordinary share has been computed on the following weighted average number of shares :</b>		
(a) Basic	98,960,953	99,892,209
(b) Diluted	98,960,953	99,892,209

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	
		31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value (attributable to owners of the Company)	NT\$	73.75	77.79	54.81	53.24
per share based on issued share capital at end of the year	S\$	3.31	3.35	2.46	2.29

Note : Exchange rate of S\$1: NT\$22.29 for 2016.12.31 and S\$1:NT\$23.25 for 2015.12.31

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\$732.9 million came primarily from divestment and dividend/ distribution income as follows:
  - i. Gains of NT\$365.3 million (2015: gains of NT\$217.3 million) on sales of available-for-sale investments;
  - ii. Gains of NT\$79.1 million (2015: gains of NT\$166.0 million ) on sales of other financial assets at fair value through profit or loss (FVTPL);
  - iii. Losses of NT\$11.6 million (2015: losses of NT\$1.3 million) on sales of held-for-trading investments;
  - iv. Dividend/distribution income of NT\$154.6 million (2015: NT\$293.2 million) received including investment fund distribution of NT\$105.4 million (2015: NT\$236.4 million); and
  - v. Since evaluated certain investments by apply new funding prices, the change on fair value resulted with gains of NT\$152.3 million (2015: gains of NT\$179.7 million) on other financial assets at fair value through profit or loss.
  
2. The Group identified impairment provision of NT\$132.4 million (2015: NT\$252.4 million) as follows:
  - i. Certain quoted investments were impaired by NT\$47.5 million due to market prices being significantly lower than investment costs;
  - ii. NT\$84.9 million of impairment loss was recognized for unquoted investments due to 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 increase in the Group's tax expense from NT\$44.1 million to NT\$71.3 million mainly comprised of NT\$18.5 million withholding tax on capital gain from divestment of a particular investment and NT\$29.5 million withholding tax on dividends received from a Taiwan subsidiary.
  
4. The Group's other comprehensive losses of NT\$399.5 million (2015: gains of NT\$494.9 million) arose mainly from the following items:
  - i. The net losses of NT\$269.7 million was due to unfavorable change in fair value of available-for-sale investments (2015: gains of NT\$513.1 million);
  - ii. The reclassification adjustments for gains on sales taken to profit or loss amounted to NT\$144.2 million (2015: NT\$106.8 million); and
  - iii. Losses on translation of foreign operations amounted to NT\$50.4 million was a result of depreciation of US dollar against NT dollar during 2016 (2015: gains of NT\$105.6 million).

(b)

1. Group cash balances increased from NT\$1,774.6 million to NT\$2,079.5 million mainly due to proceeds from divestments.
2. The decrease in the Group's available-for-sale investments from NT\$5,033.8 million to NT\$4,214.8 million was mainly due to divestments of NT\$585.0 million during 2016 and unfavorable evaluation of NT\$269.7 million at the end of 2016.
3. The Group's held-for-trading investments increased from NT\$38.7 million to NT\$46.6 million was mainly due to increased trading activities during the year.
4. The Group's trade and other receivables of NT\$12.7 million was due to the unsettled proceeds for sold trades as at year end.
5. The Group's deferred tax liabilities decreased from NT\$101.8 million to NT\$40.4 million was mainly due to fair value decrease in available-for-sale investments domiciled in Taiwan.
6. Advance receipts of NT\$60.0 million were recognised as the investment was derecognized at the end of 2Q2016.
7. The Group's trade and other payables of NT\$103.2 million was mainly due to accrued expenses as at year end.

**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 2016 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.**

Although the growth of the global economy is expected to accelerate in 2017, a series of events clouds the recovery, e.g. the anti-trade policies of U.S. President Trump and the political uncertainty in the European Union. The Group is preparing for more disruptions from geopolitical tensions, policy uncertainty, financial market volatility, rapid changes in technology and innovation. We will stay focused on leveraging resources based on sound risks management for investments and divestments.

**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\$3.1 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\$4.02484 per share (tax not applicable)

**(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.**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the listing manual.

## **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 mainly 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.

HOTUNG INVESTMENT HOLDINGS LIMITED AND SUBSIDIARIES  
STATEMENTS OF PROFIT AND LOSS  
FOR THE 12 MONTH PERIOD UP TO 31 DECEMBER 2016

2016	Investment business NT\$'000	Fund management NT\$'000	Eliminations NT\$'000	Consolidated NT\$'000
Revenue				
External revenue	724,527	8,376	-	732,903
Inter-segmental revenue	692	203,229	(203,921)	-
Total revenue	<u>725,219</u>	<u>211,605</u>	<u>(203,921)</u>	<u>732,903</u>
Result				
Segment result	331,617	95,198	-	426,815
Interest income	5,811	565	-	6,376
Profit before tax	<u>337,428</u>	<u>95,763</u>	<u>-</u>	<u>433,191</u>
Tax expenses	(50,590)	(20,684)	-	(71,274)
Profit after tax but before non-controlling interests	286,838	75,079	-	361,917
Non-controlling interests	(6)	(44,033)	-	(44,039)
Profit attributable to owners of the Company	<u>286,832</u>	<u>31,046</u>	<u>-</u>	<u>317,878</u>
Other information				
Segment assets	<u>7,306,827</u>	<u>196,752</u>	<u>-</u>	<u>7,503,579</u>
Segment assets includes:				
Additions to:				
-Property, plant and equipment	-	1,087	-	1,087
Segment liabilities	36,907	66,330	-	103,237
Current income tax liabilities	42,248	19,594	-	61,842
Deferred tax liability	40,404	-	-	40,404
Consolidated total liabilities	<u>119,559</u>	<u>85,924</u>	<u>-</u>	<u>205,483</u>
Depreciation	-	166	-	166
Impairment losses on AFS	132,398	-	-	132,398

HOTUNG INVESTMENT HOLDINGS LIMITED AND SUBSIDIARIES  
STATEMENTS OF PROFIT AND LOSS  
FOR THE 12 MONTH PERIOD UP TO 31 DECEMBER 2015

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	<u>888,659</u>	<u>89,594</u>	<u>(86,595)</u>	<u>891,658</u>
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	<u>435,353</u>	<u>41,545</u>	<u>-</u>	<u>476,898</u>
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	<u>400,689</u>	<u>18,780</u>	<u>-</u>	<u>419,469</u>
Other information				
Segment assets	<u>7,952,507</u>	<u>177,234</u>	<u>-</u>	<u>8,129,741</u>
Segment assets includes:				
Additions to:				
-Property, plant and equipment	-	95	-	95
Segment 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	<u>243,085</u>	<u>59,311</u>	<u>-</u>	<u>302,396</u>
Depreciation	-	23	-	23
Impairment losses on AFS	232,297	-	-	232,297
Impairment losses on FVTPL	20,109	-	-	20,109

Information about geographical areas:

	Revenue	
	NT\$'000	
	2016	2015
Greater China	671,102	814,994
United States	60,866	75,258
Other countries	935	1,406
Total	732,903	891,658

**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 %
	2016	2015	
Revenue reported for first half year	252,900	448,347	(44)
Operating profit after tax before non-controlling interests reported for first half year	107,295	199,380	(46)
Revenue reported for second half year	480,003	443,311	8
Operating profit after tax before non-controlling interests reported for second half year	254,622	233,468	9

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

	2016	2015
	NT\$'000	NT\$'000
Ordinary (tax exempt one-tier)		
- final	-	400,000
Ordinary (tax exempt one-tier)		
- final (proposed)	301,332	-
Total :	301,332	400,000

**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 2016
Ms. Tsui-Hui Huang	53	Daughter of Mr. Cheng-Wang Huang (non-executive Director)  Wife of Mr. Andy C.W. Chen (non-executive Director)	Managing Director - Hotung Investment Holdings Limited since August 1, 2006.  Executive Director - Hotung Investment Holdings Limited since June 20, 2005.	nil

**BY ORDER OF THE BOARD**

Hsin-Chieh Chung  
Company Secretary  
February 17, 2017