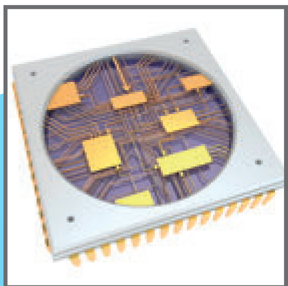
和通集團
HOTUNG GROUP
HOTUNG INVESTMENT HOLDINGS LIMITED

Positioning for sustainable GROWTH
Annual Report 2014



GROUP PROFILE

HOTUNG INVESTMENT HOLDINGS LIMITED and its subsidiaries ("The Group") is a premier venture capital firm with over 25 years of venture capital operations in Greater China and the U.S. The Group has been listed on the Main Board of SGX-ST since 1997.

The Group's investment strategy focuses on high potential growing industries, such as consumer products, retail sectors (including online retail), photonics, precision component manufacturing, bio-technology, as well as culture creative industries in Greater China.

The Group is leveraging its expertise in the venture capital business to generate strong earnings and performance.




CONTENTS

GROUP OVERVIEW

CORPORATE GOVERNANCE
DIRECTORS' REPORT
FINANCIAL REPORT

FINANCIAL HIGHLIGHTS

NT$534 m
GROUP REVENUE

NT$7.05
NET ASSETS PER SHARE

NT$719 m
FAIR VALUE RESERVE

NT$0.258[1]
FINAL DIVIDEND

	2014	2013	% Change
For the year (NT$ million)			
Revenue	**534**	715	(25.3)
Profit for the year	**262**	331	(20.8)
Per share (NT$)			
Earnings per share	**0.26**	0.32	(18.8)
Net assets per share	**7.05**	6.84	3.1
At year-end (NT$ million)			
Investments	**6,151**	5,357	14.8
Fair value reserve	**719**	634	13.4
Equity attributable to owners of the Company	**7,139**	6,996	2.0
Issued shares excluding treasury shares (shares)	**1,012,422,783**	1,022,855,783	(1.0)
Final dividend per share (NT$)			
Dividend	**0.258[1]**	0.31	(16.8)

[1]The Board's 2014 final dividend recommendation is subject to shareholders' approval at 2015 Annual General Meeting.

	2014					2013				
Group quarterly result (NT$ million)	**1Q**	**2Q**	**3Q**	**4Q**	**Total**	**1Q**	**2Q**	**3Q**	**4Q**	**Total**
Revenue	209	90	130	105	534	168	167	171	209	715
Profit for the year	122	46	76	18	262	73	87	75	96	331
Earnings per share (NT$)	0.12	0.04	0.08	0.02	0.26	0.07	0.08	0.07	0.1	0.32

CHAIRMAN'S STATEMENT

"Hotung continues to source cutting edge technology holders and up and coming consumer product and service providers as our investment targets.

We are confident that the operation and integrity of Hotung's portfolio is strong, and should, barring any unforeseen circumstances, generate good results in the upcoming year."

Tsui-Hui Huang
Chairman

DEAR SHAREHOLDERS,

Both U.S. and Taiwan equity market showed moderate gains in 2014; that said, equity market in 2014 experienced tremendous volatility and uncertainty. Major global headlines brought unexpected fear and jitters into the market, including Eurozone and Middle East geopolitical crisis, acute dive of energy prices, and U.S. Federal Reserve's uncertain position to the interest rate policy. Asia's economy remained soft, with Japan and South Korea posting weak export figures and China's GDP dipping to an estimated 7.4%. All of which contributed to a year of slow gains and quick sell-offs.

Taiwan's 2014 annual GDP expects to hit a tidy 3.5%. Electronics Index of Taiwan Stock Exchange was boosted by the overwhelming demand of the new Apple products and hence its supply chain in Taiwan. Nevertheless, Financial Supervisory Commission Taiwan took stronger measures to regulate listing of offshore holding companies (F shares), after an investigation over the possible financial fraud of a F shares company based in China. Total IPOs in Taiwan Stock Exchange and OTC market dropped from 58 listings in 2013 to 50 in 2014. While 6 companies from Hotung's portfolio listed in 2013, only 3 companies listed in 2014. Throughout the year, our team continues to find promising companies to invest; Hotung made NT$1,349.3 million of new investment in 2014, surpassing that of NT$1,287.0 million in 2013. We are confident that the operation and integrity of Hotung's portfolio is strong, and should, barring any unforeseen circumstances, generate good results in the upcoming year.

2014 FINANCIAL OVERVIEW

Hotung's full year net profit after tax was NT$262.1 million. We were able to manage investment risk to reduce impairment losses, leading to a lower impairment losses of NT$104.8 million, a reduction of 41.5% against previous year. EPS in 2014 was NT$0.26. The Board has proposed a dividend of NT$0.258 per share for the year ended 31 December 2014, which is in line with the Group's objective to distribute the majority of annual net profit after tax.

BUSINESS OVERVIEW

Hotung continues to source cutting edge technology holders and up and coming consumer product and service providers as our investment targets. Breaking down by industry, our most significant investment in 2014 is in the traditional industry. These companies continue to bring improvement to its product design and user experience

CHAIRMAN'S STATEMENT

through technology and innovation, and strive to grow its global market share and competitiveness. Our investment strategy will keep our primary investment in global product, technology, and innovation leaders.

Biotech and healthcare are also area we have emphasized in our new investment. As Asia population and demand growth outpace that of North American and European markets, we believe biotech and healthcare consumption in Asia Pacific, especially Greater China Region, will offer tremendous growth in the next decade. During 2014, Hotung has entered into a strategic partnership with Daiwa Corporate Investment for Daiwa Taiwan-Japan Biotech Fund. The fund's capital commitment at first closing is at JPY9.3 billion, with participation from Taiwan and Japan government. Leveraging this new partnership as well as Hotung's successful track record in biotech and healthcare investments, Hotung will continue to be one of the leading players in this sector.

Another milestone in Hotung's cultural and creative portfolio is the completion of Emerging Stock Market Registration of Shenghua Entertainment, which is the first media content producer to be listed in Taiwan. Shenghua currently produces television drama in Taiwan and China and has ongoing collaboration with Hollywood film production companies.

FUTURE PROSPECTS

Hotung maintains our discipline to invest into companies with exponential and perpetual growth prospects; prospects whose technology, brand equity, and market share will grow regardless of market volatility. Hotung will further deepen our establishment into the aforementioned sectors that will become consumption drivers in the foreseeable future.

Assuming the Chairman position of Taiwan Venture Capital Association in 2014 for a three year term, I am optimistic that with the government's valiant effort to promote new business and startups, Hotung will be in the forefront of Taiwan's growing investment opportunities and latest innovation.

On behalf of the Board and Investment Managers, I would like to express our sincere appreciation for the continual support from shareholders.

Sincerely,

Tsui-Hui Huang
Chairman
Taipei, Taiwan
27 March 2015

BOARD OF DIRECTORS

Tsui-Hui Huang

Chairman, Managing Director and Executive Director
Member of Nominating Committee
Date of first appointment as a director: 26 July 1997
Date of last re-election as a director: 28 April 2006

Ms. Tsui-Hui Huang is the Chairman and Managing Director of the Company and Chairman/President of Hotung International Company Ltd. ("HIC"). In 1998, she established Hotung Securities ("HSIC"), a subsidiary of Hotung Group. HSIC later merged into Taishin Financial Holding Co. under her guidance. In June 2005, Ms. Huang was elected as President of HIC, which is the management company of Hotung Group. Ms. Huang became Managing Director of the Group in August 2006 and was elected as Chairman of HIC in April 2009. She was elected as Chairman of the Group in June 2010. Under her leadership, the Group has extended its investment base rapidly in China, and established portfolios which mainly focused in domestic demand of China. Ms. Huang started her career in mergers and acquisitions with Bankers Trust Company in 1988. Between 1998 and 2005, she was actively involved in the international securities industry while she was Chairman of the International Business Committee of Taiwan Securities Association. She was also appointed as the Board Director of Gretai Securities Market (also known as Over the Counter Market) during that period. Currently, Ms. Huang is the Chairman of Taiwan Venture Capital Association. She was appointed as the Member of Cornell University President Council. Ms. Huang obtained a B.A. degree in Business from National Taiwan University and an M.B.A. degree at Cornell University, U.S.A.

Cheng-Wang Huang

Non-Executive Director
Date of first appointment as a director: 6 March 1997
Date of last re-election as a director: 23 April 2012

Mr. Cheng-Wang Huang is the founder of the Group. Mr. Huang retired from the position of Chairman since April 2006. Besides the Group, Mr. Huang has established various businesses ranging from motorcycles, car tires manufacturing, beverage and food to financial fields. His extensive knowledge in various industries has enhanced the group's investment quality. Mr. Huang is the Director and Honorary Chairman of Tai Lung Capital Inc., Tai Ling Motor Co., and Taiwan Tailung Trading Co., Ltd. He is actively involved with industrial association which plays a prominent role in the business community. Presently he is the Honorary Chairman of the Importers and Exporters Association of Taipei and Yakult Company Taiwan. Mr. Huang majored in Economics at National Taiwan University and holds a Master of Arts degree in Economics from University of Washington in Seattle, U.S.A.

BOARD OF DIRECTORS

Dr. Ng-Chee Tan

Non-Executive Director
Chairman of Audit Committee
Member of Nominating Committee
Lead Independent Director
Date of first appointment as a director: 31 August 2009
Date of last re-election as a director: 24 April 2013

Dr. Ng-Chee Tan joined the board in August 2009 and is Chairman of the Audit Committee and member of Nominating Committee. Dr. Tan had previously worked at JP Morgan's offices in New York, London, Kuala Lumpur, Singapore and Hong Kong where he was the Vice President and Regional Manager in JP Morgan's trust and investment business in Asia. Dr. Tan returned to Singapore in 1989 and became the Executive Vice President of Singapore's Overseas Union Bank, responsible for the bank's treasury division and all its overseas businesses and investments. Concurrently, he was also appointed Chief Executive of International Bank of Singapore Ltd and Chairman of OUB Bullion & Futures Ltd. Currently he serves as an independent director on the boards of Intraco Ltd. (where he is Board Chairman, lead independent director and chairman or member of key board committees) and Prudential Assurance Co. Singapore (Pte) Ltd. (where he is Chairman of the Audit Committee). Until recently, Dr. Tan had been an Adjunct Professor of Law at the National University of Singapore Law School at which he taught a course in Comparative Corporate Governance to final year LL.B. and LL.M. law students, and was an examiner to Ph.D students in Company Law and Corporate Governance. He taught a similar course to postgraduate LL.M. students at the East China University of Politics and Law (formerly St John's University) in Shanghai, China. Dr. Tan holds a doctorate in law from the University of Oxford, U.K.

Chang-Pang Chang

Non-Executive Director
Chairman of Nominating Committee
Member of Remuneration Committee
Independent Director
Date of first appointment as a director: 23 April 2012
Date of last re-election as a director: 29 April 2014

Mr. Chang-Pang Chang joined the board in April 2012 and is Chairman of the Nominating Committee and member of Remuneration Committee. He is currently the Director of Formosa Petrochemical Corporation, Capital Securities Corporation, Silitech Technology Corporation, Maxigen Biotech Inc. and Powerchip Technology Corporation, and the President of Global Investment Holdings Co., Ltd ("GIH"). Prior to GIH, Mr. Chang has worked in government for more than 30 years, mostly in financial and economic sectors. Mr. Chang served as Political Vice Minister of Economic Affairs from 1996 to 2000. Before that, he served a year and half as Deputy Secretary General of the Executive Yuan, two years as Administrative Vice Minister of Finance and five years as Chairman of the Securities and Exchange Commission. After retiring from the government in 2000, Mr. Chang served as the Chairman of KMT Business Management Committee and was appointed as the Chairman of Fuhwa Financial Holdings. Mr. Chang held an LL.B. degree from Fu-Jen Catholic University and an LL.M. degree from National Cheng-Chi University. He completed advance legal researches at Harvard Law School as a visiting scholar in 1986. Mr. Chang won the Eisenhower Exchange Fellowship in 1992 and became the Eisenhower Fellow in 1993.

BOARD OF DIRECTORS

Dr. Boon-Wan Tan

Non-Executive Director
Chairman of Remuneration Committee
Member of Audit Committee
Independent Director
Date of first appointment as a director: 23 April 2012
Date of last re-election as a director: 29 April 2014

Dr. Boon-Wan Tan joined the board in April 2012 and is member of the Audit Committee and the Chairman of Remuneration Committee. Dr. Tan sits on the Boards of several energy related companies including Concord Energy Pte Ltd and Concord Energy Oil Terminal (HK) Ltd. Presently, he is a Director of Intraco Ltd. and the Non-Executive Chairman of Provenance Capital Pte Ltd. Dr. Tan is a former Elected Member of the Singapore Parliament for the Ang Mo Kio GRC from 1997 to 2006, during which he served on the Government Parliamentary Committees for Education; Finance and Trade & Industry; and Information, Communication and the Arts. Dr. Tan was awarded the Public Service Medal (PBM) in 1993 for his contributions to the community. Dr. Tan holds PhD in Mathematical Physics, Imperial College of Science & Technology, U.K.

Hann-Ching Wu

Non-Executive Director
Independent Director
Date of first appointment as a director: 29 April 2014
Date of last re-election as a director: N/A

Mr. Hann-Ching Wu is a Non-Executive Director. He is currently a Senior Executive Vice President of Mega International Commercial Bank Co., Ltd. (formerly the International Commercial Bank of China). Mr. Wu has extensive experience at various departments, such as Credit Control Department, Business Center-Kaohsiung, Kaohsiung Metropolitan Branch, Kaohsiung Branch, Nan Tze Branch, Kaohsiung Export Processing Zone Branch and Kaohsiung International Airport Branch for 35 years. He holds a Bachelor of National Cheng Kung University, Tainan, Taiwan and a Master of National Taiwan University, Taipei, Taiwan.

BOARD OF DIRECTORS

Kazuyoshi Mizukoshi

Non-Executive Director
Independent Director
Date of first appointment as a director: 11 November 2014
Date of last re-election as a director: N/A

Mr. Kazuyoshi Mizukoshi joined the Board in November 2014, he is a Non-Executive Director. Mr. Mizukoshi is Managing Director and Head of International Business Development of Daiwa Corporation Investment Co., Ltd., prior to this, he was Managing Director and Head of Investment Banking for Asia-Pacific (2008-2011) and Head of Investment Banking for Europe (2004-2006) at Daiwa Capital Markets. Mr. Mizukoshi joined Daiwa Securities in 1984. Since then, he has built up more than 27 years of investment banking experience such as M&A, IPO and corporate finance advisory space.

He worked for total 21 years in Singapore, Malaysia, London, and Hong Kong, with 18 years devoted to investment banking in Asia. He has in-depth experience and a wide network in Asia, originated and executed many Asian company IPOs and follow-on equity, debt finance and cross-border M&A advisory, etc. Mr. Mizukoshi was graduated from Nagoya City University Faculty of Economics.

Chun-Chen Tsou

Non-Executive Director
Member of Remuneration Committee
Date of first appointment as a director: 26 July 1997
Date of last re-election as a director: 24 April 2013

Mr. Chun-Chen Tsou is member of Remuneration Committee. He is the Chairman of Youngmart Group which includes a leading trading company of General Merchandises as well as Computer Related Goods. The group also owns a factory of Store Fixtures and a Ductile Iron foundry. Mr. Tsou graduated from the National Taiwan University with a Bachelor of Arts degree in Economics. He further obtained a Master's degree in Trade Management from the Waseda University, Tokyo, Japan.

BOARD OF DIRECTORS

Andy C.W. Chen

Non-Executive Director
Member of Audit Committee
Date of first appointment as a director: 26 July 1997
Date of last re-election as a director: 24 April 2013

Mr. Andy C.W. Chen is a Non-Executive Director. In 1992, he joined China Securities Investment Trust and concentrated in Taiwan industrial research, including computer technology and petrochemical sectors. He was the co-founder/Senior Partner of Financial Management Solutions Taipei branch for six years. He provided financial risk consulting services to local financial institutions, and assisted them to measure financial risk factors in order to meet the new Basel Accords. Mr. Chen graduated from Chinese Culture University with Bachelor of Arts in Economics. He also obtained a Master of Science in Finance from University of Illinois.

Yi-Sing Chan

Non-Executive Director
Independent Director
Date of first appointment as a director: 24 April 2013
Date of last re-election as a director: N/A

Mr. Yi-Sing Chan joined the Board in April 2013. Mr. Chan had worked at Systems & Computer Organization (now part of NCS, Singapore) as Manager of data network projects for the Ministry of Defense. In 1989 he joined Hewlett-Packard as a consultant for the Asia Pacific region. He had worked on government and commercial IT projects in Australia, Japan, Korea, Taiwan and Hong Kong. Mr. Chan moved to China in 1993 and founded his own company providing design and implementation services for industrial automation systems. He had since founded a number of companies, including CGen Digital Media, which was acquired by a Nasdaq listed company in 2008. He is currently the Managing Director of Well Concord Software (a company he founded to build Apps for mobile devices) and as the Board Chairman for China RailPass Technology Company (base in Shanghai, China). Mr. Chan held a MSc degree in Computer Science and a BSc degree in Electrical Engineering Science, from University of Essex, UK. He was granted scholarship from the British Government for his research work at the University.

BOARD OF DIRECTORS

Yang-Fu Kuo

Non-Executive Director
Date of first appointment as a director: 26 July 1997
Date of last re-election as a director: 23 April 2012

Mr. Yang-Fu Kuo is a Non-Executive Director. After graduation, Mr. Kuo established his own company, Big Ben Industry Inc., which has become the world's leading supplier of retail cordages and accessories. For the past 35 years, Big Ben Industry has invested in a diverse range of businesses from high technology to traditional industries in Taiwan and China. Mr. Kuo is the founding Chairman of Big Ben Industry Inc. He graduated from Hwa Hsia College of Technology.

INVESTMENT ADVISORS

Dr. Min-Shyong Lin

Investment Advisor and
Investment Committee Member

Dr. Lin, a former ITRI Executive Vice President, served nearly 20 years in ITRI pioneering and promoting optoelectronic infrastructure, computer peripherals and MEMS technologies. He found and co-found Opto-Electronics & System Lab and Materials Research Lab during his service in ITRI. In 2001, after early retired from ITRI, Dr. Lin founded Asia Pacific Microsystems, Inc. ("APM") and since then appointed as an Honorary Chairman & Founder of APM. APM is one of the largest MEMS companies in Taiwan providing competent MEMS foundry and state-of-the-art technology to fulfill the niche feature IDM and Fabrication. Before the experience in ITRI, Dr. Lin started out with his teaching position in National Cheng Kung University as a Visiting Associated professor in 1976 and in 1977, he started his tenure at Department of Electrical Engineering, National Tsing Hua University where he worked for 10 years as associated professor, professor and head of the department.

Dr. Lin's achievement is acknowledged in many significant awards received throughout the years of 90's. Dr. Lin received his Bachelor and Master degrees in Electrical Engineering from National Cheng Kung University in Taiwan and Ph.D. in Electrical Engineering from Osaka University in Japan and has more than 100 papers published.

Dr. Chih-Kung Lee

Investment Advisor and
Investment Committee Member

Dr. Chih-Kung Lee is a Distinguished Professor at the Institute of Applied Mechanics, National Taiwan University and also a Distinguished Professor in the Dept. of Engineering Science & Ocean Engineering, National Taiwan University. Beginning on 1 January 2014, his additional responsibilities include CEO and co-Principal Investigator of Phase II of Taiwan's National Energy Program, as appointed by the Ministry of Science and Technology and the Ministry of Economic Affairs. The National Energy Program is involved in setting the direction of all Taiwan's energy programs as well as supervising and coordinating all energy-related research programs from years 2014 to 2018. His previous experiences include President of the Institute of Information Industry (III), Executive Vice-President of Industrial Technology Research Institute (ITRI) and Director-General of Engineering & Applied Sciences at Taiwan's National Science Council. He joined National Taiwan University's faculty at the Institute of Applied Mechanics in 1994 and since 2007, has concurrently been a Distinguished Professor in the Dept. of Engineering Science & Ocean Engineering, National Taiwan University. Prior to 1994, he was with IBM's Almaden Research Center in San Jose, California, where he was a Research Staff Member on the Management track. He was a recipient of many IBM Technical and Invention Awards.

He has received many optical and engineering awards during his teaching career including the world recognized TWAS Prize for Engineering, awarded in Mexico City. He is a Fellow of the Institute of Physics, ASME, and Chinese Society for Management of Technology. He holds over 300 research papers and patents in various fields and has completed many academic-industrial technology transfers. He is a well-recognized expert in the areas of sensors & actuators, optoelectronics, electronics, optics, mechanical technologies, automation, MEMS, nanotechnology, and medical devices. He received his B.S. in Civil Engineering from National Taiwan University and M.S. and Ph.D. degrees in Theoretical & Applied Mechanics with minor in Physics from Cornell University, Ithaca, New York, USA.

OPERATING AND FINANCIAL REVIEW

The Group continued building on its portfolio through investments in its key focus industries of automotive, biotech and specialty materials as well as sector-leading companies in the Greater China region.

2014 was a challenging year for both Taiwan and China economies. Through thorough assessment and careful selection of investment opportunities, the Group continued building on its portfolio through investments in its key focus industries of automotive, biotech and specialty materials as well as sector-leading companies in the Greater China region. Total new investments during the year amounted to NT$1,349.3 million, of which NT$824.5 million and NT$434.8 million were invested in Taiwan and China, representing 61.1% and 32.2% of total new investments respectively. At the end of 2014, the Group's total investment portfolio amounted to NT$6,150.7 million, representing a 14.8% increase from the previous year. Consequently, the cash position of the Group decreased by NT$713.3 million to NT$1,067.7 million.

The Group's net profit after tax for the year was NT$262.1 million (2013: NT$330.5 million), resulting from revenue after impairment losses of NT$429.3 million (2013: NT$535.5 million) and operating expenses of NT$177.1 million (2013: NT$192.8 million). As a result of the Group's active management of investment risks and returns, the gross margin increased from 74.9% to 80.4% and impairment losses decreased by 41.5% from NT$179.2 million in 2013 to NT$104.8 million in 2014. Total operating expenses decreased by 8.1% from NT$192.8 million in 2013 to NT$177.1 million in 2014 due to the lower incentive fee paid to the Management Company. The decrease of income tax of NT$23.3 million was mainly 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 2014.

The Group's other comprehensive income of NT$234.9 million was mainly attributable to the reclassification of fair value gains of NT$233.6 million previously accumulated in the fair value reserve from investments disposed during the year. Net fair value gains on the available-for-sale investments for the year ended 31 December 2014 amounted to NT$309.1 million. Other comprehensive income were further offset by the foreign exchange gain on translation of foreign operations of NT$149.2 million due to the depreciation of NT dollar against US dollar during the year.

The Group's net asset value ("NAV") per share increased by 3.1% from NT$6.84 at the end of 2013 to NT$7.05 at the end of 2014. The increase was mainly attributable to the increase in fair value reserve of NT$85.6 million and increase in currency translation reserve, as explained in the preceding paragraph. The contribution to the Group's net asset value from profits during the year of NT$262.1 million was offset by the annual dividend payout of NT$313.9 million in respect of 2013.

The Group has put in place portfolio risk management policies and procedures to ensure sound risk assessment and asset quality. Valuation assessment procedures have also been implemented to ensure valuation of the investment portfolio is in accordance with International Financial Reporting Standards ("IFRS"). As of 31 December 2014, the total investment portfolio was carried at NT$6,150.7 million (2013: NT$5,357.2 million), of which 18.3% of the investments were quoted financial assets. For unquoted financial assets, the Group has reviewed and applied appropriate valuation methods to fair value the investments. Where the investment cannot be reliably measured at fair value, the Group has carried the investment at cost less impairment losses.

As at 31 December 2014, the investment portfolio was composed of the following:

Quoted financial assets including:

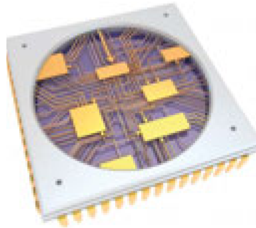
- Held-for-trading investments at fair value of NT$135.9 million;
- Available-for-sale investments at fair value of NT$867.9 million; and
- Other financial assets at fair value through profit or loss "FVTPL" at fair value of NT$124.6 million.

Unquoted financial assets including:

- Available-for-sale investments at fair value of NT$3,847.5 million;
- Available-for-sale investments at cost less impairment of NT$203.9 million;
- Other financial assets at fair value through profit or loss "FVTPL" at fair value of NT$908.8 million; and
- Other financial assets at fair value through profit or loss "FVTPL" at cost less impairment of NT$62.1 million.

INVESTMENT MANAGER REPORT



Automotive Components and Services

According to China Auto Association, Chinese consumers purchased more than 23-million vehicles in 2014, which represents more than 25% of total global vehicle sold. As Chinese consumers in the middle class continue to expand consumption power and the middle-lower class consumers urbanize, China's automobile market will maintain its leading position in the foreseeable future. With more drivers on the road, the demand for automotive components –either for manufacturing of new vehicles or maintenance of existing vehicles- and for automotive related services will continue to grow. We remain bullish on the growth prospect of this sector.

麦特股份
MIT LIMITED

MIT Auto Service Co., Ltd

Founded in May 1992, MIT Auto is engaged in the provision of products and services serving the automotive aftermarket. With its nation-wide brand in China, Bantam, MIT is the leading provider of automotive diagnostic, testing and collision repair system. In 2012, the company launched its Auto-Care products brand, Welion, with over 120 product categories which covers maintenance for majority of auto-parts, including Antifreeze, Brake fluid, Chemical additives for fuel treatment, Engine decarbonizing chemicals, Hydraulic fluid and others. Over the past two years, Welion has become the most highly-recognized brand name amongst auto-care products in China, with the largest market share. Moreover, MIT has established automotive service centers branded as ARS. Although ARS is very small at this point, the management team expects this business to grow quickly as a complement to the rapidly growing auto industry in China.

INVESTMENT MANAGER REPORT

Biotechnology

Taiwan's biotech and pharmaceutical research companies continued to gain attention from early-to-middle stage investors from Taiwan and abroad. Supportive government policies and visible institutional investment appetite have incentivized Taiwan's biotech experts to start labs and research centers in Taiwan, many of whom had many years of research experience with major US research institutions. As affluent baby-boomers age, we expect growth in demand for healthcare service and need for new medical solutions to stay strong in the coming years.

JHL Biotech, Inc. ("JHL")

JHL Biotech ("JHL") is a start-up company founded in 2012 with a vision of making biopharmaceuticals affordable and accessible to all patients through manufacturing innovation. To achieve this vision, JHL will provide world-class process development and manufacturing services in Asia to companies developing and commercializing high-quality, affordable biologic medicines. JHL is leveraging the latest process and engineering technologies to reduce the complexity and cost of mammalian cell culture manufacturing. These technologies will be incorporated into world-class biologics API manufacturing facilities in Asia that comply with US, EU and ICH cGMP regulations and guidelines.

Led by an experienced team of Genentech and Amgen veterans, and funded by top-tier venture capital firms including Kleiner Perkins Caufield & Byers (KPCB), Sequoia Capital, Biomark Capital and CDIB, JHL is uniquely positioned to deliver manufacturing solutions to its worldwide partners.

Food and Beverage

Taiwan has been known as a gourmet destination recognized by tourists from Greater China and Asia-Pacific Regions. With a growing influx of tourists traveling to Taiwan, and a growing demand from China for premium food and beverage services, we expect Taiwan's food and beverage corporations to leverage their culinary, service, and business experiences to achieve high growth in both Taiwan and China market.

Renjie Old Sichuan Catering Management Consultant Co., Ltd.

Old Sichuan Restaurant was established in 2003. It is one of the leading Sichuan-style spicy hotpot restaurant chains in Taiwan, currently operating nine stores.

Old Sichuan Restaurant offers natural ingredients cooked in traditional Sichuan soup base. Since 2003, management team has successfully built a loyal fan base and credible brand equity amongst spice lovers. With strong emphasis in food integrity and excellent taste, they are now considered one of the premium hotpot restaurant brands in Taiwan. Old Sichuan has already established a central kitchen certified under HACCP standards that enables future expansion.

Semiconductor

While profit margin for traditional computers and notebooks had dropped, the technology sector has been shifting its business to mobile application and IoT (Internet of Things) application. Smart phone's market penetration in developed countries has been approaching saturation point, but penetration rate is still relatively low in developing countries such as China, Russia, and India. Furthermore, as users become more dependent on mobile devices, demand for upgrade, additional tools and performance enhancements will rise, increasing business opportunity for industry suppliers. We expect the next major application for mobile devices to be the prevalent application with IoT, which should be able to infiltrate consumers' everyday lives and radically change consumer behavior. Hence, we believe semiconductor suppliers with applications in mobile devices and IoT will be able to participate in the next stage of consumer technology boom.

M3 Technology Inc.

M3 Technology Inc., founded in 2009, has been devoted to provide DC to DC power management IC. As a fabless analog chip company, the key research engineers of M3Tek came from global leading IC design houses, such as Maxim, Intel and National Semiconductors. The team has been further enhanced after its acquisition of ITE Tech. Inc.'s analog department in 2014.

Targeting high current power IC, key products of M3Tek apply to power bank, ultra-high density 4K TV, network devices, and a variety of batteries charged products. With the growing demand to maximize computing power and data transmission flow for 3C products, the need of higher current supplied application will continue to grow. It is foreseeable that M3Tek will become a major player in the analog IC industry within next three years.

Vango Technologies, Inc.

Vango Technologies, Inc., founded in 2006, is a fabless semiconductor company specialized in PLC, wireless, and DC/DC converter ICs for IoT of smart grid. Vango has 70 staff members based in both Hsinchu, Taiwan, and Hangzhou, China and has been granted more than 40 US and Chinese patents in analog design, MCU design, energy metering algorithms, SoC design, and reliability design. R&D capability enables Vango to become a world-class fabless design house that provides leading IC design service to global electric meter and IoT manufacturers. Vango shipped a record high of 10 million ICs in 2013. Along with new IoT solutions to be launched in 2015 and 2016, we expect a promising profitability growth from this sector in near future.

INVESTMENT MANAGER REPORT

Material Science and Chemical Material

Material science and chemical material companies in Taiwan have quietly supplied and complemented Taiwan's technology industry for many years, and have accumulated strong R&D and production experience. Traditional applications such as adhesives, coating, and chemical resins remain strong, while new applications such as semiconductor, mobile devices, LED, and electric vehicle have emerged as lucrative growth segments. In addition to a more diversified application, customer inquiries for "green material" have jumped due to a concerted global effort to promote environmentally friendly consumer behavior. Demand for green material will benefit Taiwanese players, who have already established material research centers and production know-hows to expand market share of existing business.

Nan Pao Resins Group

Nan Pao Resins Group, founded in 1963, is one of the Top 300 industries in Taiwan and is engaged in the manufacturing of adhesives, coatings, chemical resins and special chemical products. Nan Pao's production sites are widely spread over Taiwan, China (Guangzhou, Jiangsu, Fujian), Vietnam, Indonesia, Singapore, Malaysia, the Philippines, India, Thailand and Australia, and are hiring more than 2500 employees regionally. Nan Pao specializes in the manufacturing of special chemicals and materials with dedication in providing customers with highly customized products, value-adding services and "green" solutions by spending 2 ~ 3% of the Research and Development Budget every year for long-term staff training programs to enhance their professionalism. Environmentally friendly chemical products will enter growth stage in coming decades and Nan Pao has introduced its Water-Based PVAC, EVA, Powder Coating, Liquid Paint to its industrial customers and will work together closely to produce more green products for to improve natural environment.

UWiZ Technology Co., Ltd.

UWiZ Technology was founded in 2006. It is dedicated to R&D, production and sales of electronics materials. The company produces slurry products for the semiconductor and optoelectronics industry. Its products have been widely adopted by leading international companies.

Since its inception, UWiZ Technology has invested considerable resources in R&D to develop various CMP slurry products. Aiming to become one of best suppliers in the electronic materials sector, the company has continuously innovated on its core technologies and worked closely with customers.

Looking ahead, UWiZ Technology will continue to develop competitive and high-quality products with best-of-its-kind technologies, and provide customers with comprehensive and real-time services. The company endeavors to become a top-tier supplier in the electronics materials sector.

INVESTMENT MANAGER REPORT

Traditional Industry

Nien Made

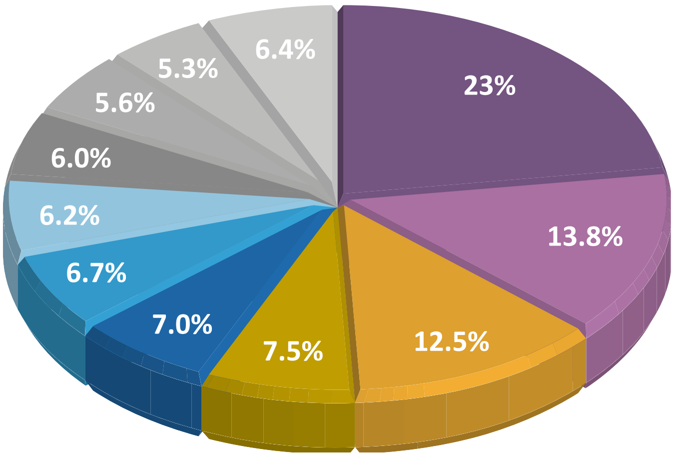
Nien Made is one of the world's leading and best-in-class total solution providers for hard/soft window fashions, a position established after four decades in the industry. The Company is the largest fabricator of readymade products, as well as the single largest custom-made shutter provider globally. Nien Made is the leading supplier to dealers and major retailers such as Home Depot, Wal-Mart, HD Supply and J.C. Penney. The Company owns numerous premium brands such as Norman, Woodlore, Woodbury, Normandy and Sussex. The flagship brand Norman is the second most recognized window fashion brand in the U.S.

Nien Made owns unparalleled global channel coverage across Europe, Americas, Asia and Africa. For the ready-made market, the Company is a dominant supplier to big-box retailers such as Home Depot, Wal-mart, and JC Penny with over 6,000 point of sales and deep relationships developed over the past ten years. For the custom-made market, through itsself-owned several RBCs (Regional Business Centers), Nien Made is able to directly distribute to over 3,500 active stores. These RBCs are highly integrated with Nien Made's back office and information system, allowing the Company to capture the potential of this huge market with agility and accuracy.

INVESTMENT MANAGER REPORT

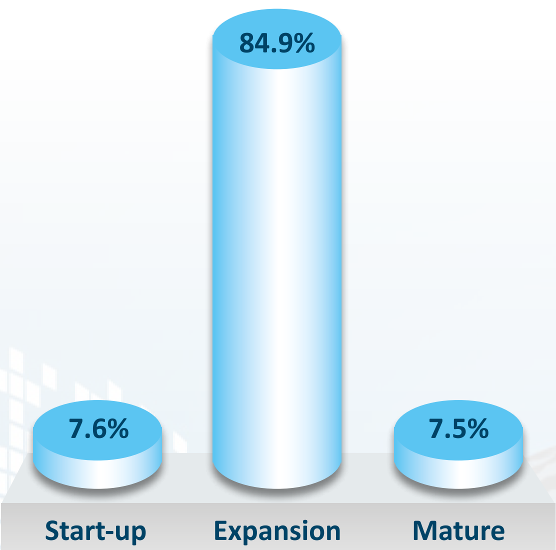
2014 NEW INVESTMENT STATISTICS

BY INDUSTRY



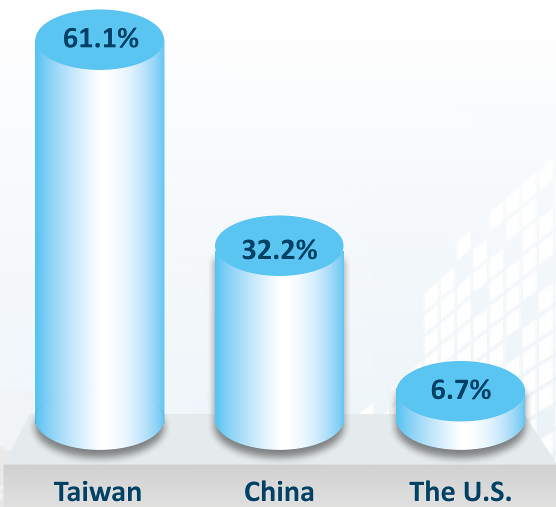
BY INDUSTRY	INV. AMT. (NTD million)	%
Traditional Industry	310.7	23.0
Biotechnology	186.0	13.8
Auto Parts	169.2	12.5
Internet	101.5	7.5
Material	95.6	7.0
Semiconductor	90.6	6.7
Investment	83.2	6.2
E-Commerce	80.6	6.0
Information	75.4	5.6
Retail Channel	71.5	5.3
Others	85.0	6.4
Total	1,349.3	100.0

BY STAGE



BY STAGE	INV. AMT. (NTD million)	%
Start-up	103.2	7.6
Expansion	1,145.5	84.9
Mature	100.6	7.5
Total	1,349.3	100.0

BY AREA



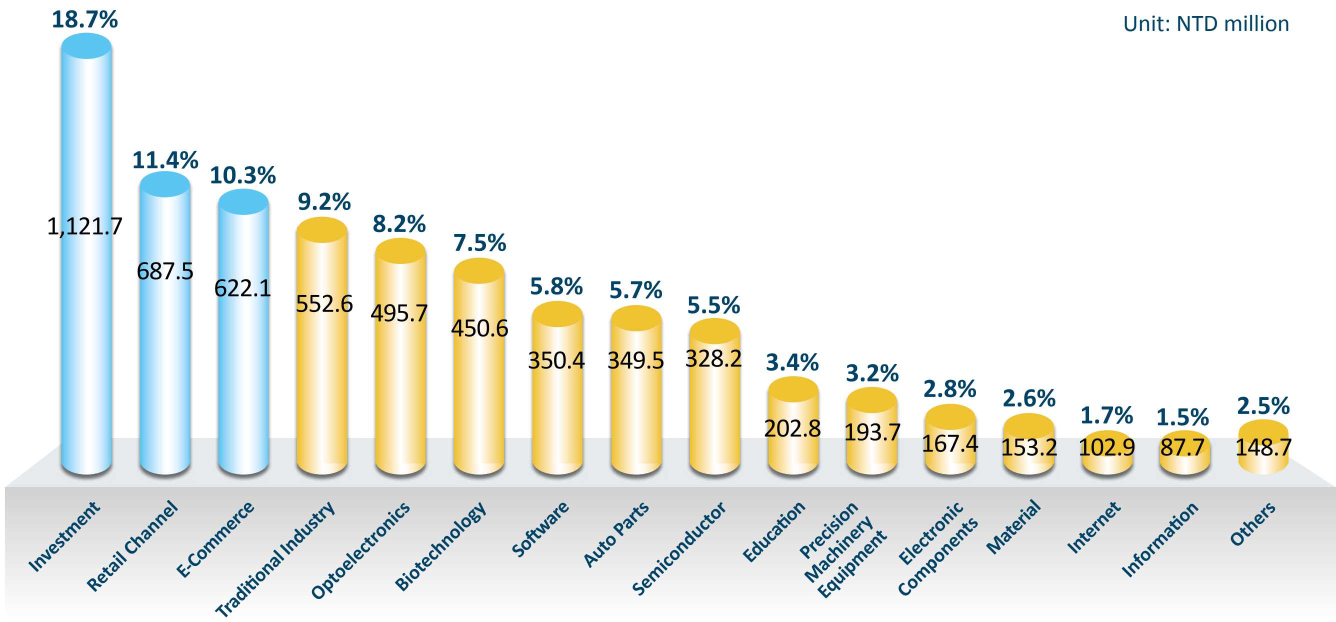
BY AREA	INV. AMT. (NTD million)	%
Taiwan	824.5	61.1
China	434.8	32.2
The U.S.	90.0	6.7
Total	1,349.3	100.0

* The area is classified by the principal operation location of invested company.

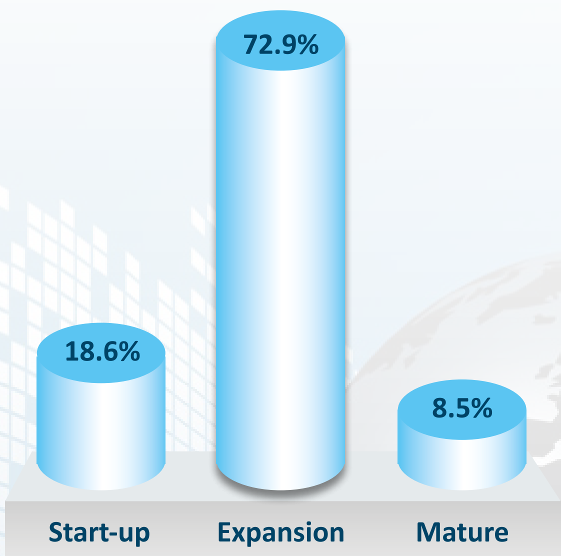
INVESTMENT MANAGER REPORT

LONG-TERM INVESTMENTS AS OF DECEMBER 31, 2014

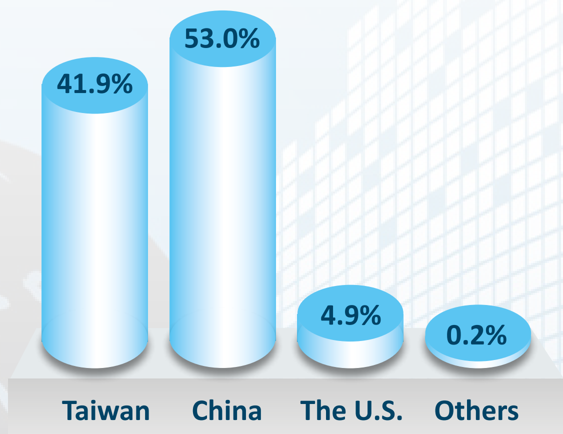
BY INDUSTRY



BY STAGE



BY AREA



* The area is classified by the principal operation location of invested company.

CORPORATE GOVERNANCE

DIRECTORS' REPORT

FINANCIAL REPORT

CORPORATE GOVERNANCE REPORT

Hotung Investment Holdings Limited ("Company") and its subsidiaries (together, "Group") believe that good corporate governance practices are the foundation for a well-managed and efficient organization. The Board of Directors ("Board") remains committed to the principles of good corporate governance and to achieving a high standard of business integrity in compliance with the Code of Corporate Governance of 2 May 2012 ("Code") in managing the business and affairs of the Company, to protect shareholders' interests and to improve shareholders' value as well as corporate transparency. The Board will continue its efforts and invest further resources as would be appropriate to enhance its corporate governance. This report sets out the practices and activities with specific references made to the Code.

Issues	Current Practices and Activities	Remarks:
1. BOARD MATTERS Principle 1: The Board's Conduct of Affairs	The Board meets at least four times a year. Key functions of the Board are: a. Guiding the Group's business strategies; b. Approving annual budgets and targets; c. Monitoring the performance and proper conduct of the Group's business; d. Overseeing the processes for evaluating the adequacy of internal control, risk management, financial reporting and compliance; and e. Appointing directors ("Directors") to Nominating, Audit and Remuneration Committees and senior management and receiving reports of these Committees. Matters requiring the Board's decision and approval include the following: a. The annual and quarterly financial reports; b. Matters in relation to the share-buyback undertaken by the Company; c. Matters in relation to the declaration of dividends; d. The annual budgets and targets of the Group; and e. The appointment and re-appointment of Directors, including remuneration packages. To assist in the execution of its responsibilities, the Board has established 3 Board Committees, namely, Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). These 3 Board Committees function within clearly defined terms of reference which are reviewed on a regular basis. When there are significant and important changes to laws, regulations, policies and accounting standards in areas concerning director's duties and responsibilities, Directors are provided with briefings and updates. In the event of any major developments in areas of accounting and governance standards, relevant sessions are conducted by external auditors of the Company to assist Directors in performing their duties and responsibilities. In addition, Directors are encouraged to attend other appropriate courses, conferences and seminars, such as programs run by the Singapore Institute of Directors.	The matrix of the Directors' appointments on the Board and their participation in various Board Committees is as table 1. Details of Directors' attendance at the Board and Board Committee meetings held in year 2014 are summarized as table 2. Details of Directors' profile are set out on page 4 to 9.

Issues	Current Practices and Activities	Remarks:
Principle 2: Board Composition and Guidance	The Board comprises 11 Directors, of whom 10 are non-executive. Of these non-executive Directors, 6 are considered by the NC to be independent of the Company's management and principal shareholders, which fulfills the Code's requirements that the independent Directors should make up at least half of the Board where the Chairman and the Chief Executive Officer ("CEO") is the same person. All Board Committees are chaired by independent Directors. Please refer to the "Board of Directors" section in the Annual Report for the independency of each Director.	
Principle 3: Chairman and Chief Executive Officer	The Chairman and CEO of the Company is the same person. Having regard to the nature of business and the structure of the Board and the management of the Company, Dr. Ng-Chee Tan was appointed the lead independent Director on 11 November 2010.	The Chairman and Managing Director is Ms. Tsui-Hui Huang.
Principle 4: Board Membership	The NC was established in 2002. The majority of the NC members, including the Chairman, are independent Directors. The members of NC are as follows: Mr. Chang-Pang Chang (Chairman) Ms. Tsui-Hui Huang Dr. Ng-Chee Tan The NC reviews and makes recommendations to the Board on the appointment and re-appointment of Directors of the Company. It also reviews annually the independence of a Director. With respect to the process for appointment of new directors, the NC reviews and evaluates the profession, knowledge and experience of the candidates, and meets with the candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required. If the NC is satisfied with the candidate's capability of being a Director, the NC will make recommendations accordingly to the Board for approval. The NC is of the view that the current size of the Board is appropriate, given the current nature and scope of the Company's operations. Several of the non-executive Directors have been members of the Board since the Company's listing on the Singapore Stock Exchange, demonstrating their continuing long term commitment to the Company. The diverse entrepreneurial, professional, financial and technical background and profile of the Directors as a group ensures a balance of representative skills, experience, gender and views in the Board, as well as the necessary core competencies in areas relevant to the Group's business, such as accounting, finance, business and management experience.	

Issues	Current Practices and Activities	Remarks:
	Other than Ms. Tsui-Hui Huang, who is Managing Director of the Company and who is exempt from the one-third rotation rule, all Directors of the Company are subject to retirement and re-election by shareholders at the Company's annual general meeting ("AGM") in accordance with the one-third rotation rule as part of Board renewal. New Directors appointed by the Board shall hold office only until the next AGM and shall then be eligible for re-election. The Board is of the opinion that to fix the maximum number of listed company board representations which Director may hold is not necessary considering the existing Directors' time commitment and contributions to the Company.	
Principle 5: Board Performance	The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that the Board comprises persons who represent the principal strategic shareholders of the Company as well as independent Directors who enhance governance in the interests of all shareholders and the Company. The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole. The process includes having Directors complete a questionnaire for their views on various aspects of Board performance, such as Board composition, Board meeting process and Board responsibilities. The Company Secretary compiles the Directors' responses to the questionnaire into a consolidated report, which is reviewed and discussed during the NC meeting. In addition, the NC reviews and evaluates the performance of individual Directors who are subject to retirement at the forth-coming AGM and further decides whether to recommend such Directors to be re-elected at the AGM.	
Principle 6: Access to Information	To ensure that the Board would fulfill its responsibilities, the Directors are provided with complete, adequate and timely information including financial position and performance of the Company and the Group prior to the Board meetings and as and when the need arises. Board papers are circulated to the Board as early as practicable so that members of the Board may better understand and discussions could be focused on the questions set out in the agenda. The Directors may take independent professional advice, where necessary, in furtherance of their duties at the Company's expense. The AC currently meets the external and internal auditors quarterly in order to ensure that the external auditors and internal auditor have full and free opportunities to raise concerns with the AC and to have complete access to information that auditors may require.	

Issues	Current Practices and Activities	Remarks:
2. REMUNERATION MATTERS Principle 7: Procedures for Developing Remuneration Policies	The RC was established in 2002. Current members are entirely non-executive Directors with the majority of members including the Chairman being independent Directors. The members of RC are as follows: Dr. Boon-Wan Tan (Chairman) Mr. Chun-Chen Tsou Mr. Chang-Pang Chang The key function of RC is to review and recommend to the Board a framework of remuneration for the Directors considering their contributions to the Board.	
Principle 8: Level and Mix of Remuneration	Executive Director's remuneration is earned through base/fixed salary and variable or performance related income/bonuses. Directors fees proposed to be paid to Directors are subject to approval of shareholders at the AGM. The Company does not currently have any contractual provisions to allow the reclaiming of incentive components of remuneration from executive Directors and key management personnel. Nonetheless, the RC, together with the Board, will monitor and re-assess at the appropriate juncture whether such contractual provisions should be implemented.	
Principle 9: Disclosure on Remuneration	Under the terms of the service agreement, the executive Director, Ms. Tsui-Hui Huang is entitled in aggregate, to an incentive bonus equivalent to 1% of the Group's audited profit after taxation and minority interest but before extraordinary item ("1% incentive bonus"). The remuneration of Directors in bands of S$250,000 with breakdown of fees and bonuses in percentage of each Director for the financial year ended 31 December 2014 is set out as table 3-1. The Board believes that it is not in the best interest of the Company to fully disclose each Director's remuneration given the highly competitive industry conditions in venture capital business. The Company has two employees, the internal auditor and Chief Financial Officer ("CFO"), who are not directors or the CEO. The remuneration of the Company's key management personnel in bands of S$250,000 with breakdown of fees and bonuses in percentage of each key management personnel for the financial year ended 31 December 2014 is set out as table 3-2. The Board believes that such disclosure provides sufficient overview of the remuneration of the Company's key management personnel considering the confidentiality of remuneration matters. Such disclosure is made in the best interests of the Company given the competitive conditions in the venture capital business.	1% incentive bonus was first established during the Company's Initial Public Offering in 1997 and no change has been made since then.

Issues	Current Practices and Activities	Remarks:
3. ACCOUNTABILITY AND AUDIT Principle 10: Accountability	The Company's external auditors, KPMG LLP carry out in the course of their statutory audit, a review of the effectiveness of the Company's key internal controls annually to the extent of their scope as laid out in their audit plan. Material internal control weaknesses noted during the audit, and the auditors' recommendations to address such weaknesses, are reported to the AC.	The NC is of the view that the members of the AC have sufficient financial, legal and management expertise and experience to discharge the AC's functions.
Principle 11: Risk Management and Internal Controls Principle 12: Audit Committee Principle 13: Internal Audit	The AC was established in 1997. Current members are entirely non-executive Directors, with the majority including the Chairman of AC being independent Directors: Dr. Ng-Chee Tan (Chairman) Dr. Boon-Wan Tan Mr. Andy C. W. Chen The AC performs the following functions: a. reviews with the external auditors their audit plan and evaluates and advises on accounting controls, audit reports and any matters which the external auditors raise to the AC; b. reviews with the internal auditor, the scope and the results of internal audit procedures and her evaluation of the overall internal control system; c. commissions an independent audit on internal control for its assurance, or where it is not satisfied with the system of internal control; d. reviews the quarterly and annual financial statements, including announcements to shareholders and the SGX-ST prior to submission to the Board; e. reviews any significant findings of internal investigations; f. makes recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal; g. reviews and approves the appointment, replacement, reassignment or dismissal of the internal auditor; h. reviews the assistance given by the Company's officers to the external and internal auditors; and i. reviews interested person transactions to ensure that internal control procedures are adhered to. AC has taken measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements. The Company believes that it is crucial to put in place a system of internal control of the Group's procedures and processes to safeguard shareholders' interests and the Group's assets, and to manage risks in the areas of financial, operational, legal/compliance and etc.	The internal control system comprises all the procedures, which combine to give the Board of Directors reasonable assurance of: (i) the maintenance of proper accounting records and reliability of financial information used within or published by the Group; (ii) the safeguarding and proper documentation of the Group's assets; and (iii) the compliance with applicable legislation, regulation and best practices.

Issues	Current Practices and Activities	Remarks:
	The AC's oversight and supervision of the Group's internal controls are complemented by the work of the internal auditor and legal counsel, whose roles are to oversee various aspects of financial and legal control and risk management of the Group. The internal auditor reports directly to the Chairman of the AC on audit matters. The AC reviews the internal auditor's report and its activities on a quarterly basis. The AC also reviews and approves the annual internal audit plans and resources to ensure that the internal auditor has the resources to adequately perform its functions. **Financial Risk Management** The Group has documented a financial risk management policy, which is founded on the Group's overall business strategies and its risks management philosophy. The Group is exposed to a variety of financial risks, primarily changes in equity market prices and/or foreign currencies exchange rates in relation to its investment portfolios. *Market Risks* The changes in equity market prices and/or foreign exchange rates have significant impact on the Group's investment portfolios. In general, the Group assumes lesser interest rates risk on the deposits placed with banks and financial institutions. The Group manages market risks by close monitoring of the investment portfolios and regular reviews of the performance of each of the investments. The control procedures are in place to manage and control market risks exposures within acceptable parameters, while optimizing returns on investments. *Liquidity Risks* The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. *Credit Risks* The Group places surplus funds in banks with reputable financial standing. The credit risk on liquid funds is limited because the counterparties are reputable banks with high credit-ratings assigned by international credit-rating agencies. Please refer to "Financial Risk Management" of Notes to Financial Statements in the Annual Report for more details.	

CORPORATE GOVERNANCE REPORT

Issues	Current Practices and Activities	Remarks:
	Operational Risk Management Each department management team reviews its control procedure periodically and conducts risk self-assessment exercise on a regular basis. The internal auditor and external auditors are also involved in the review of such self-assessment exercise. Any material deficiency together with remedial action are reviewed by the AC and reported to the Board. The Board has received assurance from the CEO and the CFO as well as the internal auditor: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) regarding the effectiveness of the Company's risk management and internal control systems.	
4. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES Principle 14: Shareholder Rights Principle 15: Communication with Shareholders Principle 16: Conduct of Shareholder Meetings	The Company has adopted quarterly reporting of its financial results from 2003. Quarterly results are published through the SGXNET. All information on the Company's new initiatives will be first disseminated via SGXNET. The Company does not practice selective disclosure. Price sensitive information is first publicly released before the management meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period. All shareholders of the Company receive a copy of the Annual Report and notice of AGM. The notice is also advertised in newspapers. At AGM, shareholders are given the opportunity to air their views and raise their concerns with the Directors or question the management on matters regarding the Company and its operations. The Articles of Association of the Company allow shareholders to appoint proxies to attend and vote at all general meetings on their behalf. The Company regularly makes its best efforts to respond to substantial questions raised by shareholders.	
Securities Transactions	The Company has issued a policy on dealings in the securities of the Company and its subsidiaries to its Directors and senior executives setting out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. It has followed the best practices on dealings in securities. In line with Listing Manual, the Company Secretary issues circulars to its Directors and officers informing that the Company and its officers must not deal in listed securities of the Company two weeks before the release of the first three quarters results, and one month before the release of full-year results. Directors and executives are required to report to the Company Secretary whenever they deal in the Company's shares.	

Issues	Current Practices and Activities	Remarks:
Financial Risk and Capital Risk Management	The Board of Directors oversees the Group's financial risk and capital risk management policies. Where there are significant risks in respect of the Group's operations, appropriate risk management practices will be put in place to address these risks.	
Interested Person Transactions Policy	The Company has adopted an internal policy in respect of any transactions with interested persons that set out the procedures for review and approval of the Company's interested person transactions. There has been no instance of interested person transaction for the financial year ended 31 December 2014 as shown in table 4.	

table 1
Committee Members

	Board Committee Membership		
Board Members	**AC**	**NC**	**RC**
Tsui-Hui Huang		M	
Cheng-Wang Huang			
Andy C. W. Chen	M		
Hann-Ching Wu			
Kazuyoshi Mizukoshi			
Chun-Chen Tsou			M
Yang-Fu Kuo			
Chang-Pang Chang		C	M
Ng-Chee Tan	C	M	
Boon-Wan Tan	M		C
Yi-Sing Chan			

Note(s):
"C": Chairman of the relevant Board Committee
"M": Member of the relevant Board Committee

table 2

Details of Directors' attendance at the Board and Board Committee meetings held in year 2014:

Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Tsui-Hui Huang[1]	5	5	–	–	3	1	–	–
Cheng-Wang Huang[2]	5	0	4	0	3	0	–	–
Andy C. W. Chen[3]	5	5	4	1	–	–	–	–
Hann-Ching Wu[4]	5	2	–	–	–	–	–	–
Kazuyoshi Mizukoshi[5]	5	1	–	–	–	–	–	–
Chun-Chen Tsou	5	5	–	–	–	–	2	2
Yang-Fu Kuo	5	4	–	–	–	–	–	–
Chang-Pang Chang	5	3	–	–	3	3	2	1
Ng-Chee Tan	5	4	4	4	3	3	–	–
Boon-Wan Tan	5	5	4	4	–	–	2	2
Yi-Sing Chan	5	4	–	–	–	–	–	–
Sumiyuki Akaiwa[6]	5	3	–	–	–	–	–	–
Fang-Chu Sun[7]	5	1	–	–	–	–	–	–

Note(s):

1. Ms. Tsui-Hui Huang is appointed as member of Nominating Committee to substitute for Mr. Cheng-Wang Huang with effect from 6 August 2014.
2. Mr. Cheng-Wang Huang steps down as member of both Audit Committee and Nominating Committee with effect from 6 August 2014.
3. Mr. Andy C. W. Chen is appointed as member of Audit Committee to substitute for Mr. Cheng-Wang Huang with effect from 6 August 2014.
4. Mr. Hann-Ching Wu is newly-appointed Director effective from AGM of 29 April 2014.
5. Mr. Kazuyoshi Mizukoshi was newly-appointed Director effective from AGM of 23 April 2012. He indicated his retirement voluntarily to the Company and his intention not to seek re-election in AGM of 29 April 2014, pursuant to Bye-laws 94 and 95 of the Company.
   At the Board meeting held on 11 November 2014, Mr. Kazuyoshi Mizukoshi is appointed as Director with effect from 11 November 2014 pursuant to Bye-law 93 of the Company.
6. Mr. Sumiyuki Akaiwa was Director effective from 29 April 2014.
   He tendered his resignation as Director with effect from 10 November 2014.
7. Ms. Fang-Chu Sun was Director effective from 13 August 2010.
   She indicated her retirement voluntarily to the Company and her intention not to seek re-election in AGM of 29 April 2014, pursuant to Bye-laws 94 and 95 of the Company.

table 3-1
Remuneration of Directors

The breakdown of the remuneration of the Directors for the financial year ended 31 December 2014 is set out as below:

Remuneration Bands and Name of Directors	Fees %	Bonus %	Total %
Below S$250,000			
Tsui-Hui Huang	33	67	100
Cheng-Wang Huang	100		100
Andy C. W. Chen	100		100
Hann-Ching Wu	100		100
Kazuyoshi Mizukoshi	100		100
Chun-Chen Tsou	100		100
Yang-Fu Kuo	100		100
Chang-Pang Chang	100		100
Ng-Chee Tan	100		100
Boon-Wan Tan	100		100
Yi-Sing Chan	100		100

table 3-2
Remuneration of key management personnel

The breakdown of the remuneration of the key management personnel for the financial year 31 December 2014 is set out as below:

Remuneration Bands and Name of Key Management Personnel	Fees %	Bonus %	Total %
Below S$250,000			
Pi-Kuei Chen	100		100
Felicia Hsu	100		100

At present, the Company does not have any employee share option scheme.

No employees of the Company or any of its principal subsidiaries are the Directors' immediate family members; thus, no disclosure is required for employee whose remuneration exceeds S$50,000 per annum for the financial year ended 31 December 2014.

There are no termination, retirement and post-employment benefits that may be granted to Directors, CEO and key management personnel.

table 4

Interested person transaction

Details of the interested person transaction under year review

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
–	–	–

DIRECTORS' REPORT

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2014.

Directors

The Directors of the Company ("Directors") in office at the date of this report are:

Tsui-Hui Huang	(Executive)
Cheng-Wang Huang	
Andy C.W. Chen	
Hann-Ching Wu	(Appointed on 29 April 2014)
Kazuyoshi Mizukoshi	(Appointed on 11 November 2014)
Chun-Chen Tsou	
Yang-Fu Kuo	
Chang-Pang Chang	(Re-appointed on 29 April 2014)
Ng-Chee Tan	
Boon-Wan Tan	(Re-appointed on 29 April 2014)
Yi-Sing Chan	

Pursuant to Bye-law 94, except for the directors holding office as Managing Director, at each annual general meeting, one-third of the directors shall retire from office by rotation. Given the fact that Mr. Kazuyoshi Mizukoshi who is to retire at the annual general meeting to be held on 24 April 2015 ("AGM 2015") pursuant to Bye-law 100 shall not be taken into account in determining the number of Directors who are to retire by rotation, the following Directors, being the longest in service, will be retiring at the AGM 2015 pursuant to Bye-law 95.

Cheng-Wang Huang
Chun-Chen Tsou; and
Yang-Fu Kuo

All of the Directors who are retiring by rotation have offered themselves for re-election.

Pursuant to Bye-law 100, Mr. Kazuyoshi Mizukoshi, who was appointed as a Director by the Board of Directors of the Company to hold office with effect from 11 November 2014 in accordance with Bye-law 93, will retire at the AGM 2015. Mr. Kazuyoshi Mizukoshi has offered himself for re-election at the AGM 2015.

Arrangements to enable Directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year was there subsisting any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

Directors' interests in shares and debentures

The Directors holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

	Interest held		Directors' deemed interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
In the Company				
Ordinary shares of NT$5 each				
Tsui-Hui Huang	–	–	199,156,979	206,493,635[1]
Cheng-Wang Huang	–	–	193,095,782	193,095,782[2]
Chun-Chen Tsou	–	–	21,718,699	21,718,699[3]
Yang-Fu Kuo	12,652,047	12,652,047	26,160,870	26,160,870[4]
Andy C.W. Chen	–	–	13,397,853	–

(1) Tsui-Hui Huang has deemed interests in the following: (i) 174,151,008 shares held by Tai Lung Capital Inc.; (ii) 18,944,774 shares held by Chung Lung Investment Co., Ltd.; and (iii) 13,397,853 shares held by Alps International Co., Ltd., which are registered in the name of DB Nominees (S) Pte Ltd.

(2) Cheng-Wang Huang has deemed interests in the following: (i) 174,151,008 shares held by Tai Lung Capital Inc.; and (ii) 18,944,774 shares held by Chung Lung Investment Co., Ltd.

(3) These shares are registered in the name of Daiwa Capital Markets Singapore Limited.

(4) Yang-Fu Kuo has deemed interests in the following: (i) 9,331,073 shares held by his spouse as a scrip holder; (ii) 12,037,000 shares held by his spouse and registered in the name of Citibank Nominees Singapore Private Limited; and (iii) 4,792,797 shares held by Big Ben Industries Inc.

The Directors' interests as at 21 January 2015 were the same as those at the end of the financial year.

Directors' receipt and entitlement to contractual benefits

Service agreement

Tsui-Hui Huang, Chairman and Managing Director of the Company, entered into a service agreement with the Company with effect from 20 June 2005. The agreement was last renewed on 20 June 2014 for a period of 3 years.

Under the terms of the service agreement, Tsui-Hui Huang is entitled to an incentive bonus equivalent to 1% of the Group's audited profit after tax and minority interests attributable to owners of the Company as set out in the audited accounts of the Group for the relevant financial year ("Incentive Bonus"). The Incentive Bonus payable to Tsui-Hui Huang amounted to NT$2.6 million for the current financial year ended 31 December 2014.

Directors' fees

In addition to the above-mentioned service agreement, each Director receives such Directors' fees as may be approved by shareholders of the Company.

Other contracts

In the normal course of business, certain of the Company's subsidiaries entered into an office rental agreement with a corporate shareholder of the Company, Tai Lung Capital Inc. ("Tai Lung"), which Cheng-Wang Huang (being an immediate family member of Tsui-Hui Huang) is member of and may be entitled to receive a benefit pursuant to such office rental agreement.

Save for the above, no other Director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit which has been included in the aggregate amount of Directors' emoluments or fees paid to a firm which a Director is a member or any emoluments received from related corporations as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Option to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

Option exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

Other information required by the Singapore Exchange Securities Trading Limited

(i) Material contracts

Other than disclosed elsewhere in this annual report, no material contracts to which the Company or any subsidiary is a party and which involve Directors' interest subsisted at the end of the financial year, or have been entered into since the end of the previous financial year.

(ii) Appointment of auditors

The Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditors.

(iii) Review of the provision of non-audit services by the auditor

The Audit Committee has undertaken a review of non-audit services provided by the auditors and they would not, in the opinion of the Audit Committee, affect their independence.

(iv) Internal controls

The Group has established an integrated risk identification and management framework. In the Group, risks are proactively identified and addressed. The ownership of these risks lies with the respective business and corporate heads with stewardship residing with the Board. The Board ensures that Management maintains a sound system of internal controls, and is assisted by the Audit Committee which conducts reviews of the adequacy and effectiveness of the Group's material internal controls and risk assessment annually.

During the year, the Group, with the participation of the business and corporate heads, carried out an exercise to consolidate and review the Group's risk register which identifies the key risks facing the Group and the internal controls in place to manage or mitigate those risks. The internal auditor was also involved in testing the effectiveness of certain material internal control systems. Material deficiencies (if any) and the consequent remedial action are to be reviewed by the Audit Committee and reported to the Board.

DIRECTORS' REPORT

Based on the Company's above described risk identification and management framework, regular reviews performed by Management, and assurances from the CEO and the CFO that its risk management and internal control systems are effective, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's systems of risk management and internal controls are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group.

The Board notes that the systems of risk management and internal controls provide reasonable, but not absolute, assurance that the Group will not be adversely affected by events that might be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

On behalf of the Directors

Tsui-Hui Huang
Director

Ng-Chee Tan
Director

12 March 2015

STATEMENT OF DIRECTORS

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 38 to 78 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and the results, changes in equity and cash flows of the Group for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorized these financial statements for issue.

On behalf of the Directors

Tsui-Hui Huang
Director

Ng-Chee Tan
Director

12 March 2015

INDEPENDENT AUDITORS' REPORT

Members of the Company Hotung Investment Holdings Limited and its subsidiaries

Report on the financial statements

We have audited the accompanying financial statements of Hotung Investment Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 78.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 March 2015

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

		Group		Company	
	Note	**2014**	**2013**	**2014**	**2013**
		NT$'000	**NT$'000**	**NT$'000**	**NT$'000**
Assets					
Non-current assets					
Investments in subsidiaries	7	–	–	5,544,252	5,740,951
Investments in associates	8	67,350	67,129	8,260	8,260
Available-for-sale investments	9	4,919,263	4,511,114	–	–
Other financial assets at fair value through profit or loss	10	1,095,463	650,449	–	–
		6,082,076	5,228,692	5,552,512	5,749,211
Current assets					
Held-for-trading investments	11	135,896	195,649	–	–
Trade and other receivables	12	13,001	33,313	1,429	712
Cash and cash equivalents	13	1,067,658	1,780,996	93,932	158,427
		1,216,555	2,009,958	95,361	159,139
Total assets		7,298,631	7,238,650	5,647,873	5,908,350
Equity					
Share capital	14	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	14	406,116	406,116	406,116	406,116
Currency translation reserve		6,721	(142,664)	–	–
Legal reserve	15	437,112	405,641	–	–
Special reserve	15	19,801	19,801	–	–
Capital surplus - net assets from merger	16	126,667	126,667	–	–
Fair value reserve		719,213	633,652	–	–
Treasury share reserve	17	(123,885)	(83,117)	(123,885)	(83,117)
Accumulated losses		(1,033,718)	(950,532)	(1,233,285)	(1,012,462)
Equity attributable to owners of the Company		7,138,948	6,996,485	5,629,867	5,891,458
Non-controlling interests		408	411	–	–
Total equity		7,139,356	6,996,896	5,629,867	5,891,458
Liabilities					
Non-current liabilities					
Advance receipts		13,243	–	–	–
Deferred tax liability	19	36,286	51,386	–	–
		49,529	51,386	–	–
Current liabilities					
Trade and other payables	20	44,156	100,996	18,006	16,892
Income tax payables		65,590	89,372	–	–
		109,746	190,368	18,006	16,892
Total liabilities		159,275	241,754	18,006	16,892
Total equity and liabilities		7,298,631	7,238,650	5,647,873	5,908,350

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	Group 2014 NT$'000	Group 2013 NT$'000
Revenue	21	534,128	714,693
Impairment losses	22	(104,806)	(179,194)
Operating expenses	23	(177,071)	(192,802)
Share of profits of associates		18,150	19,397
Profit before tax		270,401	362,094
Tax expense	24	(8,259)	(31,582)
Profit for the year		262,142	330,512
Other comprehensive income/(losses):			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		149,190	62,307
Financial assets – available-for-sale (AFS):			
- Net change in fair value		309,142	126,560
- Reclassification adjustments for impairment losses taken to profit before tax		(5,058)	(6,693)
- Reclassification adjustments for gains taken to profit before tax from sale of AFS financial assets		(233,623)	(260,008)
Share of other comprehensive income of associates		195	81
Tax relating to components of other comprehensive income/(losses)		15,100	(22,405)
Other comprehensive income/(losses) for the financial year, net of tax		234,946	(100,158)
Total comprehensive income for the financial year		497,088	230,354
Profit attributable to:			
Owners of the Company		262,136	330,492
Non-controlling interests		6	20
		262,142	330,512
Total comprehensive income for the financial year attributable to:			
Owners of the Company		497,082	230,334
Non-controlling interests		6	20
		497,088	230,354
Earnings per share (in NT$):			
Basic	25	0.26	0.32
Diluted	25	0.26	0.32

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

		Attributable to owners of the Company												
	Note	Share capital	Share premium	Contributed surplus reserve	Currency translation reserve	Legal reserve	Special reserve	Capital surplus – net assets from merger	Fair value reserve	Treasury share 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
Group														
At 1 January 2013		5,233,034	1,347,887	406,116	(205,052)	388,361	19,801	126,667	796,198	(79,119)	(946,306)	7,087,587	406	7,087,993
Total comprehensive income/ (losses) for the year														
Profit for the year		–	–	–	–	–	–	–	–	–	330,492	330,492	20	330,512
Exchange differences on translation of foreign operations		–	–	–	62,307	–	–	–	–	–	–	62,307	–	62,307
Financial assets – available-for-sale (AFS)		–	–	–	–	–	–	–	(162,546)	–	–	(162,546)	–	(162,546)
Share of other comprehensive income of associates		–	–	–	81	–	–	–	–	–	–	81	–	81
Total other comprehensive income/(losses)		–	–	–	62,388	–	–	–	(162,546)	–	–	(100,158)	–	(100,158)
Total comprehensive income/ (losses) for the year		–	–	–	62,388	–	–	–	(162,546)	–	330,492	230,334	20	230,354
Transactions with owners, recognised directly in equity														
Contributions by and distributions to owners														
Shares bought back as treasury shares	17	–	–	–	–	–	–	–	–	(3,998)	–	(3,998)	–	(3,998)
Capital reduction in subsidiaries		–	–	–	–	–	–	–	–	–	–	–	(15)	(15)
Transfer from accumulated losses to legal reserve	15	–	–	–	–	17,280	–	–	–	–	(17,280)	–	–	–
Dividend paid to shareholders of the Company	18	–	–	–	–	–	–	–	–	–	(317,438)	(317,438)	–	(317,438)
Total transactions with owner		–	–	–	–	17,280	–	–	–	(3,998)	(334,718)	(321,436)	(15)	(321,451)
At 31 December 2013		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

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

Year ended 31 December 2014

		Attributable to owners of the Company												
	Note	Share capital	Share premium	Contributed surplus reserve	Currency translation reserve	Legal reserve	Special reserve	Capital surplus – net assets from merger	Fair value reserve	Treasury share 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
Group														
At 1 January 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	17	–	–	–	–	–	–	–	–	(40,768)	–	(40,768)	–	(40,768)
Capital reduction in subsidiaries		–	–	–	–	–	–	–	–	–	–	–	(9)	(9)
Transfer from accumulated losses to legal reserve	15	–	–	–	–	31,471	–	–	–	–	(31,471)	–	–	–
Dividend paid to shareholders of the Company	18	–	–	–	–	–	–	–	–	–	(313,851)	(313,851)	–	(313,851)
Total transactions with owner		–	–	–	–	31,471	–	–	–	(40,768)	(345,322)	(354,619)	(9)	(354,628)
At 31 December 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

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	Group	
	2014	2013
	NT$'000	NT$'000
Cash flows from operating activities		
Profit before tax	270,401	362,094
Adjustments for:		
Changes in fair value of held-for-trading investments	34,693	(24,872)
Changes in fair value of other financial assets at fair value through profit or loss	(105,980)	97,759
Dividend/distribution income	(179,531)	(183,461)
Gains on sale of held-for-trading investments	(1,061)	(23,983)
Gains on sale of available-for-sale investments	(284,257)	(528,635)
Losses/(Gains) on sale of other financial assets at fair value through profit or loss	18,256	(33,106)
Impairment losses on available-for-sale investments	94,751	149,030
Impairment losses on other financial assets at fair value through profit or loss	10,055	30,164
Interest income	(5,155)	(5,441)
Foreign exchange gains	(7,846)	(11,572)
Share of profits of associates	(18,150)	(19,397)
Operating loss before working capital changes	(173,824)	(191,420)
Acquisition of held-for-trading investments	(303,287)	(309,386)
Proceeds from disposal of held-for-trading investments	287,443	320,575
Trade and other receivables	267	(1,363)
Trade and other payables	(14,875)	9,947
Advance receipts	13,243	–
Cash used in operating activities	(191,033)	(171,647)
Interest received	4,995	5,358
Dividend/distribution income received	204,889	221,494
Tax paid	(32,041)	(23,998)
Net cash (used in)/from operating activities	(13,190)	31,207

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

Year ended 31 December 2014

	Note	Group 2014 NT$'000	Group 2013 NT$'000
Cash flows from investing activities			
Acquisition of available-for-sale investments		(986,207)	(1,324,935)
Acquisition of other financial assets at fair value through profit or loss		(363,189)	–
Capital reduction of available-for-sale investments		6,060	9,385
Dividend received from associates		16,541	16,541
Proceeds from disposal of available-for-sale investments		897,311	1,093,128
Proceeds from disposal of other financial assets at fair value through profit or loss		53,486	208,236
Capital reduction in associate		1,583	–
Net cash (used in)/from investing activities		(374,415)	2,355
Cash flows from financing activities			
Capital reduction in subsidiaries paid to non-controlling interests		(9)	(15)
Dividend paid to shareholders of the Company		(313,851)	(317,438)
Purchase of treasury shares		(40,768)	(3,998)
Net cash used in financing activities		(354,628)	(321,451)
Net decrease in cash and cash equivalents		(742,233)	(287,889)
Cash and cash equivalents at 1 January		1,774,456	2,030,574
Effect of exchange rate on cash and cash equivalents		25,859	31,771
Cash and cash equivalents at 31 December	13	1,058,082	1,774,456

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 12 March 2015.

1 Domicile and activities

Hotung Investment Holdings Limited (the "Company") is incorporated in Bermuda with its principal place of business at 10F, 261, Sung-Chiang Road, Taipei, Taiwan, Republic of China and its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company is listed on the main board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and associates are disclosed in notes 7 and 8 to the financial statements respectively.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group").

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of measurement

The financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at their fair values based on the fair valuation methods as disclosed in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in note 4. Critical judgement was also applied in determining whether the Company meets the definition of an investment entity. This is disclosed in note 2.5.

2.5 Changes in accounting policies

The Group has adopted the following applicable new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2014.

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies (cont'd)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The amendments to IFRS 10 define an investment entity and introduce a mandatory exception from the consolidation requirements for investment entities. The Company has assessed and concluded that it does not meet the definition of an investment entity. Thus, these amendments have no impact on the Group.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(*i*) *Business combinations*

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by IFRSs.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(iv) Joint operations

A joint operation is a joint arrangement whereby parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement.

A joint operator recognises in its consolidated and separate financial statements, its interest in the joint operation as follows:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the share of its output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(vi) Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Taiwan dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to New Taiwan dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (currency translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or jointly controlled entity that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

3 Significant accounting policies (cont'd)

3.3 Financial instruments

(i) Recognition and initial measurement

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Financial assets at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(ii) Classification and subsequent measurement

The Group classifies financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

Investments are classified as fair value through profit or loss (FVTPL) where they are either held-for-trading or where they are designated as such upon initial recognition.

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.

A financial asset other than a financial asset held-for-trading may be designated as at FVTPL upon initial recognition if the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial assets at fair value through profit or loss are measured at fair value, with any resultant gain or loss recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, except as indicated below, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Unquoted equity securities whose fair value cannot be reliably measured are carried at cost less impairment losses.

Derivative financial instruments

Derivative financial instruments create rights and obligations that have the effect of transferring between the parties to the instrument one or more of the financial risks inherent in an underlying primary financial instrument. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period except for derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted market price in an active market, which are measured at cost. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss.

If the above conditions are met but the embedded derivative is not capable of being measured separately from the host contract either at inception or at subsequent periods, the entire combined contract is designated as a fair value through profit or loss financial instrument.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs and subsequently measured at their amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(iii) Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If the market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), comparable multiples and reference to the current fair value of other instruments that are substantially the same. The chosen valuation techniques makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repacking) or based on valuation techniques whose variables include only data from observable markets. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transactions is closed out.

Assets and long positions are measured at a closing price.

(iv) Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss including an interest in an associate, is assessed at each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults or disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(iv) Impairment (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment losses to decrease, the decrease in impairment losses is reversed through profit or loss.

Available-for-sale financial assets – equity security

Impairment losses on available-for-sale investment securities are recognised by reclassifying the loss accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment losses previously recognised in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the assets and consideration received is recognised in profit or loss. In respect of available-for-sale investments, the gains or losses recognised include the cumulative gain or loss previously recognised in the fair value reserve within equity.

3 Significant accounting policies (cont'd)

3.4 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in contributed surplus reserve.

3.5 Revenue recognition

Revenue for the Group comprises investment income arising from dividend income, distribution income, interest income, gains/losses from sale of investments and net changes in fair value of investments.

Dividend/distribution income

Dividend/distribution income is recognised in profit or loss on the date that the right to receive payment is established. For dividend income from quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date when the shareholders have approved the payment of a dividend.

Interest income

Interest income is recognised as it accrues in profit or loss using the effective interest method.

3.6 Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.7 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.8 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3 Significant accounting policies (cont'd)

3.8 Income tax expense (cont'd)

Deferred tax is not recognised for temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.9 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.10 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3 Significant accounting policies (cont'd)

3.11 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 – Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

As at 31 December 2014, the Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

4 Use of estimates and judgements

(i) Key sources of estimation uncertainty

Determining fair value

The determination of fair value of financial assets for which there is no observable market price requires the use of valuation techniques as described in note 3.3(iii). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(ii) Critical accounting judgements in applying the Group's accounting policies

Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated at inception into different accounting categories in certain circumstances. Details of the Group's classification of financial assets and liabilities are given in note 3.3(ii).

Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in note 3.3(iii).

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted price (unadjusted) in an active market for an identical instrument that the Group can access at the measurement date.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: recent financing round, quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

4 Use of estimates and judgements (cont'd)

(ii) Critical accounting judgements in applying the Group's accounting policies (cont'd)

Valuation of financial instruments (cont'd)

Level 3: Valuation techniques using significant unobservable inputs.

Fair values of financial assets that are traded in active markets are based on quoted prices or dealer prices quotations. For an unquoted available-for-sale equity investment, the Group will endeavour to determine its fair value using valuation techniques. The Group uses valuation methodology which involves the formulation of assumptions and estimates. Such assumptions and estimates are based on market conditions existing at the end of the reporting period. The valuation methodology involves references to multiple financial ratios, e.g. price-earnings ratio, price-book ratio, of comparable publicly listed companies that operate in similar industries as the investee entities, with adjustments when deemed appropriate and necessary by management for any difference in operational scale and other disparities. There is an inherent limitation to this valuation technique as no two enterprises are identical in size, product mix, stage of business life cycle, management team, to name a few. To the extent that the actual considerations taken into by market participants deviate from the assumptions and estimates made by the management at the end of the reporting period, there exists the risk that the recorded value derived using the said methodology will not be reflective of the fair value.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair value hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Note	Level 1	Level 2	Level 3	Total
		NT$'000	NT$'000	NT$'000	NT$'000
2014					
Held-for-trading investments	11				
Quoted equities, at fair value		135,896	–	–	135,896
Other financial assets at FVTPL	10				
Quoted equities, at fair value		124,606	–	–	124,606
Unquoted equities, at fair value		–	500,222	408,550	908,772
Available-for-sale investments	9				
Quoted equities, at fair value		867,854	–	–	867,854
Unquoted equities, at fair value		–	1,198,510	2,649,022	3,847,532
		1,128,356	1,698,732	3,057,572	5,884,660

4 Use of estimates and judgements (cont'd)

(ii) Critical accounting judgements in applying the Group's accounting policies (cont'd)

Fair value hierarchy (cont'd)

	Note	Level 1	Level 2	Level 3	Total
		NT$'000	NT$'000	NT$'000	NT$'000
2013					
Held-for-trading investments	11				
Quoted equities, at fair value		195,649	–	–	195,649
Other financial assets at FVTPL	10				
Quoted equities, at fair value		122,100	–	–	122,100
Unquoted equities, at fair value		–	101,586	330,898	432,484
Available-for-sale investments	9				
Quoted equities, at fair value		925,693	–	–	925,693
Unquoted equities, at fair value		–	1,771,090	1,635,796	3,406,886
		1,243,442	1,872,676	1,966,694	5,082,812

At 31 December 2014, available-for-sale investments with a carrying amount of NT$281 million were transferred from Level 2 to Level 1 because those investments got listed during the year. There were no transfers from Level 1 to Level 2 in 2014 and no transfers between Level 1 and Level 2 in 2013.

The fair value hierarchy table excludes financial assets and financial liabilities such as cash and cash equivalents, trade and other receivables and payables because their carrying amounts approximate their fair values due to their short-term nature. The fair value table also excludes investments in equity instruments which are carried at cost less impairment losses because the fair value cannot be reliably measured.

The following table shows the reconciliation from the opening balance to the closing balance for fair value measurement in Level 3 of the fair value hierarchy:

	Available-for-sale investments	Other financial assets at FVTPL
	NT$'000	NT$'000
2014		
At beginning of year	1,635,796	330,898
Gains recognised in profit or loss		
- revenue	103,587	23,816
Gains recognised in other comprehensive income		
- financial assets	228,154	–
Sales	(177,530)	–
Capital reduction	(4,804)	–
Purchases	83,685	–
Transfers to Level 3		
- from Level 2	832,134	101,586
Transfers out of Level 3		
- to Level 1[(b)]	(52,000)	–
- to Level 2[(c)]	–	(47,750)
At end of year	2,649,022	408,550
Total unrealised gains for the year included in profit or loss for assets held as at 31 December	–	23,816

4 Use of estimates and judgements (cont'd)

(ii) Critical accounting judgements in applying the Group's accounting policies (cont'd)

Fair value hierarchy (cont'd)

	Available-for-sale investments	Other financial assets at FVTPL
	NT$'000	NT$'000
2013		
At beginning of year	1,439,385	313,801
Gains recognised in profit or loss		
- revenue	120,449	8,494
Losses recognised in other comprehensive income		
- financial assets	(58,938)	–
Sales	(153,220)	–
Capital reduction	(9,385)	–
Purchases	34,339	–
Transfers to Level 3		
- from Level 1[e]	27,360	–
- from Level 2	305,220	177,204
- from cost less impairment losses[a]	141,827	–
Transfers out of Level 3		
- to Level 2[c]	(198,913)	(168,601)
- to cost less impairment losses[d]	(12,328)	–
At end of year	1,635,796	330,898
Total unrealised gains for the year included in profit or loss for assets held as at 31 December	–	8,494

[a] Certain investments were transferred from cost less impairment losses to Level 3 of the fair value hierarchy when measurement of fair value could be reliably determined based on valuation techniques.

[b] Certain investments were transferred from Level 3 to Level 1 when they were listed on stock exchanges during the year.

[c] Certain investments were transferred from Level 3 to Level 2 because measurement of fair value was based on valuation techniques based on observable inputs and recent financing rounds.

[d] Certain investments were transferred from Level 3 to cost less impairment losses because measurement of fair value was no longer available.

[e] Certain investments were transferred from Level 1 to Level 3 when they were delisted from the stock exchange.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

4 Use of estimates and judgements (cont'd)

(ii) Critical accounting judgements in applying the Group's accounting policies (cont'd)

Fair value hierarchy (cont'd)

The following table shows the valuation technique and the key unobservable inputs used in the determination of fair value of the Level 3 available-for-sale equity securities.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market approach using comparable traded multiples	• Adjusted price-earnings ratio multiple 3.3x to 8.2x (2013: 9.2x) • Adjusted price-book ratio multiple 0.7x to 1.1x (2013: 0.5x to 0.8x)	• The estimated fair value increases if the adjusted multiples were higher.

For fair value measurements in Level 3 financial instruments, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on fair value reserve:

	2014		2013	
	Effect on fair value reserve		Effect on fair value reserve	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	NT$'000	NT$'000	NT$'000	NT$'000
Level 3 available-for-sale equity securities	93,361	(68,640)	48,172	(42,574)

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the valuation model using a range of different values.

The discount for lack of marketability was decreased by 5% for the favourable scenario and increased by 5% for the unfavourable scenario. The highest price-earnings and price-book ratios were used for the favourable scenario and the lowest ratios were used for the unfavourable scenario.

5 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- market risks
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

5 Financial risk management (cont'd)

Risk management framework

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The Board of Directors has provided the written principles for overall financial risk management and the written policies covering specific areas, such as market risk (including price risk, foreign exchange risk, interest rate risk), credit risk and liquidity risk. Such written policies are reviewed regularly and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Management takes a cautious approach towards analysing new investment opportunities and invitations to step-up capital injections into existing investments. Factors that are of pertinence include macro country and industry risks, progress and status of product development, where relevant, availability of market demands for the investee entities' products and services.

Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group manages the market risks by the close monitoring of the investment portfolio and regular review of the performance of each of the investment.

Currency risk

The foreign exchange risk of the Group mainly arises from its investing activities. Certain of the Group's investments originated outside the primary economic environment of the respective entities, and are denominated in currencies that are foreign to those entities. As a result, there are foreign exchange exposures arising from the periodic fair valuation process, as well as upon settlement of purchases and sales of those investments. The Group holds investments in various foreign currencies including New Taiwan dollars, United States dollars and Hong Kong dollars.

The Group does not hedge its foreign currency exposure using derivative financial instruments. It manages foreign exchange risk by close monitoring of the timing of inception and settlement of the transactions.

5 Financial risk management (cont'd)

Currency risk (cont'd)

Exposure to currency risk

The Group's subsidiaries are subject to foreign currency risk arising from various currencies. The currencies to which the subsidiaries are exposed to significant foreign currency risks are as follows:

	USD	NTD	SGD	HKD
	NT$'000	NT$'000	NT$'000	NT$'000
Group				
2014				
Available-for-sale investments	538,147	20,507	–	43,509
Other financial assets at fair value through profit or loss	184,201	–	–	–
Trade and other receivables	7,377	–	–	–
Cash and cash equivalents	68,957	603	14,620	90,353
Trade and other payables	(4,281)	(150)	(1,231)	–
Net exposure	794,401	20,960	13,389	133,862
2013				
Available-for-sale investments	471,367	20,588	–	134,357
Other financial assets at fair value through profit or loss	184,396	–	–	–
Trade and other receivables	819	–	–	–
Cash and cash equivalents	352,277	697	5,418	16,081
Trade and other payables	(3,121)	(150)	(777)	–
Net exposure	1,005,738	21,135	4,641	150,438
Company				
2014				
Trade and other receivables	1,428	–	–	–
Cash and cash equivalents	63,612	–	14,620	–
Trade and other payables	(4,281)	–	(1,231)	–
Net exposure	60,759	–	13,389	–
2013				
Trade and other receivables	711	–	–	–
Cash and cash equivalents	138,726	–	5,418	–
Trade and other payables	(3,121)	–	(777)	–
Net exposure	136,316	–	4,641	–

Sensitivity analysis

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currency against the functional currency of each Group entity. 5% represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes all outstanding foreign currencies denominated monetary items and equity instruments. Their translation has been adjusted at the period end for a 5% change in foreign currency exchange rates.

5 Financial risk management (cont'd)

Currency risk (cont'd)

Sensitivity analysis (cont'd)

If the relevant significant foreign currency weakens by 5% against the functional currency of each Group entity, profit or loss and other comprehensive income will fluctuate as follows:

	Group		Company	
	Profit or loss	Other comprehensive income (Fair value reserve)	Profit or loss	Other comprehensive income (Fair value reserve)
	NT$'000	NT$'000	NT$'000	NT$'000
2014				
USD	(12,813)	(26,907)	(3,038)	–
NTD	(23)	(1,025)	–	–
SGD	(669)	–	(669)	–
HKD	(4,518)	(2,175)	–	–
2013				
USD	(26,719)	(23,568)	(6,816)	–
NTD	(27)	(1,029)	–	–
SGD	(232)	–	(232)	–
HKD	(804)	(6,718)	–	–

A 5% strengthening of the relevant foreign currency against the functional currency of each Group entity would have resulted in an equal but opposite effect on the profit or loss and other comprehensive income, on the basis that all other variables remain constant.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year. This is attributable to volatility of foreign currency markets and fluctuations in Group and Company balances held and payable.

Interest rate risk

The Group's income, expenses and operating cash flows are substantially independent of changes in market interest rate as the Group does not hold interest-bearing liabilities and the interest-bearing assets are limited to the time deposits as disclosed in note 13.

Market price risk

Market price risk, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk, which are discussed above), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Group is exposed to market price risk arising from its investments in securities. The management of the Group's market risk is monitored on a regular basis in accordance with the Group's investment objective and policies.

5 Financial risk management (cont'd)

Market price risk (cont'd)

Exposure to market price risk

At 31 December 2014, if market prices had been 5% higher with all other variables held constant, the increase in fair value of available-for-sale quoted investments and the corresponding increase in fair value reserve would be NT$43 million (2013: NT$46 million), whereas the increase in the fair value of held-for-trading and other FVTPL quoted investments and the corresponding increase in profit before tax, would be NT$13 million (2013: NT$16 million). If market prices had been 5% lower with all other variables held constant, the fair values would have decreased by equal amounts.

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of regular monitoring procedures. The extent of the Group's credit exposure is represented by the aggregate balance of financial assets recorded in the financial statements, grossed up for any allowances for losses and reduced by the effects of any netting arrangements with counterparties. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

Exposure to credit risk

The carrying amounts of trade and other receivables and cash and cash equivalents represent the Group and the Company's respective maximum exposure to credit risk. The Group and the Company does not hold any collateral in respect of its financial assets.

The Group places surplus funds in banks with reputable financial institutions. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

As at the financial reporting date, the trade and other receivables are not past due (2013: not past due).

Impairment losses

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The movement in the allowance for impairment losses in respect of trade and other receivables during the year was as follows:

	Group		Company	
	2014	2013	2014	2013
	NT$'000	NT$'000	NT$'000	NT$'000
At beginning of year	5,604	5,604	–	–
Impairment losses recognised	–	–	–	–
At end of year	5,604	5,604	–	–

Based on the Group's monitoring of credit risk, the Group believes that, apart from the above, no impairment allowance is necessary in respect of the remaining trade and other receivables.

5 Financial risk management (cont'd)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. There are no external borrowings, and the current liabilities of the Group are not significant in relation to the current assets level. The Group maintains a high current ratio of 11.1 as at 31 December 2014 (2013: 10.6). The Group's financial liabilities are repayable upon demand or repayable within the next financial year.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Cash flows	
	Carrying amount	Contractual cash flows	Within 1 year
	NT$'000	NT$'000	NT$'000
Group			
2014			
Non-derivative financial liabilities			
Trade and other payables	44,156	44,156	44,156
2013			
Non-derivative financial liabilities			
Trade and other payables	100,996	100,996	100,996
Company			
2014			
Non-derivative financial liabilities			
Trade and other payables	18,006	18,006	18,006
2013			
Non-derivative financial liabilities			
Trade and other payables	16,892	16,892	16,892

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings and non-controlling interests of the Group. There are no external borrowings within the Group entities.

The objective of the Group is to provide shareholders with above average returns over the long-term mainly through capital growth of the Group's venture capital investments. Management also invests, within stringent limits, in a portfolio of equities listed on the Taiwanese and other stock exchanges, as well as other limited risks financial instruments, with a view to maximise returns in the short to medium term. The Group does not face any externally imposed capital requirements, except that the Taiwanese subsidiaries are required by law to set aside certain percentage of their annual net profit after tax as legal reserve as further described in note 15. Such legal requirements have been fully complied with by the Group. There were no changes in the Group's approach to capital management during the year.

6 Classification of financial assets and liabilities

The classification of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Held-for-trading	Loans and receivables	Designated at fair value	Available-for-sale	Other financial liabilities within scope of IAS 39	Total carrying amount
Group		NT$'000	NT$'000	NT$'000	NT$'000	NT$'000	NT$'000
2014							
Available-for-sale investments	9	–	–	–	4,919,263	–	4,919,263
Other financial assets designated at fair value through profit or loss	10	–	–	1,095,463	–	–	1,095,463
Held-for-trading investments	11	135,896	–	–	–	–	135,896
Trade and other receivables	12	–	11,076	–	–	–	11,076
Cash and cash equivalents	13	–	1,067,658	–	–	–	1,067,658
		135,896	1,078,734	1,095,463	4,919,263	–	7,229,356
Trade and other payables	20	–	–	–	–	(44,156)	(44,156)
2013							
Available-for-sale investments	9	–	–	–	4,511,114	–	4,511,114
Other financial assets designated at fair value through profit or loss	10	–	–	650,449	–	–	650,449
Held-for-trading investments	11	195,649	–	–	–	–	195,649
Trade and other receivables	12	–	31,095	–	–	–	31,095
Cash and cash equivalents	13	–	1,780,996	–	–	–	1,780,996
		195,649	1,812,091	650,449	4,511,114	–	7,169,303
Trade and other payables	20	–	–	–	–	(100,996)	(100,996)

6 Classification of financial assets and liabilities (cont'd)

	Note	Loans and receivables	Other financial liabilities within scope of IAS 39	Total carrying amount
		NT$'000	NT$'000	NT$'000
Company				
2014				
Trade and other receivables	12	5	–	5
Cash and cash equivalents	13	93,932	–	93,932
		93,937	–	93,937
Trade and other payables	20	–	(18,006)	(18,006)
2013				
Trade and other receivables	12	4	–	4
Cash and cash equivalents	13	158,427	–	158,427
		158,431	–	158,431
Trade and other payables	20	–	(16,892)	(16,892)

7 Investments in subsidiaries

	Company	
	2014	2013
	NT$'000	NT$'000
Unquoted equity investments, at cost	5,544,252	5,740,951

Details of subsidiaries are as follows:

Name	Principal activities	Place of incorporation and business	Ownership interest 2014	Ownership interest 2013
			%	%
Hotung Venture Capital Corp.[(a)(b)]	Invest in listed/over the counter and unlisted companies in Taiwan and other countries	Taiwan, Republic of China	99.99	99.99
Huitung Investments (BVI) Ltd.[(a)(c)]	Invest in listed/over the counter and unlisted companies in Taiwan and other countries	British Virgin Islands/ Taiwan, Republic of China	100.00	100.00

7 Investments in subsidiaries (cont'd)

Name	Principal activities	Place of incorporation and business	Ownership interest 2014	Ownership interest 2013
			%	%
Daitung Development and Investment Corp.[(a)]	Invest in listed/over the counter and unlisted companies in Taiwan and other countries	Taiwan, Republic of China	99.99	99.99
Hotung Management International Ltd.[(d)]	Provision of investment consultancy and advisory services	Cayman Islands/ Taiwan, Republic of China	100.00	100.00
Held by subsidiaries				
Horizon Consultants Co., Ltd.[(a)]	Investment holding	Cayman Islands/ Taiwan, Republic of China	100.00	100.00
Infinitude Investment Co., Ltd.[(a)]	Invest in listed/over the counter and unlisted companies in Taiwan and other countries	British Virgin Islands/ Taiwan, Republic of China	100.00	100.00

(a) Audited by other member firms of KPMG International.

(b) During the year, Hotung Venture Capital Corp. ("Venture") embarked on capital reduction exercises, reducing its contributed capital by NT$200 million (2013: NT$300 million) by way of return of cash to its shareholders. The Group's shareholding in Venture remains unchanged subsequent to the capital reduction exercise.

(c) During the year, Huitung Investments (BVI) Ltd. ("Huitung") declared cash dividend of US$3.5 million (NT$106 million) (2013: US$3.7 million (NT$110 million)) to the Company.

(d) Unaudited management accounts were used for consolidation purpose as the subsidiary is not significant to the Group.

8 Investments in associates

The Group has interests in a number of individually immaterial associates. The following table analyses in aggregate, the carrying amount and share of profit and other comprehensive income ("OCI") of these associates.

	Group		Company	
	2014	2013	2014	2013
	NT$'000	NT$'000	NT$'000	NT$'000
Carrying amount of interests in associates	67,350	67,129	8,260	8,260
Share of:				
- Profit from continuing operations	18,150	19,397	–	–
- OCI	195	81	–	–
- Total comprehensive income	18,345	19,478	–	–

9 Available-for-sale investments

	Group	
	2014	2013
	NT$'000	NT$'000
Quoted equity shares, at fair value	867,854	925,693
Unquoted equity shares, at fair value	3,847,532	3,406,886
	4,715,386	4,332,579
Unquoted equity shares, at cost(1)	2,522,685	2,503,728
Allowance for impairment losses	(2,318,808)	(2,325,193)
	203,877	178,535
	4,919,263	4,511,114

(1) The investments represent unquoted equity shares in privately-held companies and the ordinary shares are not quoted in an active market. The fair value of the investments is highly dependent on the value of the investees at the time of disposal.

Although the ultimate method of disposal and the precise market for the instrument are not clear, the disposal could be effected, for example, by way of private transaction to strategic buyers or other financial parties, or via public offering of ordinary shares initiated by the investees. The Group does not have definitive plans to dispose of its interests and the investees do not have any definitive plans to initiate a public offering of their ordinary shares.

The investments are carried at cost because the fair value cannot be reliably determined. The variability in the range of reasonable fair value estimates is significant and the probabilities of the various estimates within the range of reasonable inputs are not sufficiently reliable to determine a fair value.

The Group's exposure to currency and market risks, and fair value information related to available-for-sale investments are disclosed in notes 5 and 4 respectively.

10 Other financial assets at fair value through profit or loss

	Group	
	2014	2013
	NT$'000	NT$'000
Quoted equity shares, at fair value	124,606	122,100
Unquoted equity shares, at fair value	908,772	432,484
	1,033,378	554,584
Unquoted equity shares, at cost(1)	130,768	154,493
Allowance for impairment losses	(68,683)	(58,628)
	62,085	95,865
	1,095,463	650,449

(1) The investments comprise embedded derivatives held by the Group that are linked to and must be settled by delivery of equity instruments that do not have a quoted market price in an active market.

10 Other financial assets at fair value through profit or loss (cont'd)

The fair value of the derivative is highly dependent on the value of investees' ordinary shares at the time of conversion and the timing of conversion. Although the ultimate method of disposal and the precise market for the instrument are not clear, the disposal could be effected, for example, by way of a private transaction to strategic buyers or other financial parties, or via public offering of ordinary shares initiated by the investees. The Group does not have definitive plans to dispose of its interests and the investees do not have any definitive plans to initiate a public offering of their ordinary shares.

The fair value of the unquoted equity components that will be used to settle these combined instruments are significant enough to preclude the Group from obtaining a reliable estimate of fair value due to the variability in the range of reasonable fair value estimates and the probabilities of the various estimates within the range of reasonable inputs which are not sufficiently reliable. Accordingly, the investments were measured at cost.

During the year, certain investments which were measured at cost less impairment losses with carrying amounts of NT$Nil million (2013: NT$133 million) were disposed off. The net gains recognised on derecognition of these investments amounted to NT$Nil million (2013: NT$33 million).

The Group's exposure to currency and market risks, and fair value information related to other financial assets at fair value through profit or loss are disclosed in notes 5 and 4 respectively.

11 Held-for-trading investments

	Group	
	2014	2013
	NT$'000	NT$'000
Equity securities, at fair value	135,896	195,649

The Group's exposure to market risks and fair value information related to held-for-trading investments are disclosed in notes 5 and 4 respectively.

12 Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	NT$'000	NT$'000	NT$'000	NT$'000
Trade receivables	9,321	29,525	–	–
Interest receivable	1,106	946	5	4
Other receivables	649	624	–	–
Tax recoverable	47	76	–	–
Prepayments	1,878	2,142	1,424	708
	13,001	33,313	1,429	712

Trade receivables arise from sale of investments and dividend receivables.

The Group and Company's exposures to credit and currency risks are disclosed in note 5.

13 Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	NT$'000	NT$'000	NT$'000	NT$'000
Time deposits	595,755	1,398,731	68,946	139,952
Cash and bank balances	471,903	382,265	24,986	18,475
Cash and cash equivalents in the statement of financial position	1,067,658	1,780,996	93,932	158,427
Cash held by trustee	(9,576)	(6,540)	–	–
Cash and cash equivalents in the statement of cash flows	1,058,082	1,774,456	93,932	158,427

The time deposits bear effective interest at rates ranging from 0.09% to 3.25% (2013: 0.01% to 2.5%) per annum at the end of the reporting period. The time deposits mature on varying dates within 6 months (2013: 6 months) from the financial year end.

Cash held by trustee represents bank balances held under escrow account arrangements arising from sale of investments.

The Group and Company's exposure to currency and interest rate risks related to cash and cash equivalents are disclosed in note 5.

14 Share capital

	Company			
	2014	2013	2014	2013
	Number of ordinary shares, including treasury shares			
	'000	'000	NT$,000	NT$'000
Authorized (par value NT$5 each)	2,000,000	2,000,000	10,000,000	10,000,000
Issued and fully paid:				
At beginning of the year and at the end of the year	1,046,607	1,046,607	5,233,034	5,233,034

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Contributed surplus reserve

Contributed surplus reserve represents the difference between the purchase price and par value of shares bought back before 2012. Under existing Bermuda law, distributions can be made out of this reserve as long as certain solvency and capital requirements are fulfilled.

15 Legal and special reserves

Subsidiaries incorporated in Taiwan, Republic of China, are required by Companies Act in Taiwan to set aside a certain percentage of their annual net profit after tax less prior years' losses, if any, as legal reserve until the accumulated reserve have reached an amount equal to the subsidiary's paid up capital. In addition, the Articles of those subsidiaries provide that separate amounts shall be set aside as special reserve. These reserves can be used to offset accumulated losses. The legal reserve may be transferred to capital or distributed in cash when they have reached a level equivalent to a certain percentage of the subsidiary's paid-up capital. The special reserve may be used in any manner subject to proposal by the respective Board and approval by the shareholders in a general meeting.

16 Capital surplus - net assets from merger

In 2008, a merger was effected within the Group for three of the Company's subsidiaries, being Litung Venture Capital Corp., Hotung Venture Capital Corp. and Futung Venture Capital Corp. The legal reserve that pertained to the two entities that were wound up pursuant to the merger have been transferred to the "Capital surplus - net assets from merger" account. This balance can be converted into capital of the merged subsidiary upon approval by its shareholders, provided the subsidiary is in an accumulated profit position. Unlike legal reserve, there is no limit to the amount of capital surplus that can be converted into share capital.

17 Treasury share reserve

Pursuant to the general mandate obtained in the General Meeting held on 24 April 2013, the Company continued with its share buy-back exercise. During the year, the number of shares purchased by way of market acquisition was 10,433,000 (2013: 1,139,000), for an aggregated consideration of NT$40,768,000 (2013: NT$3,998,000). Pursuant to the Bye-laws of the Company, the shares purchased are treated as treasury shares.

As at 31 December 2014, the total number of shares that remain in issuance excluding treasury shares amounted to 1,012,422,783 (2013: 1,022,855,783).

18 Dividends

	Group and Company	
	2014	**2013**
	NT$'000	**NT$'000**
Ordinary dividends paid		
NT$0.31 per ordinary share (2013: NT$0.31)	313,851	317,438

After the end of the reporting period, the following dividends were proposed by the directors. The dividends have not been provided for and there are no tax consequences.

	Group and Company	
	2014	**2013**
	NT$'000	**NT$'000**
NT$0.258 per ordinary share (2013: NT$0.31)	261,205	313,851

19 Deferred tax liability

	Group	
	2014	2013
	NT$'000	NT$'000
Deferred tax liability		
- available-for-sale investments net change in fair value	36,286	51,386

The movement for the year in deferred tax position is as follows:

	Group	
	2014	2013
	NT$'000	NT$'000
At beginning of the year	51,386	28,981
Recognised in other comprehensive income	(15,100)	22,405
At end of the year	36,286	51,386

20 Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	NT$'000	NT$'000	NT$'000	NT$'000
Trade payables	–	41,965	–	–
Amount due to associate (trade)	24,808	40,839	–	–
Accrued expenses	19,348	18,192	18,006	16,892
	44,156	100,996	18,006	16,892

Trade payables arise from purchase of investments.

Outstanding balances with associate are unsecured, interest-free and repayable on demand.

The Group and Company's exposure to currency and liquidity risks related to the trade and other payables are disclosed in note 5.

21. Revenue

	Group	
	2014	2013
	NT$'000	NT$'000
Interest income	5,155	5,441
Dividend/distribution income	179,531	183,461
Gains on sale of held-for-trading investments	1,061	23,983
Gains on sale of available-for-sale investments	284,257	528,635
(Losses)/gains on sale of other financial assets at fair value through profit or loss	(18,256)	33,106
Changes in fair value of held-for-trading investments	(34,693)	24,872
Changes in fair value of other financial assets at fair value through profit or loss	105,980	(97,759)
Foreign exchange gains	7,846	11,572
Others	3,247	1,382
	534,128	714,693

22. Impairment losses

	Group	
	2014	2013
	NT$'000	NT$'000
Impairment losses on available-for-sale investments, at fair value	66,833	61,743
Impairment losses on available-for-sale investments, at cost	27,918	87,287
Impairment losses on other financial assets at fair value through profit or loss	10,055	30,164
	104,806	179,194

23. Operating expenses

	Group	
	2014	2013
	NT$'000	NT$'000
Staff cost	1,777	2,307
Audit fees		
- auditors of the Company	2,440	2,240
- other auditors	2,824	2,534
Non-audit fees		
- other auditors	543	533
Operating lease expense	3,228	3,237
Management fees to an associate	105,253	105,995
Incentive fees to an associate	23,626	39,289
Management incentive bonus	2,648	3,338
Other administrative expenses	34,732	33,329
	177,071	192,802

24. Tax expense

	Group	
	2014	2013
	NT$'000	NT$'000
Current tax expense		
Current year	37,212	47,103
Adjustment for prior years	(28,953)	(15,521)
	8,259	31,582

24. Tax expense (cont'd)

Reconciliation of effective tax rate

	Group	
	2014	2013
	NT$'000	NT$'000
Profit before tax	270,401	362,094
Tax at the statutory rate of respective jurisdictions	22,803	23,543
Difference in tax rates applicable to capital gains on securities	(30,809)	(12,478)
Effect of tax on bonus shares	(13,233)	(25,719)
Non-taxable income	(6,557)	(8,593)
Non-deductible expenses	12,718	56,544
Adjustment for prior years	(28,953)	(15,521)
Utilisation of previously unrecognised tax losses	–	(18,565)
Current year losses for which no deferred tax asset was recognised	23,994	–
Tax on undistributed profits of subsidiaries	18,353	28,323
Foreign tax (tax levied outside respective entity's own jurisdiction)	9,943	4,048
	8,259	31,582

The Company and certain subsidiaries of the Group are domiciled in jurisdictions where no statutory tax is imposed. Other subsidiaries of the Group are domiciled in Taiwan and subject to Taiwan tax regulations, where the statutory tax rate is 17%.

Subsidiaries: capital gains tax

The Taiwan subsidiaries are also subject to capital gains tax, computed as the higher of 17% on adjusted capital gains arising from the sales of non-Taiwanese securities, or 12% on adjusted capital gains arising from the sales of Taiwanese and non-Taiwanese securities, whichever is higher. The Group also assesses for potential capital gains tax arising from the fair valuation of the available-for-sale investment portfolio. The resulting tax is recorded as deferred tax liability with a corresponding adjustment to fair value reserve. The movement in deferred tax liability each year arises from the realisation of fair value adjustments through sales of investments and changes in fair value of the investment portfolio.

Subsidiaries: withholding tax

Dividends paid by Taiwanese companies are subjected to foreign investors' withholding tax. At the end of the reporting period, the aggregate amount of undistributed earnings of the Taiwanese subsidiaries (without making a distinction between pre-acquisition and post-acquisition earnings) are NT$2,320 million (2013: NT$2,156 million). Included therein is legal reserve amounting to NT$495 million (2013: NT$463 million), which cannot be distributed under the Taiwanese law unless the balance of legal reserve is greater than 25% of the issued capital following the revision of the Company Act which took effect from 4 January 2012. The withholding tax that would be incurred should the above earnings be distributed are estimated to be NT$252 million (2013: NT$236 million), including the withholding tax impact computed on the legal reserve alone amounting to NT$63 million (2013: NT$60 million).

As the fair valuation of the investment portfolio may result in higher earnings, the Taiwan subsidiaries are further subject to potential withholding tax should the earnings be distributed. For the year ended 31 December 2014, the additional withholding tax that would be incurred on the distributed earnings is estimated to be NT$68 million (2013: NT$77 million).

24. Tax expense (cont'd)

Subsidiaries: withholding tax (cont'd)

No deferred tax liability has been recorded in respect of the above withholding tax exposures given that the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. Specifically, management does not intend to require distribution of the earnings from the Taiwanese subsidiaries and accordingly, did not recognise the liabilities associated with the potential withholding tax obligation. This stance is consistent with that taken by management in prior years.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2014	2013
	NT$'000	NT$'000
Tax losses	329,460	192,578

The tax losses carried forward available for offsetting against future taxable income will expire as follows:

	Group	
	2014	2013
	NT$'000	NT$'000
2018	62,642	64,368
2019	15,307	15,307
2020	16,307	16,307
2021	94,061	96,596
2024	141,143	–
	329,460	192,578

The Group did not recognise the deferred tax assets in respect of the above tax losses carried forward as it is not probable that there will be taxable profit against which the tax losses can be utilised.

25. Earnings per share

For the financial year ended 31 December 2014, basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company of NT$262,136,000 (2013: NT$330,492,000) by the weighted average number of ordinary shares outstanding of 1,015,529,260 (2013: 1,023,407,835).

Weighted average number of shares in issue is calculated as follows:

	Group	
	2014	2013
	'000	'000
Issued ordinary shares at beginning of the year	1,022,856	1,023,995
Effect of repurchase of shares	(7,327)	(587)
Weighted average number of shares at end of the year	1,015,529	1,023,408

Diluted earnings per share is the same as basic earnings per share as there were no dilutive financial instruments issued during the year or outstanding as at the end of financial year.

26. Related parties

In addition to the related parties information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year:

Key management personnel compensation
Key management personnel compensation is analysed as follows:

	Group	
	2014	**2013**
	NT$'000	**NT$'000**
Directors' fees	8,813	8,812
Incentive bonus to directors	2,648	3,338
	11,461	12,150

The directors' fees and incentive bonus paid or payable to the directors represent the total compensation (all short-term) paid to the directors. There is no other compensation paid or payable to the directors.

One executive director of the Company entered into a service agreement with the Company whereby she is entitled, in aggregate, to an incentive bonus equivalent to 1% of the Group's audited profit after tax and non-controlling interests. This amounted to NT$2.6 million (2013: NT$3.3 million) for the year.

Other related parties transactions

	Group	
	2014	**2013**
	NT$'000	**NT$'000**
Management fees to an associate	105,253	105,995
Incentive fees to an associate	23,626	39,289
Rental expenses to a corporate shareholder in which directors have interests	960	960

27. Operating segments

The Group identified the operating segments based on internal reporting that the Group's chief decision makers regularly review, as follows:

1. Venture Capital 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. Others - relates to the Group's investment in a liquid portfolio of market-traded equity securities through one of the Taiwanese subsidiaries, Daitung Development and Investment Corp. and fund management activities conducted through an associate company.

There were no inter-segment transactions during the period except for the management and incentive fees paid from entities within the "venture capital investment" business segment to the associate company in the "others" segment, as reported in note 26, which are not eliminated as the associate has been equity accounted for.

27. Operating segments (cont'd)

Business segments	Venture capital investment business		Others		Group	
	2014	2013	2014	2013	2014	2013
	NT$'000	NT$'000	NT$'000	NT$'000	NT$'000	NT$'000
Revenue from external parties						
Interest income	5,055	5,346	100	95	5,155	5,441
Dividend/distribution income	174,642	180,932	4,889	2,529	179,531	183,461
Gains on sale of held-for-trading investments	–	–	1,061	23,983	1,061	23,983
Gains on sale of available-for-sale investments	284,257	528,635	–	–	284,257	528,635
Gains /(losses) on sale of other financial assets at fair value through profit or loss	(18,256)	33,106	–	–	(18,256)	33,106
Changes in fair value of held-for-trading investments	–	–	(34,693)	24,872	(34,693)	24,872
Changes in fair value of other financial assets at fair value through profit or loss	105,980	(97,759)	–	–	105,980	(97,759)
Foreign exchange (losses)/gains	8,024	11,340	(178)	232	7,846	11,572
Others	3,241	1,376	6	6	3,247	1,382
	562,943	662,976	(28,815)	51,717	534,128	714,693
Impairment losses						
Impairment losses on available-for-sale investments	(94,751)	(149,030)	–	–	(94,751)	(149,030)
Impairment losses on other financial assets at fair value through profit or loss	(10,055)	(30,164)	–	–	(10,055)	(30,164)
	(104,806)	(179,194)	–	–	(104,806)	(179,194)
Operating expenses from external parties						
General and administrative expenses	(158,077)	(176,158)	(18,994)	(16,644)	(177,071)	(192,802)
Share of profits of associates	–	–	18,150	19,397	18,150	19,397
Profit before tax	300,060	307,624	(29,659)	54,470	270,401	362,094
Tax expense	(7,811)	(31,136)	(448)	(446)	(8,259)	(31,582)
Profit after tax	292,249	276,488	(30,107)	54,024	262,142	330,512
Segment assets	7,058,156	6,942,390	173,125	229,131	7,231,281	7,171,521
Investments in associates	1,765	3,153	65,585	63,976	67,350	67,129
Consolidated total assets	7,059,921	6,945,543	238,710	293,107	7,298,631	7,238,650
Segment liabilities	159,275	199,789	–	41,965	159,275	241,754

27. Operating segments (cont'd)

Geographical information

The Group's activities are conducted predominantly in Greater China. Income from sales of investments and securities trading is segregated based on the countries in which the shares of the respective investee entities are quoted or traded. Investments are segregated on the same basis, and for those not quoted or traded, based on the investee entities' principal places of business.

	Revenue	
	2014	2013
	NT$'000	NT$'000
Greater China	539,470	563,986
United States of America	(36,989)	150,285
Other countries	31,647	422
	534,128	714,693

As at end of the reporting period, the investments are segregated into the various countries as follows:

	Held-for-trading investments		Available-for-sale investments		Other financial assets at fair value through profit or loss	
	2014	2013	2014	2013	2014	2013
	NT$'000	NT$'000	NT$'000	NT$'000	NT$'000	NT$'000
Greater China	135,896	195,649	4,614,302	4,167,833	1,095,463	650,449
United States of America	–	–	295,933	299,541	–	–
Other countries	–	–	9,028	43,740	–	–
	135,896	195,649	4,919,263	4,511,114	1,095,463	650,449

As the Group is engaged principally in investment activities in Greater China, no further geographical information relating to the location of other non-current assets is presented.

28. Commitments

(a) Capital commitments

The Group has uncalled capital commitments of NT$131 million (2013: NT$56 million) for the capital contribution in certain investments as at the financial reporting date or end of the reporting period.

28. Commitments (cont'd)

(b) Operating lease commitments

At the end of the reporting period, the commitments in respect of operating leases for office facilities were as follows:

	Group	
	2014	**2013**
	NT$'000	**NT$'000**
Within one year	3,020	2,544
Within the second and fifth year inclusive	4,363	–
	7,383	2,544

SHAREHOLDING STATISTICS

As at 13 March 2015

Authorised Share Capital	:	NT$10,000,000,000
No. of Issued Shares	:	1,046,606,783
Issued and fully paid-up Capital	:	NT$5,233,033,915
No. of Issued Shares (excluding treasury shares)*	:	1,005,638,283
No. of Treasury Shares Held*	:	40,968,500
Percentage of Treasury Shares Held*	:	4.1% of issued shares (excluding treasury shares)
Class of shares	:	Ordinary shares of NT$5 each
Voting rights	:	One vote per share (no vote for treasury shares)

* This represents the number of issued shares and/or treasury shares held based on the total number of share buy-backs as at 10 March 2015, on account of the fact that trades on the Singapore Exchange Securities Trading Limited are settled on a "T+3" settlement cycle, that is, a buy-back of shares on day T will be settled at T plus three (3) market days later, ie. 13 March 2015.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	6	0.1	47	0.0
100 – 1,000	1,706	13.1	1,700,351	0.2
1,001 – 10,000	6,985	53.7	38,552,093	3.7
10,001 – 1,000,000	4,212	32.4	281,815,824	26.9
1,000,001 and above	89	0.7	724,538,468	69.2
	12,998	100.00	1,046,606,783	100.00

Shareholding Held in Hands of Public

Based on information available to the Company as at 13 March 2015, approximately 62.2% of the issued ordinary shares of the Company (excluding treasury shares) is held by the public and therefore Rule 723 of the Listing Manual is complied with.

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%**
1	Tai Lung Capital Inc.	174,151,008	17.3
2	Daiwa Capital Markets Singapore Ltd	79,307,715	7.9
3	Mega International Commercial Bank Co., Ltd	60,252,554	5.9
4	DBS Nominees Pte Ltd	53,052,100	5.3
5	Citibank Nominees Singapore Pte Ltd	31,613,969	3.1
6	Chung Lung Investment Co., Ltd	18,944,774	1.9
7	DB Nominees (S) Pte Ltd	14,413,853	1.4
8	Kuo Yang-Fu	12,652,047	1.3
9	CIMB Securities (S) Pte Ltd	9,804,866	1.0
10	Kuo Hsin-Kuei	9,331,073	0.9
11	United Overseas Bank Nominees Pte Ltd	9,075,000	0.9
12	Maybank Kim Eng Securities Pte. Ltd.	9,062,632	0.9
13	Raffles Nominees (Pte) Ltd	9,053,100	0.9
14	Phillip Securities Pte Ltd	8,902,762	0.9
15	UOB Kay Hian Pte Ltd	8,383,150	0.8
16	HSBC (Singapore) Nominees Pte Ltd	7,202,000	0.7
17	OCBC Securities Pte Ltd	6,572,400	0.7
18	Wong Seng Loong Solomon	6,562,888	0.7
19	Boon Suan Aik	6,175,000	0.6
20	Liu Zou-Hsin	6,013,000	0.6
		540,525,891	53.7

** The percentage of issued ordinary shares is calculated based on the total number of 1,005,638,283 issued ordinary shares of the Company (excluding treasury shares) as at 13 March 2015.

SHAREHOLDING STATISTICS

As at 13 March 2015

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholder

	Direct Interest	%	Deemed Interest	%
Tai Lung Capital Inc.(1)	174,151,008	17.32	18,944,774	1.88
Mega International Commercial Bank Co., Ltd.	60,252,554	5.99	–	–
Daiwa Corporate Investment Co., Ltd.(2)	–	–	52,755,136	5.25
Tsui-Hui Huang(3)	–	–	206,493,635	20.53
Cheng-Wang Huang(4)	–	–	193,095,782	19.20

Notes:

(1) Tai Lung Capital Inc. has a deemed interest in 18,944,774 Shares held by Chung Lung Investment Co., Ltd.

(2) Daiwa Corporate Investment Co., Ltd. has a deemed interest in 52,755,136 Shares held by Daiwa Capital Markets Singapore Ltd.

(3) Tsui-Hui Huang has deemed interests in the following: (i) 174,151,008 Shares held by Tai Lung Capital Inc.; (ii) 18,944,774 Shares held by Chung Lung Investment Co., Ltd.; and (iii) 13,397,853 Shares held by Alps International Co., Ltd., which are registered in the name of DB Nominees (S) Pte Ltd.

(4) Cheng-Wang Huang has deemed interests in the following: (i) 174,151,008 Shares held by Tai Lung Capital Inc.; and (ii) 18,944,774 Shares held by Chung Lung Investment Co., Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tsui-Hui Huang (Chairman)
Cheng-Wang Huang
Ng-Chee Tan
Chang-Pang Chang
Boon-Wan Tan
Hann-Ching Wu
Kazuyoshi Mizukoshi
Chun-Chen Tsou
Andy C. W. Chen
Yi-Sing Chan
Yang-Fu Kuo

AUDIT COMMITTEE

Ng-Chee Tan (Chairman)
Boon-Wan Tan
Andy C. W. Chen

REMUNERATION COMMITTEE

Boon-Wan Tan (Chairman)
Chun-Chen Tsou
Chang-Pang Chang

NOMINATING COMMITTEE

Chang-Pang Chang (Chairman)
Tsui-Hui Huang
Ng-Chee Tan

COMPANY SECRETARY

Shu-Hui Lo

BERMUDA SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited

The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

SINGAPORE SHARE TRANSFER AGENT

M&C Services Private Limited

112 Robinson Road #05-01
Singapore 068902
Tel: 65-6228-0530
Fax: 65-6225-1452

AUDITORS

KPMG LLP

Public Accountants and Chartered Accountants

Partner in charge

Mr. Ian Hong
(appointed on 13 November 2013)

REGISTERED OFFICE

Clarendon House

2 Church Street
Hamilton HM11
Bermuda

和通集團
HOTUNG GROUP
HOTUNG INVESTMENT HOLDINGS LIMITED