



**Hotung Investment Holdings Limited
and its subsidiaries**

(Incorporated in Bermuda)

**Reporting for the six months and full year ended
31 December 2022
(unaudited and unreviewed)**

**A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER
2022**

| | Note | Group | | | |
|---|------|-------------------------------|-----------------|--------------------------------|-----------------|
| | | 6 months ended 31 December | | 12 months ended 31 December | |
| | | 2022 NTS'000 | 2021 NTS'000 | 2022 NTS'000 | 2021 NTS'000 |
| Revenue | 5 | 85,606 | 493,304 | 246,493 | 1,023,703 |
| Operating expenses | 5 | (64,070) | (90,184) | (142,291) | (175,477) |
| Operating profit | | 21,536 | 403,120 | 104,202 | 848,226 |
| Finance costs | | (38) | (69) | (91) | (152) |
| Profit before tax | | 21,498 | 403,051 | 104,111 | 848,074 |
| Tax credit/(expense) | 6 | 22,213 | (62,484) | (28,125) | (162,541) |
| Profit for the period | | 43,711 | 340,567 | 75,986 | 685,533 |
| Other comprehensive income: | | | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | | | |
| Exchange differences on translation of foreign operations and others | | 89,372 | (20,748) | 306,686 | (90,085) |
| Other comprehensive income/(losses) for the period, net of tax | | 89,372 | (20,748) | 306,686 | (90,085) |
| Total comprehensive income for the period | | 133,083 | 319,819 | 382,672 | 595,448 |
| Profit for the period attributable to: | | | | | |
| Owners of the Company | | 37,218 | 309,121 | 49,403 | 624,217 |
| Non-controlling interests | | 6,493 | 31,446 | 26,583 | 61,316 |
| | | 43,711 | 340,567 | 75,986 | 685,533 |
| Total comprehensive income for the period attributable to: | | | | | |
| Owners of the Company | | 126,590 | 288,373 | 356,089 | 534,132 |
| Non-controlling interests | | 6,493 | 31,446 | 26,583 | 61,316 |
| | | 133,083 | 319,819 | 382,672 | 595,448 |
| Earnings per share (in NT\$): | | | | | |
| Basic | | 0.39 | 3.24 | 0.52 | 6.52 |
| Diluted | | 0.39 | 3.24 | 0.52 | 6.52 |

B. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

| | Note | Group | | Company | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2022 NTS'000 | 2021 NTS'000 | 2022 NTS'000 | 2021 NTS'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Investments in subsidiaries | | – | – | 4,416,773 | 4,416,773 |
| Financial assets at fair value through profit or loss | 7 | 4,891,657 | 4,419,037 | – | – |
| Financial assets at amortised cost | | 5,869 | – | – | – |
| Property, plant and equipment | | 8,047 | 16,451 | – | – |
| | | <u>4,905,573</u> | <u>4,435,488</u> | <u>4,416,773</u> | <u>4,416,773</u> |
| Current assets | | | | | |
| Financial assets at fair value through profit or loss | 7 | 69,307 | 73,732 | – | – |
| Trade and other receivables | | 11,070 | 5,206 | 3,408 | 1,454 |
| Cash and cash equivalents | | 1,568,089 | 2,271,020 | 240,625 | 21,378 |
| | | <u>1,648,466</u> | <u>2,349,958</u> | <u>244,033</u> | <u>22,832</u> |
| Total assets | | <u>6,554,039</u> | <u>6,785,446</u> | <u>4,660,806</u> | <u>4,439,605</u> |
| Equity | | | | | |
| Share capital | 9 | 5,233,033 | 5,233,033 | 5,233,033 | 5,233,033 |
| Share premium | | 1,347,887 | 1,347,887 | 1,347,887 | 1,347,887 |
| Reserves | | 655,013 | 327,264 | 48,573 | 61,830 |
| Accumulated losses | | (1,047,611) | (588,299) | (1,992,593) | (2,231,945) |
| Equity attributable to owners of the Company | | <u>6,188,322</u> | <u>6,319,885</u> | <u>4,636,900</u> | <u>4,410,805</u> |
| Non-controlling interests | | <u>100,344</u> | <u>132,407</u> | <u>–</u> | <u>–</u> |
| Total equity | | <u>6,288,666</u> | <u>6,452,292</u> | <u>4,636,900</u> | <u>4,410,805</u> |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | | 108,660 | 110,330 | – | – |
| Trade and other payables | | 1,897 | 7,842 | – | – |
| | | <u>110,557</u> | <u>118,172</u> | <u>–</u> | <u>–</u> |
| Current liabilities | | | | | |
| Trade and other payables | | 134,610 | 159,616 | 23,906 | 28,800 |
| Income tax payables | | 20,206 | 55,366 | – | – |
| | | <u>154,816</u> | <u>214,982</u> | <u>23,906</u> | <u>28,800</u> |
| Total liabilities | | <u>265,373</u> | <u>333,154</u> | <u>23,906</u> | <u>28,800</u> |
| Total equity and liabilities | | <u>6,554,039</u> | <u>6,785,446</u> | <u>4,660,806</u> | <u>4,439,605</u> |

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2022

| Group | -----> Attributable to owners of the Company <-----> | | | | | | | | | | | | |
|--|--|-----------------------------|-----------------------------|--|--|-----------------------------|-------------------------------|---|---|----------------------------------|----------------------|---|------------------|
| | Note | Share capital NTS'000 | Share premium NTS'000 | Contributed surplus reserve NTS'000 | Currency translation and other reserve NTS'000 | Legal reserve NTS'000 | Special reserve NTS'000 | Capital surplus – net assets from merger NTS'000 | Treasury share reserve NTS'000 | Accumulated losses NTS'000 | Sub-total NTS'000 | Non- controlling interests NTS'000 | Total NTS'000 |
| At 1 January 2022 | | 5,233,033 | 1,347,887 | 406,116 | (426,044) | 545,010 | 19,801 | 126,667 | (344,286) | (588,299) | 6,319,885 | 132,407 | 6,452,292 |
| Total comprehensive income for the year | | | | | | | | | | | | | |
| Profit for the year | | – | – | – | – | – | – | – | – | 49,403 | 49,403 | 26,583 | 75,986 |
| Exchange differences on translation of foreign operations and others | | – | – | – | 306,686 | – | – | – | – | – | 306,686 | – | 306,686 |
| Total other comprehensive income | | – | – | – | 306,686 | – | – | – | – | – | 306,686 | – | 306,686 |
| Total comprehensive income for the year | | – | – | – | 306,686 | – | – | – | – | 49,403 | 356,089 | 26,583 | 382,672 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | | | | |
| Transfer to legal reserve of certain subsidiaries | | – | – | – | – | 34,320 | – | – | – | (34,320) | – | – | – |
| Shares bought back as treasury shares | 9 | – | – | – | – | – | – | – | (13,257) | – | (13,257) | – | (13,257) |
| Dividends paid to shareholders of the Company | 10 | – | – | – | – | – | – | – | – | (474,395) | (474,395) | (58,646) | (533,041) |
| Total transactions with owner | | – | – | – | – | 34,320 | – | – | (13,257) | (508,715) | (487,652) | (58,646) | (546,298) |
| At 31 December 2022 | | 5,233,033 | 1,347,887 | 406,116 | (119,358) | 579,330 | 19,801 | 126,667 | (357,543) | (1,047,611) | 6,188,322 | 100,344 | 6,288,666 |

**C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FULL YEAR ENDED 31 DECEMBER 2021**

| Group | Note | Attributable to owners of the Company | | | | | | | | | | Total NTS'000 | |
|--|------|---------------------------------------|--------------------------|--|---|--------------------------|----------------------------|---|-----------------------------------|-------------------------------|----------------------|------------------|--------------------------------------|
| | | Share capital NTS'000 | Share premium NTS'000 | Contributed surplus reserve NTS'000 | Currency translation and other reserve NTS'000 | Legal reserve NTS'000 | Special reserve NTS'000 | Capital surplus – net assets from merger NTS'000 | Treasury share reserve NTS'000 | Accumulated losses NTS'000 | Sub-total NTS'000 | | Non-controlling interests NTS'000 |
| At 1 January 2021 | | 5,233,033 | 1,347,887 | 406,116 | (335,959) | 520,694 | 19,801 | 126,667 | (306,519) | (802,012) | 6,209,708 | 118,013 | 6,327,721 |
| Total comprehensive income/(losses) for the year | | | | | | | | | | | | | |
| Profit for the year | | – | – | – | – | – | – | – | – | 624,217 | 624,217 | 61,316 | 685,533 |
| Exchange differences on translation of foreign operations and others | | – | – | – | (90,085) | – | – | – | – | – | (90,085) | – | (90,085) |
| Total other comprehensive losses | | – | – | – | (90,085) | – | – | – | – | – | (90,085) | – | (90,085) |
| Total comprehensive income/(losses) for the year | | – | – | – | (90,085) | – | – | – | – | 624,217 | 534,132 | 61,316 | 595,448 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | | | | |
| Transfer to legal reserve of certain subsidiaries | | – | – | – | – | 24,316 | – | – | – | (24,316) | – | – | – |
| Shares bought back as treasury shares | 9 | – | – | – | – | – | – | – | (37,767) | – | (37,767) | – | (37,767) |
| Dividends payable to shareholders of the Company | 10 | – | – | – | – | – | – | – | – | (386,188) | (386,188) | (46,922) | (433,110) |
| Total transactions with owner | | – | – | – | – | 24,316 | – | – | (37,767) | (410,504) | (423,955) | (46,922) | (470,877) |
| At 31 December 2021 | | 5,233,033 | 1,347,887 | 406,116 | (426,044) | 545,010 | 19,801 | 126,667 | (344,286) | (588,299) | 6,319,885 | 132,407 | 6,452,292 |

**C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FULL YEAR ENDED 31 DECEMBER 2022 AND 31 DECEMBER 2021**

| Company | Note | Share capital NTS'000 | Share premium NTS'000 | Contributed surplus reserve NTS'000 | Treasury share reserve NTS'000 | Accumulated losses NTS'000 | Total NTS'000 |
|--|------|-----------------------------|--------------------------|--|--------------------------------------|----------------------------------|------------------|
| At 1 January 2022 | | 5,233,033 | 1,347,887 | 406,116 | (344,286) | (2,231,945) | 4,410,805 |
| Total comprehensive income for the year | | | | | | | |
| Profit for the year | | – | – | – | – | 713,747 | 713,747 |
| Total other comprehensive income | | – | – | – | – | – | – |
| Total comprehensive income for the year | | – | – | – | – | 713,747 | 713,747 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Shares bought back as treasury shares | 9 | – | – | – | (13,257) | – | (13,257) |
| Dividends paid to shareholders of the Company | 10 | – | – | – | – | (474,395) | (474,395) |
| Total transactions with owner | | – | – | – | (13,257) | (474,395) | (487,652) |
| At 31 December 2022 | | <u>5,233,033</u> | <u>1,347,887</u> | <u>406,116</u> | <u>(357,543)</u> | <u>(1,992,593)</u> | <u>4,636,900</u> |
| At 1 January 2021 | | 5,233,033 | 1,347,887 | 406,116 | (306,519) | (2,256,011) | 4,424,506 |
| Total comprehensive income for the year | | | | | | | |
| Profit for the year | | – | – | – | – | 410,254 | 410,254 |
| Total other comprehensive income | | – | – | – | – | – | – |
| Total comprehensive income for the year | | – | – | – | – | 410,254 | 410,254 |
| Transactions with owners, recognised directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Shares bought back as treasury shares | 9 | – | – | – | (37,767) | – | (37,767) |
| Dividends payable to shareholders of the Company | 10 | – | – | – | – | (386,188) | (386,188) |
| Total transactions with owner | | – | – | – | (37,767) | (386,188) | (423,955) |
| At 31 December 2021 | | <u>5,233,033</u> | <u>1,347,887</u> | <u>406,116</u> | <u>(344,286)</u> | <u>(2,231,945)</u> | <u>4,410,805</u> |

**D. CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

| | Group | |
|--|------------------|------------------|
| | 2022 | 2021 |
| | NTS'000 | NTS'000 |
| Cash flows from operating activities | | |
| Profit after tax | 75,986 | 685,533 |
| Adjustments for: | | |
| Net gains on financial assets at fair value through profit or loss | (150,174) | (863,548) |
| Dividend/distribution income | (70,882) | (159,374) |
| Depreciation expense | 8,404 | 8,463 |
| Finance costs | 91 | 152 |
| Interest income | (6,555) | (1,836) |
| Tax expenses | 28,125 | 162,541 |
| | <u>(115,005)</u> | <u>(168,069)</u> |
| Changes to: | | |
| Financial assets at fair value through profit or loss | (106,475) | 1,964,703 |
| Financial assets at amortised cost | (5,637) | - |
| Trade and other receivables | (419) | 2,186 |
| Trade and other payables | (25,384) | 17,816 |
| | <u>(252,920)</u> | <u>1,816,636</u> |
| Cash (used in)/from operations | | |
| Interest received | 2,208 | 1,846 |
| Finance costs paid | (91) | (152) |
| Dividend/distribution income received | 70,882 | 159,374 |
| Tax paid | (66,117) | (231,650) |
| | <u>(246,038)</u> | <u>1,746,054</u> |
| Net cash (used in)/from operating activities | | |
| Cash flows from financing activities | | |
| Payment of lease liabilities | (8,237) | (8,180) |
| Dividend paid to non-controlling shareholders in subsidiaries | (55,976) | (44,786) |
| Dividends paid to shareholders of the Company | (474,395) | (386,188) |
| Purchase of treasury shares | (13,257) | (44,000) |
| | <u>(551,865)</u> | <u>(483,154)</u> |
| Net cash used in financing activities | | |
| Net (decrease)/increase in cash and cash equivalents | (797,903) | 1,262,900 |
| Cash and cash equivalents at beginning of the year | 2,271,020 | 1,024,644 |
| Effect of exchange rate on cash and cash equivalents | 94,972 | (16,524) |
| | <u>1,568,089</u> | <u>2,271,020</u> |
| Cash and cash equivalents at end of the year | | |

E. Notes to the condensed interim consolidated financial statements

1 Corporate information

Hotung Investment Holdings Limited (the “Company”) is incorporated in Bermuda and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements (referred to as the “condensed interim financial statements”) as at and for the six months and full year ended 31 December 2022 comprise the Company and its subsidiaries (referred to as the “Group”). The principal activity of the Company is investment holding and its investment management operations are performed by its subsidiary, Hotung International Co., Ltd., which has its principal place of business at 10F, 261, Sung-Chiang Road, Taipei, Taiwan, Republic of China.

2 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with *International Financial Reporting Standards* (“IFRSs”), except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in New Taiwan dollars (“NT\$”), 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.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement as at and for the year ended 31 December 2021.

The preparation of the condensed interim financial statements for the six months and full year ended 31 December 2022 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, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2. Basis of preparation (cont'd)

2.2 Use of estimates and judgements (cont'd)

Critical accounting estimates and assumptions used that are significant to the condensed interim financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 7.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the year.

4 Segment and revenue information

The Group identified the operating segments based on internal reporting that the Group's chief decision makers regularly review. The Investments segment includes all investment subsidiaries of the Group and the Fund Management segment relates to the activities of the fund management subsidiary.

1. Investments - the Group's core business segment conducted mainly through its three subsidiaries: Hotung Venture Capital Corp. (Taiwan), Daitung Development and Investment Corp. (Taiwan) and Huitung Investments (BVI) Ltd., with the objective of achieving significant long-term capital appreciation by investing in a balanced and well-diversified portfolio, and assisting and adding value to the portfolio of companies.
2. Fund Management - relates to the Group's fund management activities conducted by its subsidiary, Hotung International Co., Ltd., with the main objective of providing investment consultancy and advisory services to entities within the Group.

There were no inter-segment transactions during the year except for the management and incentive fees paid from entities within the Investments segment to the Fund Management subsidiary company in the Fund Management segment which was eliminated on consolidation.

4 Segment and revenue information (cont'd)

4.1 Reportable segments

| | Fund | | | |
|---|--------------------|-------------------|---------------------|---------------------|
| | Investments | Management | Eliminations | Consolidated |
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| 6 months ended | | | | |
| 31 December 2022 | | | | |
| Revenue | | | | |
| External revenue | 84,210 | 1,396 | – | 85,606 |
| Inter-segmental revenue | – | 54,935 | (54,935) | – |
| Total revenue | <u>84,210</u> | <u>56,331</u> | <u>(54,935)</u> | <u>85,606</u> |
| Interest income | 5,381 | 448 | – | 5,829 |
| Depreciation | (1,735) | (2,458) | – | (4,193) |
| Finance costs | (12) | (26) | – | (38) |
| Profit before tax | 6,983 | 14,515 | – | 21,498 |
| Tax credit/(expenses) | 25,653 | (3,440) | – | 22,213 |
| Profit after tax but before non-controlling interests | 32,636 | 11,075 | – | 43,711 |
| Non-controlling interests | 2 | (6,495) | – | (6,493) |
| Profit attributable to owners of the Company | <u>32,638</u> | <u>4,580</u> | <u>–</u> | <u>37,218</u> |
| Other information | | | | |
| Segment assets | <u>6,305,138</u> | <u>278,212</u> | <u>(29,311)</u> | <u>6,554,039</u> |
| Segment liabilities | 56,828 | 108,990 | (29,311) | 136,507 |
| Current income tax liability/(assets) | 21,448 | (1,242) | – | 20,206 |
| Deferred tax liability | 108,660 | – | – | 108,660 |
| Total liabilities | <u>186,936</u> | <u>107,748</u> | <u>(29,311)</u> | <u>265,373</u> |

4 Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

| | Investments | Fund Management | Eliminations | Consolidated |
|---|--------------------|----------------------------|---------------------|---------------------|
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| 6 months ended | | | | |
| 31 December 2021 | | | | |
| Revenue | | | | |
| External revenue | 491,739 | 1,565 | – | 493,304 |
| Inter-segmental revenue | – | 128,522 | (128,522) | – |
| Total revenue | <u>491,739</u> | <u>130,087</u> | <u>(128,522)</u> | <u>493,304</u> |
| Interest income | 842 | 53 | – | 895 |
| Depreciation | (1,734) | (2,494) | – | (4,228) |
| Finance costs | (25) | (44) | – | (69) |
| Profit before tax | 336,186 | 66,865 | – | 403,051 |
| Tax expenses | (49,229) | (13,255) | – | (62,484) |
| Profit after tax but before non-controlling interests | 286,957 | 53,610 | – | 340,567 |
| Non-controlling interests | (5) | (31,441) | – | (31,446) |
| Profit attributable to owners of the Company | <u>286,952</u> | <u>22,169</u> | <u>–</u> | <u>309,121</u> |
| Other information | | | | |
| Segment assets | <u>6,558,921</u> | <u>370,806</u> | <u>(144,281)</u> | <u>6,785,446</u> |
| Segment liabilities | 180,547 | 131,192 | (144,281) | 167,458 |
| Current income tax liability | 40,893 | 14,473 | – | 55,366 |
| Deferred tax liability | 110,330 | – | – | 110,330 |
| Total liabilities | <u>331,770</u> | <u>145,665</u> | <u>(144,281)</u> | <u>333,154</u> |

4 Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

| | Fund | | | |
|---|--------------------|-------------------|---------------------|---------------------|
| | Investments | Management | Eliminations | Consolidated |
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| 12 months ended | | | | |
| 31 December 2022 | | | | |
| Revenue | | | | |
| External revenue | 243,006 | 3,487 | – | 246,493 |
| Inter-segmental revenue | – | 145,920 | (145,920) | – |
| Total revenue | <u>243,006</u> | <u>149,407</u> | <u>(145,920)</u> | <u>246,493</u> |
| Interest income | 6,013 | 542 | – | 6,555 |
| Depreciation | (3,470) | (4,934) | – | (8,404) |
| Finance costs | (31) | (60) | – | (91) |
| Profit before tax | 47,212 | 56,899 | – | 104,111 |
| Tax expenses | (16,547) | (11,578) | – | (28,125) |
| Profit after tax but before non-controlling interests | 30,665 | 45,321 | – | 75,986 |
| Non-controlling interests | (4) | (26,579) | – | (26,583) |
| Profit attributable to owners of the Company | <u>30,661</u> | <u>18,742</u> | <u>–</u> | <u>49,403</u> |
| Other information | | | | |
| Segment assets | <u>6,305,138</u> | <u>278,212</u> | <u>(29,311)</u> | <u>6,554,039</u> |
| Segment liabilities | 56,828 | 108,990 | (29,311) | 136,507 |
| Current income tax liability/ (assets) | 21,448 | (1,242) | – | 20,206 |
| Deferred tax liability | 108,660 | – | – | 108,660 |
| Total liabilities | <u>186,936</u> | <u>107,748</u> | <u>(29,311)</u> | <u>265,373</u> |

4 Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

| | Investments | Fund Management | Eliminations | Consolidated |
|---|--------------------|----------------------------|---------------------|---------------------|
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| 12 months ended | | | | |
| 31 December 2021 | | | | |
| Revenue | | | | |
| External revenue | 1,020,427 | 3,276 | – | 1,023,703 |
| Inter-segmental revenue | – | 244,149 | (244,149) | – |
| Total revenue | <u>1,020,427</u> | <u>247,425</u> | <u>(244,149)</u> | <u>1,023,703</u> |
| Interest income | 1,716 | 120 | – | 1,836 |
| Depreciation | (3,470) | (4,993) | – | (8,463) |
| Finance costs | (57) | (95) | – | (152) |
| Profit before tax | 721,440 | 126,634 | – | 848,074 |
| Tax expenses | (140,426) | (22,115) | – | (162,541) |
| Profit after tax but before non-controlling interests | 581,014 | 104,519 | – | 685,533 |
| Non-controlling interests | (19) | (61,297) | – | (61,316) |
| Profit attributable to owners of the Company | <u>580,995</u> | <u>43,222</u> | <u>–</u> | <u>624,217</u> |
| Other information | | | | |
| Segment assets | <u>6,558,921</u> | <u>370,806</u> | <u>(144,281)</u> | <u>6,785,446</u> |
| Segment liabilities | 180,547 | 131,192 | (144,281) | 167,458 |
| Current income tax liability | 40,893 | 14,473 | – | 55,366 |
| Deferred tax liability | 110,330 | – | – | 110,330 |
| Total liabilities | <u>331,770</u> | <u>145,665</u> | <u>(144,281)</u> | <u>333,154</u> |

4 Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

The Group's activities are conducted predominantly in Taiwan and China. Income from sales of investments and securities trading is segregated based on the geographies 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 6 months ended 31 December | | Revenue 12 months ended 31 December | |
|-----------------|--|----------------|---|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| Taiwan | (61,956) | 151,973 | (181,604) | 490,146 |
| China | 121,178 | 115,436 | 68,205 | 318,615 |
| Israel | (3,293) | 228,617 | 327,293 | 250,932 |
| Other countries | 29,677 | (2,722) | 32,599 | (35,990) |
| | <u>85,606</u> | <u>493,304</u> | <u>246,493</u> | <u>1,023,703</u> |

A breakdown of sales:

| | 2022 NTS'000 | Group 2021 NTS'000 | Decrease % |
|--|-----------------|--------------------------|----------------|
| Revenue reported for first half year | 160,887 | 530,399 | (69.7%) |
| Operating profit after tax before non- controlling interests reported for first half year | 32,275 | 344,966 | (90.6%) |
| Revenue reported for second half year | 85,606 | 493,304 | (82.6%) |
| Operating profit after tax before non- controlling interests reported for second half year | <u>43,711</u> | <u>340,567</u> | <u>(87.2%)</u> |

5 Profit before tax

5.1 Significant items

| | Group | | | |
|--|-------------------------------|----------------|--------------------------------|------------------|
| | 6 months ended 31 December | | 12 months ended 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| Income | | | | |
| Dividend/distribution income | 55,271 | 93,313 | 70,882 | 159,374 |
| Net gains on financial assets at fair value through profit or loss ("FVTPL") | 17,945 | 396,327 | 150,174 | 863,548 |
| | <u>73,216</u> | <u>489,640</u> | <u>221,056</u> | <u>1,022,912</u> |
| Expense | | | | |
| Staff cost | 40,102 | 59,990 | 88,337 | 114,235 |
| Other administrative expenses | 20,788 | 27,272 | 47,742 | 55,220 |
| | <u>60,890</u> | <u>87,262</u> | <u>136,079</u> | <u>169,455</u> |

5.2 Related parties transactions

Other than the remuneration paid to the key management personnel and lease liabilities payable to a corporate shareholder in which directors have interest, there are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

6 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement of comprehensive income are:

| | Group | | | |
|---|-------------------------------|----------------|--------------------------------|-----------------|
| | 6 months ended 31 December | | 12 months ended 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| Current tax expense | | | | |
| Current period | (3,176) | 67,096 | 29,923 | 244,331 |
| Adjustment for prior years | – | – | (122) | (10,340) |
| | <u>(3,176)</u> | <u>67,096</u> | <u>29,801</u> | <u>233,991</u> |
| Deferred tax expense | | | | |
| Origination and reversal of temporary difference | (19,037) | (4,612) | (1,676) | (71,450) |
| | <u>(19,037)</u> | <u>(4,612)</u> | <u>(1,676)</u> | <u>(71,450)</u> |
| Tax (credit)/expense | <u>(22,213)</u> | <u>62,484</u> | <u>28,125</u> | <u>162,541</u> |

7 Investments at fair value through profit or loss

| | Group | |
|---|-----------|-----------|
| | 2022 | 2021 |
| | NTS'000 | NTS'000 |
| Non-current | | |
| Quoted equity investments – mandatorily at FVTPL | 536,176 | 533,577 |
| Unquoted equity investments – mandatorily at FVTPL | 4,327,975 | 3,858,921 |
| | 4,864,151 | 4,392,498 |
| Investment in associate – mandatorily at FVTPL ⁽¹⁾ | 27,506 | 26,539 |
| | 4,891,657 | 4,419,037 |
| Current | | |
| Quoted equity investments – mandatorily at FVTPL | 69,307 | 73,732 |

⁽¹⁾ The investment comprises of equity interest of 29.36% (2021: 29.36%) in a privately held portfolio company that is principally engaged in e-Commerce. In accordance with the Group's accounting policies, the investment in this associate was measured at FVTPL.

7.1 Fair value measurement

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|-----------|-----------|-----------|
| | NTS'000 | NTS'000 | NTS'000 | NTS'000 |
| 2022 | | | | |
| Investments at FVTPL | | | | |
| Quoted equity investments – at FVTPL | 605,483 | – | – | 605,483 |
| Unquoted equity investments – at FVTPL | – | 1,036,295 | 3,291,680 | 4,327,975 |
| Associate, at fair value – at FVTPL | – | – | 27,506 | 27,506 |
| | 605,483 | 1,036,295 | 3,319,186 | 4,960,964 |

7 Investments at fair value through profit or loss (cont'd)

7.1 Fair value measurement (con't)

Fair value hierarchy(cont't)

| | Level 1 NTS'000 | Level 2 NTS'000 | Level 3 NTS'000 | Total NTS'000 |
|---|--------------------|--------------------|--------------------|------------------|
| 2021 | | | | |
| Investments at FVTPL | | | | |
| Quoted equity investments – at FVTPL | 607,309 | – | – | 607,309 |
| Unquoted equity investments – at FVTPL | – | 959,839 | 2,899,082 | 3,858,921 |
| Associate, at fair value – at FVTPL | – | – | 26,539 | 26,539 |
| | <u>607,309</u> | <u>959,839</u> | <u>2,925,621</u> | <u>4,492,769</u> |

At 31 December 2022, there were no transfer from Level 1 to Level 2 and Level 2 to Level 1 for financial assets at FVTPL investments during the year.

At 31 December 2021, there was no transfer from Level 1 to Level 2 for financial assets at FVTPL investments during the year. Financial assets at FVTPL investments with a carrying amount of NT\$34.5 million were transferred from Level 2 to Level 1 because those investments were listed during the year.

The fair value hierarchy table excludes financial assets and financial liabilities such as cash and cash equivalents, trade and other receivables and trade and other payables because their carrying amounts approximate their fair values due to their short-term nature.

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:

| | Financial assets at FVTPL | |
|---|--------------------------------------|------------------|
| | 2022 | 2021 |
| | NTS'000 | NTS'000 |
| At beginning of year | 2,925,621 | 3,169,589 |
| Total gains/(loss) recognised in profit or loss | | |
| - net gains/(loss) on investments at fair value through profit or loss | 198,668 | (341,408) |
| Disposals | (36,319) | (101,123) |
| Purchases | 243,444 | 301,115 |
| Transfers to Level 3 | | |
| - from Level 1 ^(a) | 9,165 | 63,363 |
| - from Level 2 ^(b) | 546,823 | 317,648 |
| Transfers out of Level 3 | | |
| - to Level 1 ^(c) | (401,927) | – |
| - to Level 2 ^(d) | (166,289) | (483,563) |
| At end of year | <u>3,319,186</u> | <u>2,925,621</u> |

7 Investments at fair value through profit or loss (cont'd)

7.1 Fair value measurement (con't)

Fair value hierarchy(cont't)

| | Financial assets at FVTPL | |
|--|--------------------------------------|------------------|
| | 2022 | 2021 |
| | NTS'000 | NTS'000 |
| Total realised gain for the year included in profit or loss for investments held as at 31 December | 45,109 | 271,942 |
| Total unrealised gain/(loss) for the year included in profit or loss for investments held as at 31 December | 153,559 | (613,350) |
| Total net gain/(loss) on investments at fair value through profit or loss | <u>198,668</u> | <u>(341,408)</u> |

- (a) Certain investments were transferred from Level 1 to Level 3 because quoted prices in the market for such investments were no longer regularly available and measurement of fair value was based on valuation techniques using significant unobservable input.
- (b) Certain investments were transferred from Level 2 to Level 3 because measurement of fair value was based on valuation techniques using significant unobservable input.
- (c) Certain investments were transferred from Level 3 to Level 1 when they were listed on stock exchanges during the year.
- (d) Certain investments were transferred from Level 3 to Level 2 because measurement of fair value was based on observable market data.

8 Classification of financial assets and liabilities

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

| Group | Note | Mandatorily at FVTPL (non-current) NTS'000 | Mandatorily at FVTPL (current) NTS'000 | Amortised cost (non-current) NTS'000 | Amortised cost (current) NTS'000 | Total carrying amount NTS'000 |
|--|-------------|---|---|---|---|--|
| 2022 | | | | | | |
| Financial assets designated at fair value through profit or loss | 7 | 4,891,657 | 69,307 | – | – | 4,960,964 |
| Financial assets at amortised cost | | – | – | 5,869 | – | 5,869 |
| Trade and other receivables* | | – | – | – | 8,290 | 8,290 |
| Cash and cash equivalents | | – | – | – | 1,568,089 | 1,568,089 |
| | | <u>4,891,657</u> | <u>69,307</u> | <u>5,869</u> | <u>1,576,379</u> | <u>6,543,212</u> |
| Trade and other payables | | – | – | (1,897) | (134,610) | (136,507) |
| 2021 | | | | | | |
| Financial assets designated at fair value through profit or loss | 7 | 4,419,037 | 73,732 | – | – | 4,492,769 |
| Trade and other receivables* | | – | – | – | 3,600 | 3,600 |
| Cash and cash equivalents | | – | – | – | 2,271,020 | 2,271,020 |
| | | <u>4,419,037</u> | <u>73,732</u> | <u>–</u> | <u>2,274,620</u> | <u>6,767,389</u> |
| Trade and other payables | | – | – | (7,842) | (159,616) | (167,458) |

* Excludes prepayments

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

| Company | Amortised cost (current) NT\$'000 | Total carrying amount NT\$'000 |
|------------------------------|--|---|
| 2022 | | |
| Cash and cash equivalents | 240,625 | 240,625 |
| Trade and other receivables* | 1,031 | 1,031 |
| | <u>241,656</u> | <u>241,656</u> |
| Trade and other payables | <u>(23,906)</u> | <u>(23,906)</u> |
| 2021 | | |
| Cash and cash equivalents | <u>21,378</u> | <u>21,378</u> |
| Trade and other payables | <u>(28,800)</u> | <u>(28,800)</u> |

* Excludes prepayments

9 Share capital

| | Group and Company | | | |
|--------------------------------------|---|----------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Number of ordinary shares, including treasury shares | | | |
| | '000 | '000 | NT\$'000 | NT\$'000 |
| Authorised | <u>200,000</u> | <u>200,000</u> | <u>10,000,000</u> | <u>10,000,000</u> |
| Issued and fully paid: | | | | |
| At the beginning and end of the year | <u>104,661</u> | <u>104,661</u> | <u>5,233,033</u> | <u>5,233,033</u> |

The movement of treasury share is as follows:

| | Group and Company | |
|--------------------------------------|--------------------------|------------------|
| | Number of shares | |
| | 2022 | 2021 |
| Beginning of the year | 9,487,180 | 8,548,580 |
| Share bought back as treasury shares | 294,300 | 938,600 |
| End of the year | <u>9,781,480</u> | <u>9,487,180</u> |

9 Share capital (cont'd)

The number of shares purchased by way of market acquisition during the year was 294,300, for an aggregated consideration of NT\$13.3 million.

As at 31 December 2022, the total number of shares that remain in issuance excluding treasury shares amounted to 94,879,182 (31 December 2021: 95,173,482).

The Company has no subsidiary holdings as at 31 December 2022 and 31 December 2021.

10 Dividends

| | Group and Company | |
|---|-------------------|---------|
| | 2022 | 2021 |
| | NTS'000 | NTS'000 |
| <i>Ordinary dividends paid</i> | | |
| NT\$5 per ordinary share (2021:NT\$4.02484) | 474,395 | 386,188 |

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 | |
|--|-------------------|---------|
| | 2022 | 2021 |
| | NTS'000 | NTS'000 |
| NT\$2.55 per ordinary share (2021:NT\$5) | 241,942 | 475,867 |

11 Net asset value

| | Group | | Company | |
|------------------------------------|-------|-------|---------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| Net asset value per ordinary share | | | | |
| -NT\$ | 65.22 | 66.40 | 48.87 | 46.34 |
| -S\$** | 2.85 | 3.25 | 2.14 | 2.26 |

**Exchange rate of S\$1: NT\$22.88 for 2022.12.31 and S\$1: NT\$20.46 for 2021.12.31.

12 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

Other information required by Singapore Listing Rule Appendix 7.2

1. Review

The statement of financial position of Hotung Investment Holdings Limited and its subsidiaries as at 31 December 2022 and the related consolidated comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months and full year then ended and certain explanatory notes (the “Condensed Interim Financial Statements”) have not been audited or reviewed.

2. In relation to the aggregate amount of the group’s borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

| As at 31 December 2022 | | As at 31 December 2021 | |
|------------------------|-----------|------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| None | None | None | None |

Amount repayable after one year

| As at 31 December 2022 | | As at 31 December 2021 | |
|------------------------|-----------|------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| None | None | None | None |

Details of any collateral

None

3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a)

- 1. The Group’s revenue of NT\$246.5 million mainly resulted from the net gains of NT\$150.2 million (2021: NT\$863.5 million) on the financial assets at fair value through profit or loss and the distribution proceeds of NT\$38.5 million (2021: NT\$136.1 million) received from fund investments.
- 2. The decrease in the Group’s tax expense of NT\$134.4 million was mainly due to the decrease in gain on divestments in the Group’s Taiwan subsidiaries and the reversal of the deferred tax liability of temporary differences during 2022.

3. Gains on translation of foreign operations amounted to NT\$306.7 million (2021: losses of NT\$90.1 million) was a result of appreciation of US dollar against NT dollar during 2022.

(b)

1. The increase in the Group's financial assets at fair value through profit or loss (non-current) from NT\$4,419 million to NT\$4,891.7 million was mainly due to new acquisitions of NT\$303.2 million during 2022.

2. The decrease of NT\$702.9 million in the Group's Cash balance from NT\$2,271 million to NT\$1,568.1 million was mainly due to new acquisitions of financial assets and 2021 dividend payment of NT\$474.4 million during 2022.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast was previously disclosed in relation to 2022 full year results.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 month.

In 2022, the global economy was impacted by COVID-19 pandemic, the Russian-Ukraine war, US-China relations tension and Europe's energy crisis, all of which caused significant disruption and exacerbated inflation. Central Banks around the world, in response, raised interest rates, leading to increased cost of capital.

For 2023, the prospects for the global economy remain uncertain. The Group, with its sound financial and capital position, coupled with cautious capital management, will continue to focus on mid and long term investments.

6. If a decision regarding dividend has been made:-

(a) Whether an dividend has been declared/recommended? Yes

Name of Dividend: Final

Dividend Type: Cash

Dividend Amount Per Share: NT\$2.55 per share (tax not applicable)

(b) Any dividend declared for corresponding period of the immediately preceding financial year? Yes

Name of Dividend: Final

Dividend Type: Cash

Dividend Amount Per Share: NT\$5 per share (tax not applicable)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The dividend is tax exempt.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

8. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not sought a shareholder's mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

9. Negative confirmation pursuant to rule 705(5) of the listing manual.

Not applicable.

10. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the listing manual.

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

11. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

None.

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year 2022 |
|--------------------|-----|--|--|--|
| Ms. Tsui-Hui Huang | 58 | Wife of Mr. Andy C.W. Chen (non-executive Director) | CEO - Hotung Investment Holdings Limited since July 1, 2010. Managing Director - Hotung Investment Holdings Limited since August 1, 2006. Executive Director - Hotung Investment Holdings Limited since June 20, 2005. | nil |

BY ORDER OF THE BOARD

Hsin-Chieh Chung
Company Secretary
20 February 2023