HOTUNG 和通集團 HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED


# HOTUNG INVESTMENT HOLDINGS LIMITED

# 2024

# ANNUAL REPORT

# GROUP PROFILE

**HOTUNG INVESTMENT HOLDINGS LIMITED** and together with its subsidiaries (the "Group") is a premier venture capital investment group with more than 35 years of investment and fund management experience. The Group is dedicated to uncovering innovation and value. Leveraging investment expertise accumulated over the years and investment experiences in a diverse portfolio, the Group is in a prime position to comprehend and accelerate in a fast moving market, and to invest in novel and blossoming businesses and technologies in Taiwan, China, and Silicon Valley. The Group is poised to deliver value through vision of its investments and profit to its shareholders. The Group has had more than 200 successful IPOs listed on major stock exchanges in the world, including Nasdaq / NYSE.

The Group has been listed on the Main Board of SGX-ST since 1997.

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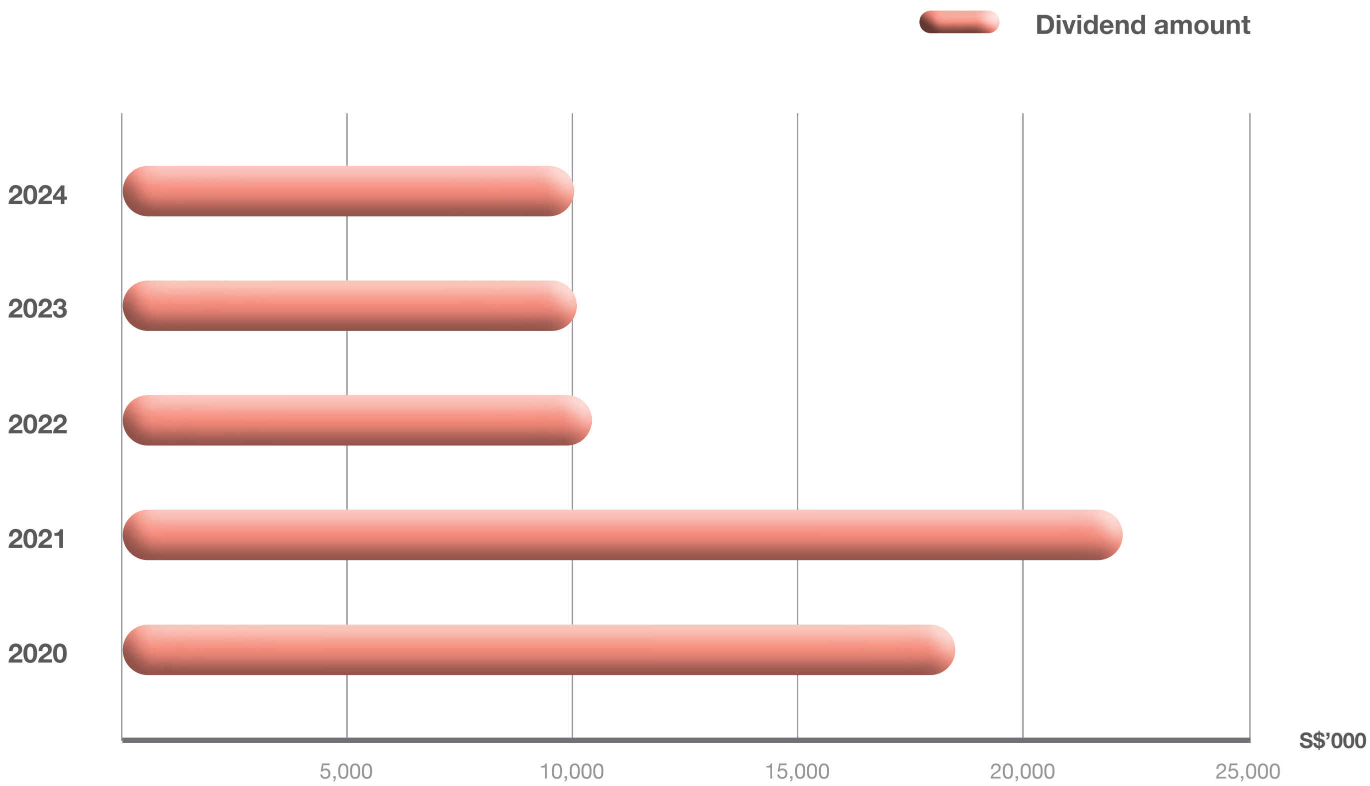
# FINANCIAL HIGHLIGHTS




| (S$'000) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Revenue | 17,896 | 13,982 | 10,773 | 50,034 | 46,828 |
| Profit attributable to owners of the Company | 6,556 | 4,156 | 2,159 | 30,509 | 24,188 |
| Dividend amount | 10,022[1] | 10,066 | 10,406 | 22,107 | 18,403 |
| Equity attributable to owners of the Company | 254,000 | 259,493 | 270,469 | 308,890 | 288,020 |

| (S$) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Earnings per share | 0.069 | 0.044 | 0.023 | 0.319 | 0.251 |
| Net Asset Value per share | 2.678 | 2.735 | 2.851 | 3.245 | 2.997 |
| Cash Dividend per share | 0.1057[1] | 0.10614 | 0.10968 | 0.233 | 0.1918 |

**Notes:**

1 The Proposed 2024 dividend amount based on the outstanding shares (excluding treasury shares) as of 31 December 2024 and converted by 2024 year end closing exchange rate.
The Board's 2024 final dividend recommendation of NT$2.55 per share is subject to shareholders' approval at 2025 Annual General Meeting.
Distribution will base on the outstanding shares (excluding treasury shares) as of record date in 2025 and the exchange rate from NT$ to S$ will be announced within the cash dividend distribution announcement.

2 All figures are converted by using the closing exchange rate of each year except for dividend amount and cash dividend per share from 2020 to 2023.

# CHAIRMAN'S **STATEMENT**

**In 2024, the net profit attributable to shareholders of our company amounted to NT$158.2 million, an increase from NT$96.8 million in 2023, attributable mainly to favorable change in fair value of the investment portfolio in 2024. The Net Asset Value per share by the end of 2024 was NT$64.63 (2023: NT$63.70).**

**Earnings per share reached NT$1.67 (2023: NT$1.02) after the payout of 2023 cash dividends at NT$2.55 per share. The Board has recommended a dividend of NT$2.55 per share for the financial year ending 31 December 2024.**

# CHAIRMAN'S **STATEMENT**

## DEAR SHAREHOLDERS,

I am pleased to present our annual report for the past year, a period marked by strategic investments, organizational evolution, and shifting global dynamics. As a venture capital firm operating across the U.S., Taiwan, China, and Israel, we continue to identify and support high potential ventures that shape the future of technology.

In 2024, the net profit attributable to shareholders of our company amounted to NT$158.2 million, an increase from NT$96.8 million in 2023, attributable mainly to favorable change in fair value of the investment portfolio in 2024. The Net Asset Value per share by the end of 2024 was NT$64.63, compared to NT$63.70 in 2023. Earnings per share reached NT$1.67, compared to NT$1.02 in 2023, after the payout of 2023 cash dividends at NT$2.55 per share. The Board has recommended a dividend of NT$2.55 per share for the financial year ending 31 December 2024.

In 2024 the global Venture Capital landscape experienced a notable decline, which marked the third consecutive year of reduced fund raising, deal count and deal values. A significant portion of the capital was amassed by a select group of firms, with artificial intelligence emerged as a dominate sector to attract substantial investments.

Over the past year, we have sharpened our focus on the AI-driven semiconductor sector, recognizing its critical role in the next generation of computing and automation. Our investments in this space reflect our commitment to staying ahead of industry trends and backing innovative companies with the potential to drive transformative change.

In addition to our investment strategy, we have strengthened our internal capabilities with the addition of a younger and diverse management team. This evolution enhances our ability to assess emerging opportunities with fresh perspectives and global insight, ensuring that we remain agile in an increasingly complex market environment.

Geopolitical factors have played an increasingly role in shaping corporate strategies worldwide. Notably, we have observed a significant shift in manufacturing footprints, with growing companies actively relocating their production facilities to various regions in Southeast Asia. This trend has been accelerated by geopolitical tensions and policy shifts following the transition to a new U.S. administration. As these changes unfold, we remain vigilant in identifying how such shifts create new opportunities and challenges for our portfolio companies.

Looking ahead, we remain committed to our core principles of strategic investment, adaptability, and value creation. The year ahead presents both uncertainties and opportunities, but with our experienced team and clear vision, we are confident in our ability to navigate this evolving landscape and deliver sustainable growth for our shareholders. We would like to thank you for your continuous support for the company.

**TSUI-HUI HUANG**
Chairman
Taipei, Taiwan
19 March 2025

# HONORARY **CHAIRMAN**

## CHENG-WANG HUANG

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**

## TSUI-HUI HUANG

*Chairman, CEO 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: 17 April 2023*

Ms. Tsui-Hui Huang is the Chairman and CEO of the Company and Hotung International Company Ltd. ("HIC"). 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 Taipei Exchange during that period. 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 Company in August 2006 and was elected as Chairman of HIC in April 2009. She was elected as Chairman and CEO of HIHL in July 2010. Ms. Huang served as the Chairman of Taiwan Venture Capital Association from 2014 to 2020 and she has become the Honorary Chairman of the same since August 2020. Ms. Huang was the founding Vice Chairman of Children Charity Association in Taiwan. She was appointed as the Member of the President's Council of Cornell Women, and is currently the director of Taiwan Women on Boards Association. She was elected as independent director of Global Unichip Corporation which is the subsidiary for IC design service of Taiwan Semiconductor Manufacturing Company (TSMC) since May 2022.

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.

## ANDY C.W. CHEN

*Non-Executive Director*
*Date of first appointment as a director: 26 July 1997*
*Date of last re-election as a director: 23 April 2024*

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.

# BOARD OF DIRECTORS

## DR. PHILIP N. PILLAI

*Non-Executive Director*
*Member of Audit Committee*
*Date of first appointment as a director: 17 April 2018*
*Date of last re-election as a director: 17 April 2023*

Dr. Pillai served as non-executive director of the Company from 1997 to 2009. He was re-elected as non-executive director of the Company on 17 April 2018.

He graduated in law from the National University of Singapore and earned a master's degree and Doctor of Juridical Science from Harvard Law School. He started his career in law, teaching law at the National University of Singapore, going into private legal practice at Shook Lin & Bok LLP from 1986 to 2009 and serving as a Judicial Commissioner and then Judge of the Supreme Court of Singapore in 2009 until he retired in 2012.

## CHANG-PANG CHANG

*Non-Executive Director*
*Member of Remuneration Committee*
*Date of first appointment as a director: 23 April 2012*
*Date of last re-election as a director: 17 April 2023*

Mr. Chang-Pang Chang joined the Board in April 2012 and is member of the Remuneration Committee. He is currently the director of Formosa Petrochemical Corporation, Inventec Corporation, Asia Cement Corporation and Formosa Sumco Technology Corporation, and the chairman 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 Chengchi 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

## KUNG-WHA DING

*Non-Executive Director*
*Chairman of Nominating Committee*
*Chairman of Remuneration Committee*
*Independent Director*
*Date of first appointment as a director: 13 April 2017*
*Date of last re-election as a director: 19 April 2022*

Mr. Ding joined the Board in April 2017. He is currently the Chair Professor of Chihlee University of Technology and the independent director of WT Microelectronics Co., Ltd., Energenesis Biomedical Co., Ltd. and Steminent Biotherapeutics Inc. Before that, Mr. Ding has worked in government for more than 30 years, mostly in securities and economics. Mr. Ding was formerly the chairman of the Financial Supervisory Commission, and was also the chairman of each of the Taipei Exchange, the Taiwan Depository & Clearing Corporation, the Securities and Futures Institute and the Securities and Futures Commission of the Ministry of Finance.

Mr. Ding graduated from National Chung Hsing University (Department of Finance and Taxation) and National Chengchi University (Graduate Institute of Public Finance).

## KENICHI SHIMOMOTO

*Non-Executive Director*
*Date of first appointment as a director: 13 August 2020*
*Date of last re-election as a director: 23 April 2024*

Mr. Kenichi Shimomoto has a professional background in investment banking, especially in M&A sector over 20 years. Before joining Daiwa Securities Group ("Daiwa"), he had served Kobe Steel Co., Ltd. as in-house legal counsel and M&A Advisory Department of Nikko Securities Co., Ltd., at where, utilizing his background of law and securities business, he accumulated rich experience in corporate matters and in numerous M&A deals. After joining Daiwa, he has originated and executed large number of Japan domestic and cross-border M&A deals by extending his precedent professional knowledge, and has built his far-reaching network of relationship with customers and business partners during his total 19 years of working experiences in Daiwa.

He was designated as the Senoir Managing Director (board member) of Daiwa Corporate Investment ("DCI", a venture capital/ private equity investment management subsidiary of Daiwa) in March 2020 and has been managing and supervising its international business and several investment teams since then.

Mr. Shimomoto graduated from University of Tokyo, Japan with Bachelor's Degree in Law, and LL.M. of College of Law, University of Illinois. He is the Attorney at Law admitted in New York State and a certified Member of Analyst of the Securities Analysts Association of Japan.

# BOARD OF **DIRECTORS**

## SHIH-PING CHEN

*Non-Executive Director*
*Member of Remuneration Committee*
*Independent Director*
*Date of first appointment as a director: 28 June 2019*
*Date of last re-election as a director: 19 April 2022*

Ms. Shih-Ping Chen who joined the Board as an Independent Director in June 2019 had worked as an independent director for an aggregate of 13 years at the boards of National Investment Trust Co., Ltd. and SinoPac Securities Corp. respectively. Before her retirement from the Credit Swiss First Boston Taipei Branch as the managing director in 2000, she worked as the managing director for Carr Indosuez Securities Taipei Branch for 10 years, and as the vice president of International Investment Trust Co. for 4 years following her 4-year service with the Security Exchange Commission, Ministry of Finance. In the 1990's, Ms. Chen had been rated as the Best Analyst of the year by the Asiamoney Magazine and awarded by the Taiwan Securities Association to be one of the 10 best securities professionals.

Ms. Chen received her Master degree in International Business from the University of South Carolina, U.S.A. and the Bachelor degree in Business Administration from the National Chengchi University, ROC.

## LAN YUAN

*Non-Executive Director*
*Chairman of Audit Committee*
*Member of Nominating Committee*
*Lead Independent Director*
*Date of first appointment as a director: 17 April 2023*
*Date of last re-election as a director: N/A*

Ms. Yuan is a credible veteran in the banking industry and a pioneer in private banking business for the Taiwan market. She has served 4 reputable international banks for over 40 years. Ms. Yuan served as a corporate banker in Continental Bank for 7 years before it was taken over by ABN AMRO Bank. In 1987, she joined Bankers Trust as an investment banker and started the private banking business in the Taiwan market. Between 1991 and 1999, she worked at Barclays Bank, focusing on building and expanding its private banking business in Taiwan. The last 20 years before she retired in 2020, she served as the Group Market Area Head for Greater China at Credit Suisse private banking based in Singapore, supervising over 100 relationship managers and supporting staffs. By that time, her team was one of the largest and most influential private banking players for Greater China market in Singapore.

Ms. Yuan obtained a B.A. degree in Accounting from the Soochow University.

# BOARD OF **DIRECTORS**

## HWAI-HSIN LIANG

*Non-Executive Director*
*Independent Director*
*Date of first appointment as a director: 9 November 2023*
*Date of last re-election as a director: 23 April 2024*

Mr. Liang joined the Board in November 2023.

Currently, he serves as the managing partner of Giant Era International Law Office and as a non-executive director of AGV Products Corp. Previously, Mr. Liang served as an independent director of Taiwan FamilyMart Co., Ltd.

Mr. Liang began his professional journey at the Securities and Futures Commission of the Ministry of Finance. Following this, he assumed the role of Deputy Secretary-General at the Taiwan Financial Services Roundtable. Mr. Liang specializes in managing legal matters related to company law, securities, finance, trusts, and business contracts, demonstrating profound expertise in these domains. He has been honored with the Second-Class Medal of Honor by the Ministry of Finance in recognition of his outstanding contributions to government-owned shares management and business. He has also played pivotal roles in various corporate control battles in listed companies.

Mr. Liang holds a Master's degree in Law from Fu-Jen Catholic University and a Doctor of Law in international law from University of International Business and Economics. He is a licensed Attorney at Law and Patent Agent in R.O.C.

## DAVID CHONG, PBM

*Non-Executive Director*
*Member of Audit Committee*
*Independent Director*
*Date of first appointment as a director: 23 April 2024*
*Date of last re-election as a director: N/A*

Mr. David Chong joined the Board in April 2024. He has been in private legal practice at Shook Lin & Bok LLP since 2006 and now serves as the firm's Head of Corporate Practice and a member of its Executive Committee. He has been in legal practice for more than 20 years, having previously worked in the London, Hong Kong and Singapore offices of Denton Hall Burgin & Warrens, advising in the TMT and energy & natural resources sectors. As an M&A lawyer, he has been involved in the execution of numerous M&A transactions in diverse industry sectors and jurisdictions throughout his career.

Mr. Chong also serves on the boards of the Singapore International Foundation and the Catholic High School, and was awarded the Public Service Medal (Pingat Bakti Masyarakat) by the President of the Republic of Singapore in 2022. He graduated in law from the University of Cambridge in 1997 and is admitted to practice in Singapore and England & Wales.

(left to right):

| | |
|---|---|
| **HSIEH-HO CHEN** | - CHIEF FINANCIAL OFFICER |
| **TSUI-HUI HUANG** | - CHAIRMAN AND CHIEF EXECUTIVE OFFICER |
| **HSIN-CHIEH CHUNG** | - COMPANY SECRETARY |

# KEY MANAGEMENT

## TSUI-HUI HUANG

*Chairman and Chief Executive Officer*

Ms. Tsui-Hui Huang is the Chairman and CEO of the Company and Hotung International Company Ltd. ("HIC"). 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 Taipei Exchange during that period. 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 Company in August 2006 and was elected as Chairman of HIC in April 2009. She was elected as Chairman and CEO of HIHL in July 2010. Ms. Huang served as the Chairman of Taiwan Venture Capital Association from 2014 to 2020 and she has become the Honorary Chairman of the same since August 2020. Ms. Huang was the founding Vice Chairman of Children Charity Association in Taiwan. She was appointed as the Member of the President's Council of Cornell Women, and is currently the director of Taiwan Women on Boards Association. She was elected as independent director of Global Unichip Corporation which is the subsidiary for IC design service of Taiwan Semiconductor Manufacturing Company (TSMC) since May 2022.

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.

## HSIEH-HO CHEN

*Chief Financial Officer*

Mr. Hsieh-Ho Chen is the Chief Financial Officer of the Company and the Head of Administration & Finance Department of HIC. Prior to joining HIC, Mr. Chen was the Vice President of Homeplus Digital Co., Ltd. from 2021 to February 2024, in charge of Channel&Content, HR, Office Administration, Procurement, Legal, Compliance, Customer Care and IT functions. Between 2015 and 2020, Mr. Chen worked as the CFO of Taiwan Star Telecom Co., Ltd. and successfully raised over NT$50 billion equity and loan financing to support the company's growth. Before that, Mr. Chen was the Senior Finance Director of Motech Industries Inc. from 2011 to 2015. Additionally, Mr. Chen has accumulated concrete experience in corporate finance, project finance, and M&A advisory when he worked for Morgan Stanley Asia Ltd., Taipei Fubon Bank, and Global Financial Services Co., Ltd.

Mr. Chen holds an MBA degree in Finance from National Sun Yat-Sen University, Taiwan, and graduated from National Taiwan University with a B.A. in Business Administration.

## HSIN-CHIEH CHUNG

*Company Secretary*

Ms. Hsin-Chieh Chung is the Company Secretary of the Company and the Head of Legal Department of HIC. Ms. Chung is a Taiwan-practicing lawyer since year 2005. Before joining Hotung Group in year 2010, she was the Attorney-at-Law at Formosa Transnational, which is one of the biggest law firms in Taiwan. Ms. Chung's practice encompasses a range of fields including mergers and acquisitions, general corporate and commercial matters and various kinds of litigation matters. Currently, she is leading a team of three responsible for the corporate secretarial and legal functions within Hotung Group.

Ms. Chung obtained a LL.B. degree from National Chengchi University with honors and the Master of Laws and Certificate of Business Administration (LL.M./Kellogg) from Northwestern University School of Law and Kellogg School of Management.

(left to right):

| | |
|---|---|
| **HSIN-CHIEH CHUNG** | - COMPANY SECRETARY |
| **CARRIE CHEN** | - VICE PRESIDENT |
| **HSIEH-HO CHEN** | - CHIEF FINANCIAL OFFICER |
| **TSUI-HUI HUANG** | - CHAIRMAN AND CHIEF EXECUTIVE OFFICER |
| **STEVEN HUANG** | - SENIOR VICE PRESIDENT |
| **ALVIN LIU** | - ASSOCIATE VICE PRESIDENT |
| **PETER FANG** | - INTERNAL AUDITOR |

# INVESTMENT **MANAGERS**

## STEVEN HUANG

*Senior Vice President*

Mr. Steven Huang is the Senior Vice President of HIC, in charge of investment projects in Taiwan. Prior to joining HIC, Mr. Huang was a Vice-President and Head of Investment in Global Strategic Investment Management, which managed a fund size of NT$4.6 billion. Mr. Huang worked in the Ministry of Economic Affairs for more than 6 years and was in charge of technical research and development of various science and technology industries. He was promoted to Acting Senior Specialist of Department of Industrial Technology, Ministry of Economic Affairs in 1997. Mr. Huang was subsequently in charge of venture capital as Senior Manager responsible for investment and evaluation on high-tech industries. He has accumulated extensive experience in investment analysis of technology industries.

Mr. Huang graduated with a Master of Science from the Department of Electronics Engineering, National Chiao Tung University.

## CARRIE CHEN

*Vice President*

Ms. Carrie Chen is the Vice President of HIC. Before joining HIC in 2009, she co-founded Red Blades Windtek Holdings Ltd and served as the Special Assistant to the Chairman. In this role, Ms. Chen played a pivotal part in fundraising activities and held key management responsibilities. Prior to her tenure at Red Blades, Ms. Chen worked as the Notebook Business Line Manager at BenQ Corporation, overseeing product roadmap development, channel management, and branding strategies for the European and ASEAN markets. In addition to her diverse career, Ms. Chen worked as a senior auditor at Ernst & Young CPA Firm and led several IPO projects. With more than 10 years of comprehensive hands-on experience and connections in high-tech sectors, Ms. Chen specializes in deal sourcing, due diligence for potential investments, and post-management for portfolio companies.

Ms. Chen earned an M.S. in Technology Management from the University of Manchester, U.K., and a B.A. in Accounting from National Taiwan University.

## ALVIN LIU

*Associate Vice President*

Mr. Alvin Liu is the Associate Vice President of HIC. Before joining HIC in 2021, Mr. Liu previously served as an industry analyst at the Industrial Technology Research Institute (ITRI), where he was responsible for conducting research projects commissioned by the Ministry of Economic Affairs and private enterprises. Before joining the venture capital industry, Mr. Liu worked at Yuanta Securities, the largest underwriting institution in Taiwan, where he was responsible for IPOs, SPOs, TDRs, and share repurchase programs. Including his previous firms and Hotung, Mr. Liu has 11 years of experience in the venture capital industry. His investment background covers both domestic and overseas companies, with expertise in sourcing investment targets, structuring and planning investment terms, conducting pre-investment evaluations, and managing post-investment activities.

Mr. Liu graduated from the Master's Program in Management Science from the National Chiao Tung University, and a B.A. in Economics from National Tsing Hua University.

# INVESTMENT ADVISOR

## DR. RICK TSAI

*Investment Advisor*
*Investment Committee Member*

Dr. Lih Shyng Tsai (Rick) currently serves as Vice Chairman & CEO of MediaTek Incorporated, a global fabless semiconductor company that enables 2 billion connected devices a year; an industry leader in innovative systems-on-chip (SoC) platforms for mobile, home, connectivity, IoT and automotive products.

Since joining the company in 2017, Dr. Tsai has driven record growth and cemented MediaTek as a global leader across a wide variety of market segments. With an unwavering commitment to technology leadership, Dr. Tsai has driven MediaTek to continuously invest in cutting-edge technologies and products, and has significantly expanded its global footprint with a successful strategic product portfolio. MediaTek is continuing to expand rapidly in Asia, and the company has made big strides in markets like North America, Europe, and Japan.

Prior to his current role at MediaTek, from 2014 to 2016, Dr. Tsai served as Chairman and Chief Executive Officer of Chunghwa Telecom Co., Ltd., Taiwan's largest integrated telecom service provider. Under his leadership, Taiwan's 4G service growth was recorded as the fastest growth among worldwide markets. During his tenure, Dr. Tsai was elected by Finance Asia as one of Taiwan's three best CEOs in 2016.

In 1989, Dr. Tsai joined TSMC as an engineering manager and rose through the ranks to hold key executive positions such as Fab Director, EVP of Operations, EVP of Worldwide Sales and Marketing, President and COO. During this period, Dr. Tsai also assumed the position of President at Vanguard International Semiconductor, a TSMC affiliate, between 1998 to 2000. He assumed the position of President and CEO of TSMC in 2005. In 2009, Dr. Tsai become President of New Businesses until 2011, whereafter Dr. Tsai concurrently served as Chairman and Chief Executive Officer of TSMC Solar Ltd, and TSMC Solid State Lighting Ltd until 2014.

Prior to joining TSMC, Dr. Tsai was an IC engineering manager in Hewlett Packard between 1981 to 1989.

Dr. Tsai has served as a member of the board of directors in various companies, such as Lam Research Corporation, NXP Semiconductors N.V., USI Corporation, and Chunghwa Telecom. He previously served on the board of directors of TSMC from 2003 to 2013; TSMC Solar and TSMC SSL from 2011 to 2014, where he also served as their Chairman; and Taiwan Semiconductor Industry Association (TSIA) from 2009 to 2013, where he served as Chairman.

Dr. Tsai received his B.S. in Physics from National Taiwan University and Ph.D. degree in Material Science and Engineering from Cornell University, U.S.A.

# OPERATING AND **FINANCIAL REVIEW**

While conflicts in Russia-Ukraine and Israel-Gaza continue to disrupt the trade and supply chain, the recent change in U.S. leadership has introduced more uncertainties into the global economy. Facing such geopolitical events, the Group, with its robust financial and capital position, continues to identify and seize investment opportunities in promising sectors with growth potential, such as semiconductors, AI applications, automotive components, smart healthcare, and industries benefiting from the trade war and tariff policies.

During 2024, the Group made new investments totaling NT$392.5 million, marking a 155.9% increase from the new investments made in 2023. As of 31 December 2024, the Group's total investment portfolio amounted to NT$4,699.0 million (2023: NT$4,579.8 million), comprising quoted investments of NT$564.6 million, which represented 12.0% of the total investment portfolio. The remaining investment portfolio were unquoted investments of NT$4,134.4 million that were valued by various valuation techniques including transaction price, market multiples of comparable trading companies and net asset value for fund investments.

The net profit attributable to shareholders was NT$158.2 million (2023: NT$96.8 million). Total revenue was NT$431.8 million, which increased by 32.6% from 2023 revenue, attributable mainly to favorable change in fair value of the investment portfolio in 2024. Total operating expenses increased by 17.8% from NT$127.3 million to NT$149.9 million in 2024. Net asset value per share was NT$64.63 (2023: NT$63.70) as at the end of 2024, which was with the contribution of earnings per share at NT$1.67 (2023: NT$1.02) and after the payout of 2023 cash dividends at NT$2.55 per share.

The Group's other comprehensive income of NT$170.6 million arose mainly from exchange differences on translation of foreign operations due to the appreciation of US dollar against NT dollar.

# INVESTMENT MANAGER REPORT

## RiVos INC.

RiVos Inc. ("RiVos") represents one of the most promising developments in the RISC-V processor ecosystem. The Silicon Valley-based startup has demonstrated strong potential in its mission to develop high-performance RISC-V processors combined with innovative GPGPU technology targeted at accelerating workloads for the data center and enterprise computing markets.

Founded in 2021, RiVos has assembled an exceptional team of semiconductor industry veterans, including key engineers from Apple, Intel, and AMD. Their expertise in processor architecture, SoC design, and software optimization positions the company well to capitalize on the growing enterprise adoption of RISC-V architecture. The company's approach to developing custom extensions and optimizations on top of the open RISC-V instruction set architecture demonstrates strong technical vision. Alongside the development of a Data Parallel Accelerator, designed for AI training, inference and fine tuning brings together performance, power efficiency, and security features. This combined approach is specifically tailored for data center workloads and addresses a clear market opportunity as organizations seek alternatives to traditional x86 and Arm processors.

RiVos has made significant progress in their processor development roadmap. Their strategic focus on the high-margin enterprise segment, rather than the more crowded mobile or embedded markets, presents a compelling investment thesis in the semiconductor space.

As the RISC-V ecosystem continues to mature, RiVos is well-positioned to emerge as a key player in the enterprise processor market.

## H2U CORPORATION

H2U Corporation ("H2U"), spun off from Foxconn Group in 2013, is Taiwan's leading digital health brand with a mission to revolutionize the healthcare industry through data-driven solutions and AI technology.

Focusing on lifestyle medicine and preventive healthcare, H2U leverages its proprietary data platform, which manages over 70% of the nation's health check data, to deliver precise health analytics and guidance to both consumers and businesses, fostering a holistic health ecosystem that covers major aspects, including nutrition, education, sports, and occupational health. In the B2B sector, H2U is the sole provider of digital workplace health services, catering to over 250 companies, including international brands such as Microsoft, Amazon, Gucci, and Chanel. In the B2C sector, H2U's brand memberships represent 30% of Taiwan's young adult population. This pioneering approach not only marks the first of its kind in Taiwan but also sets an example for managing and scaling personalized healthcare systematically in Asia.

# INVESTMENT MANAGER REPORT

## TetraMem HOLDINGS, INCORPORATION

TetraMem Holdings, Incorporation ("TetraMem"), founded in 2018 and headquartered in Fremont, California, is a memristor technology company specializing in analog in-memory computing (IMC) solutions. The company focuses on high-performance, low-power solutions for edge artificial intelligence (AI) applications and overcomes the challenges of energy consumption and computing throughput faced by traditional AI accelerators. The company leverages physical laws to enable massively parallel analog computing at the memory and accelerate multiply-accumulate (MAC) operations in AI neural networks, with scalable technology optimized for low-power edge and endpoint inference. TetraMem's business includes SOC chip sales, IP licensing, and design services, optimized for low-power edge and endpoint inference, built on their patented devices and co-design solutions.

## VICORETEK (NANJING) CO., LTD.

VICORETEK (Nanjing) Co., Ltd. ("VICORETEK"), established in 2019, is a technology-driven enterprise specializing in machine vision solutions. Headquartered in Nanjing, with a research and development center in Shanghai, VICORETEK boasts a team in which over 90% are dedicated to R&D. The company is committed to delivering comprehensive spatial computing chip platforms and software and hardware solutions for mobile robots, AR/VR, and various applications in consumer, industrial, and professional services within the spatial computing realm.

VICORETEK's goal is to contribute superior solutions to the evolving human-machine landscape, infusing machines with warmth and making the world more intelligent.

# INVESTMENT MANAGER REPORT

## SKYMIZER TAIWAN INC.

Skymizer Taiwan Inc. ("Skymizer") represents a pioneering force in AI acceleration, distinguished by its expertise in compiler technology and software optimization. Founded in 2013 in Taiwan, the company has evolved from its roots as a compiler solutions provider to become a significant player in the Language Processing Unit (LPU) market following ChatGPT's emergence.

The company's unique strength lies in its software-first approach to AI acceleration. Their 2024 release of LPU semiconductor IP demonstrates exceptional innovation in edge computing, built upon a decade of compiler optimization expertise. Their proprietary compression technology achieves significant memory requirement reduction while maintaining model accuracy. As a soft IP core solution, the technology is process-independent and works with mature technology and standard DRAM, eliminating the need for expensive HBM or CoWoS packaging.

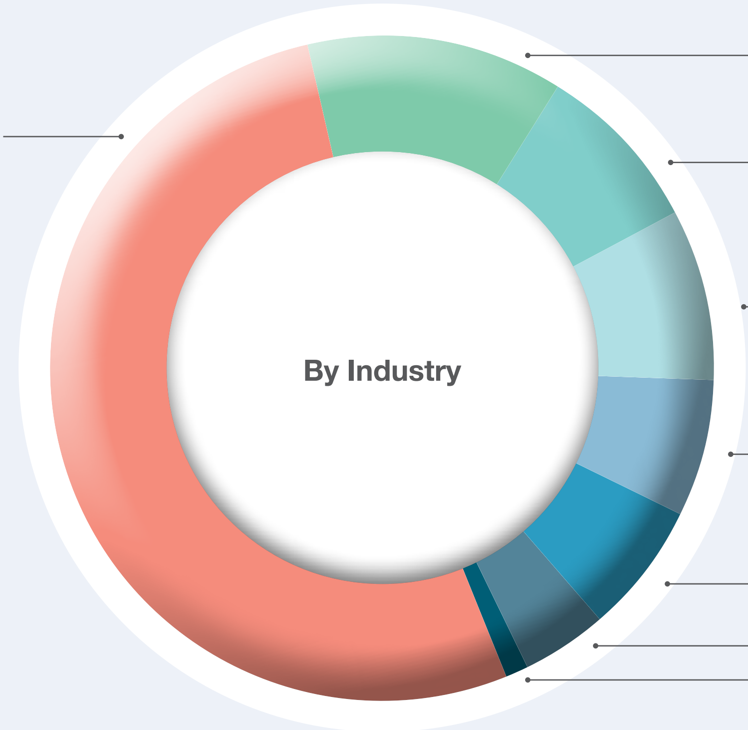
As large language models revolutionize human-machine interaction, the demand for local AI processing has become increasingly critical. Skymizer's LPU technology addresses this need by enabling efficient Large Language Model (LLM) deployment at the edge across diverse applications, from PC peripherals and retail solutions to automotive applications and edge servers. By providing a dedicated LPU solution optimized for edge deployment, Skymizer is meeting the growing demand for privacy-preserving, low-latency AI processing across these key market segments.

## CHUNG-YU TECHNOLOGIES INC.

CHUNG-YU TECHNOLOGIES INC. ("CHUNG-YU"), founded in May 1997, established its first manufacturing facility in Vietnam in 2001 to specialize in aluminum die-casting and re-casting products, including motorcycle aluminum rings, agricultural engines, and brake systems. Holding certifications such as IATF16949, ISO 9001, ISO 50001, ISO 14001, ISO 14064-1, and B Corporation, the company serves clients, including several global top 500 manufacturers, through a robust sales network spanning Southeast Asia, Japan, the United States, Canada, and Europe. CHUNG-YU is committed to sustainable development and its net-zero target by providing products that align with energy efficiency, lightweight design, and reusability. By implementing the strategy of "Taiwan for R&D, Vietnam for manufacturing, and global sales," the company aims to build resilient manufacturing capacity in Vietnam and Thailand while maximizing shareholder equity value.

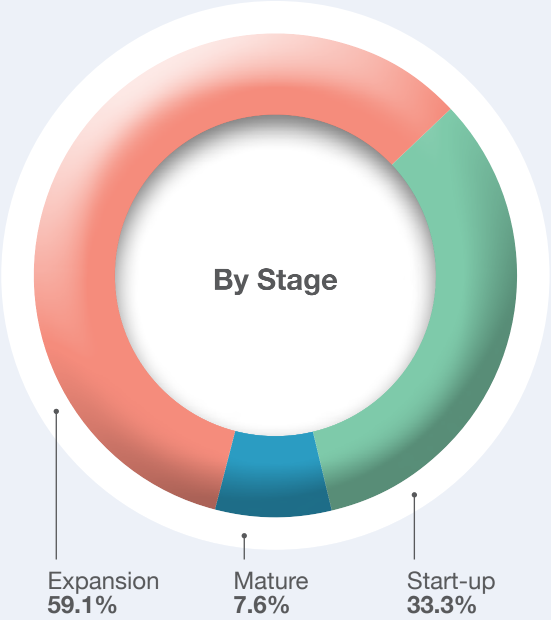
# INVESTMENT MANAGER REPORT

## 2024 NEW INVESTMENT STATISTICS

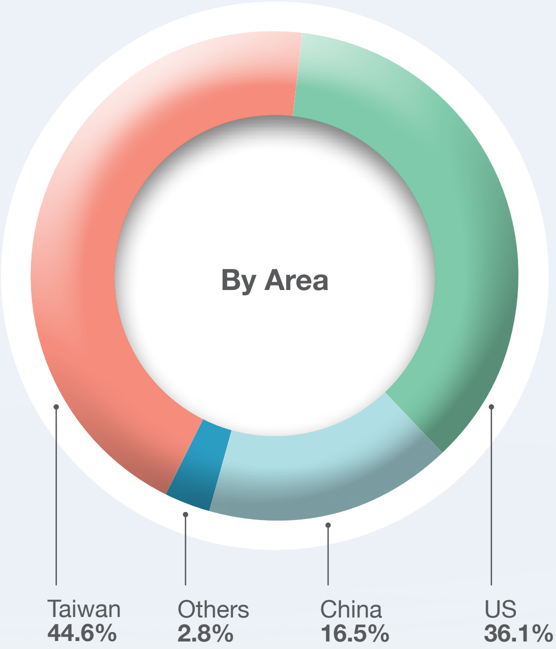



| By Industry | INV. AMT. (NT$ million) | % |
|---|---|---|
| Semiconductor | 207.1 | 52.7 |
| Pharmaceutical Industry | 48.6 | 12.4 |
| Healthcare | 33.0 | 8.4 |
| Internet | 32.3 | 8.2 |
| Investment | 26.6 | 6.8 |
| Medical Device | 24.9 | 6.4 |
| Software | 15.7 | 4.0 |
| Automotive Components | 4.3 | 1.1 |
| **Total** | **392.5** | **100.0** |

# INVESTMENT
# MANAGER REPORT




| By Stage | INV. AMT. (NT$ million) | % |
|---|---|---|
| Start-up | 130.5 | 33.3 |
| Expansion | 232.0 | 59.1 |
| Mature | 30.0 | 7.6 |
| **Total** | **392.5** | **100.0** |

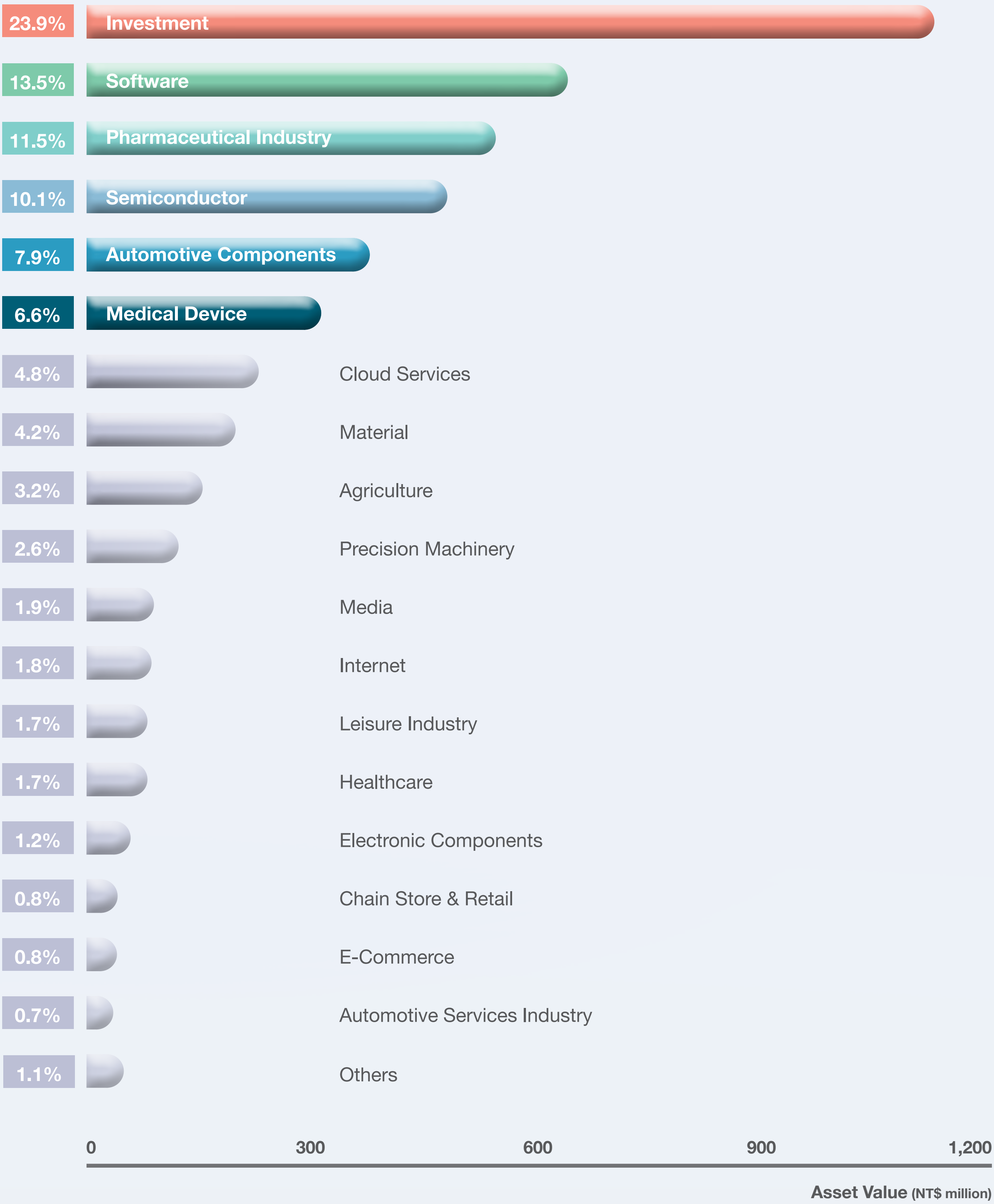



| By Area | INV. AMT. (NT$ million) | % |
|---|---|---|
| Taiwan | 174.9 | 44.6 |
| China | 64.8 | 16.5 |
| US | 141.8 | 36.1 |
| Others | 11.0 | 2.8 |
| **Total** | **392.5** | **100.0** |

# INVESTMENT
# MANAGER REPORT

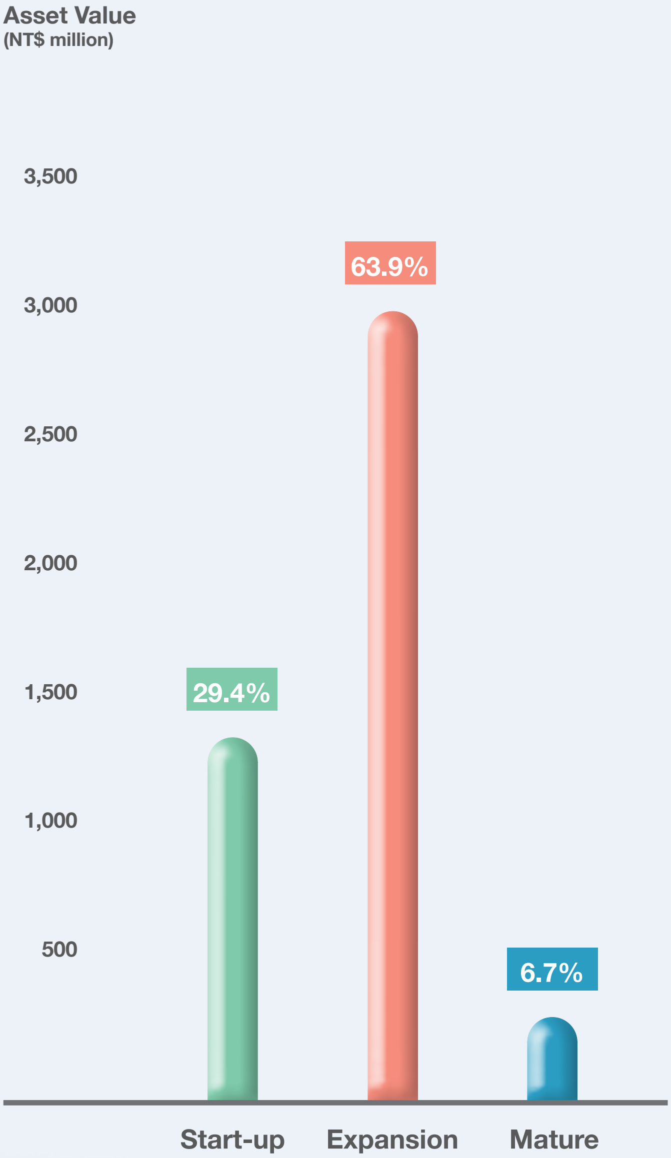
## INVESTMENTS OUTSTANDING AS OF 31 DECEMBER 2024

**By Industry**

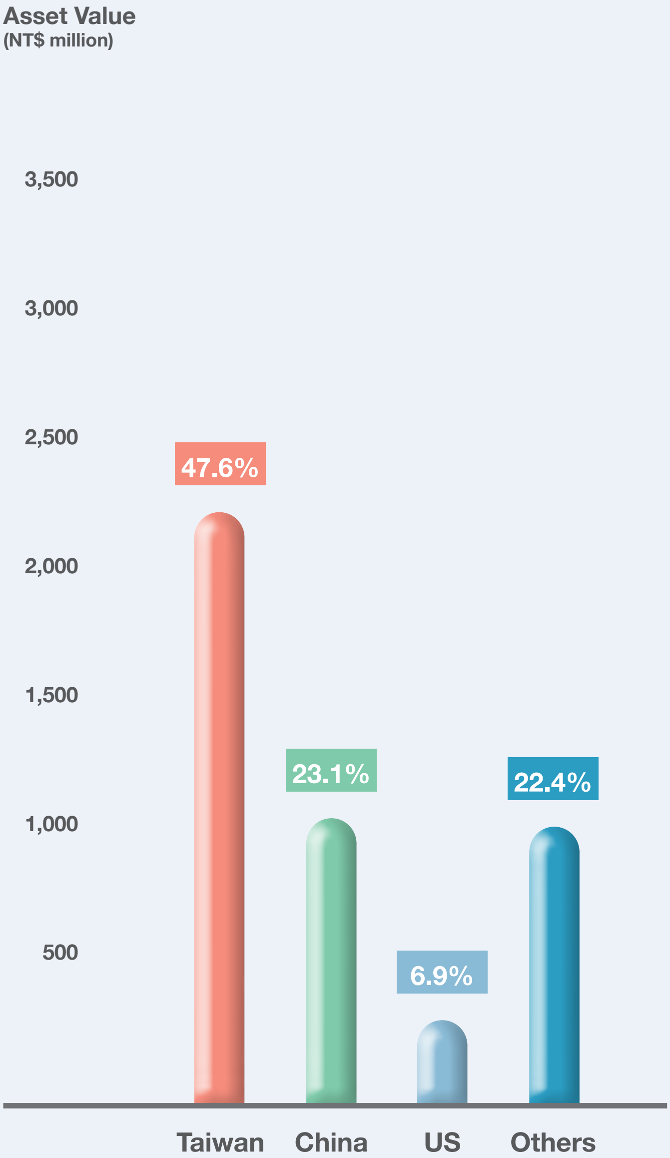


# INVESTMENT MANAGER REPORT

## By Stage




## By Area



# 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 6 August 2018 ("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 of the Group during the financial year ended 31 December 2024, with specific references made to the Code.

## 1. BOARD MATTERS

**The Board's Conduct of Affairs**
**Principle 1:**

***Principal Duties of the Board***

The primary role of the Board is to set the overall strategy and direction to the Group, and to enhance the long-term shareholder value. The Board has put in place ethics policies for the Group, which set out a code of conduct and ethical standards for the Group's employees to adhere to. In addition, the Board sets appropriate tone-from-the-top and desired organizational culture and ensures proper accountability within the Group.

The Board's principal functions are as follows:

(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) establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Group's performance;

(e) identifying the key stakeholder groups and ensure transparency and accountability to key stakeholder groups;

(f) setting the Group's values and standards (including ethical standards);

(g) overseeing the processes for evaluating the adequacy of internal control, risk management, financial reporting and compliance;

(h) considering sustainability issues; and

(i) appointing directors ("Directors") to Nominating, Audit and Remuneration Committees and senior management and receiving reports of these Committees.

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Group.

***Delegation of Duties by the Board***

In order to assist in the execution of the Board's responsibilities, the Board has established three (3) Board Committees, namely, Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), which would submit their recommendations or decisions to the Board. These 3 Board Committees function within clearly defined terms of reference setting out their compositions, authorities and duties, which are reviewed on a regular basis. The matrix of the Directors' appointments on the Board and their participation in various Board Committees is as follows:

| | Board Committee Membership | | |
|---|---|---|---|
| Board Members | AC | NC | RC |
| Tsui-Hui Huang | | M | |
| Andy C.W. Chen | | | |
| Philip N. Pillai | M | | |
| Chang-Pang Chang | | | M |
| Kung-Wha Ding | | C | C |
| Kenichi Shimomoto | | | |
| Shih-Ping Chen | | | M |
| Lan Yuan | C | M | |
| Hwai-Hsin Liang | | | |
| David Chong, PBM[3] | M | | |
| *Ng-Chee Tan[4]* | | | |
| *Pi-Tien Chen[5]* | | | |

**Note(s) :**
1. "C" : Chairman of the relevant Board Committee
2. "M" : Member of the relevant Board Committee
3. Mr. David Chong, PBM was appointed as Director with effect from 23 April 2024.
4. Dr. Ng-Chee Tan was a Director since 31 August 2009. He resigned as a Director with effect from 23 April 2024.
5. Ms. Pi-Tien Chen was a Director since 17 February 2022. She resigned as a Director with effect from 23 April 2024.

Details for further information on the activities of the AC, NC and RC are set out below:

1. Nominating Committee (Principle 4)

2. Remuneration Committee (Principle 6)

3. Audit Committee (Principle 10)

***Attendance at Board and Board Committee Meetings***

The Board meets at least four (4) times a year. In accordance with the Bye-laws of the Company, Directors may participate in any meeting of the Board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The Board and Board Committees may also make decisions by way of written resolutions. Details of Directors' attendance at the Board and Board Committee meetings held in year 2024 are summarized as follows:

| | Board | | Audit Committee | | Nominating Committee | | Remuneration Committee | |
|---|---|---|---|---|---|---|---|---|
| **Directors** | **No. Held** | **No. Attended** | **No. Held** | **No. Attended** | **No. Held** | **No. Attended** | **No. Held** | **No. Attended** |
| **Tsui-Hui Huang** | 5 | 5 | - | - | 2 | 2 | - | - |
| **Andy C.W. Chen** | 5 | 5 | 4 | 1 | - | - | - | - |
| **Philip N. Pillai** | 5 | 4 | 4 | 4 | - | - | - | - |
| **Chang-Pang Chang** | 5 | 5 | - | - | 2 | 1 | 3 | 3 |
| **Kung-Wha Ding** | 5 | 5 | - | - | 2 | 2 | 3 | 3 |
| **Kenichi Shimomoto** | 5 | 5 | - | - | - | - | - | - |
| **Shih-Ping Chen** | 5 | 5 | - | - | - | - | 3 | 3 |
| **Lan Yuan** | 5 | 5 | 4 | 4 | 2 | 1 | - | - |
| **Hwai-Hsin Liang** | 5 | 3 | - | - | - | - | - | - |
| **David Chong, PBM**[2] | 5 | 4 | 4 | 3 | - | - | - | - |
| ***Ng-Chee Tan***[3] | *5* | *1* | *4* | *1* | *2* | *1* | *3* | *1* |
| ***Pi-Tien Chen***[4] | *5* | *1* | - | - | - | - | - | - |

**Note(s):**
1. Number of meetings held does not include written resolutions.
2. Mr. David Chong, PBM was appointed as Director with effect from 23 April 2024 and joined the Audit Committee as a new member with effect from 23 April 2024.
3. Dr. Ng-Chee Tan was a Director since 31 July 2009. He resigned as Director with effect from 23 April 2024.
4. Ms. Pi-Tien Chen was a Director since 17 February 2022. She resigned as Director with effect from 23 April 2024.

***Matters Requiring Board Approval***

Matters requiring the Board's decision and approval include the following:

(a) the half-year and full-year financial reports;

(b) matters in relation to the share buy-backs undertaken by the Company;

(c) matters in relation to the declaration of dividends;

(d) matters in relation to the holding of the Company's annual general meeting ("AGM"), including its related agenda;

(e) matters in relation to major corporate actions (e.g. share consolidation);

(f) the annual budgets and targets of the Group;

(g) the appointment and re-appointment of Directors, including their remuneration packages;

(h) the appointments of the members of Board Committees;

(i) matters in relation to the Directors' and Officers' Insurance;

(j) matters in relation to the appointment of Company Secretary and Chief Financial Officer ("CFO");

(k) the appointment and re-appointment of external auditors and their remuneration;

(l) matters in relation to the Group's approach to sustainability, including the monitoring of material sustainability-related risks;

(m) matters in relation to the Board's opinion on the adequacy and effectiveness of the Group's risk management and internal controls; and

(n) the receipt of the announcements released to the Singapore Exchange Securities Trading Limited ("SGX-ST").

Pursuant to the Bye-laws of the Company, where a Director is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company, he/she shall declare the nature of his/her interest at the meeting of the Board setting out the details of his/her interest and conflict, and recuse himself/herself from voting on this matter.

***Board Orientation and Training***

A formal letter is sent to newly appointed Directors upon their appointments comprising director's roles and responsibilities. In addition, new Directors who have no prior experience as a director of an issuer listed on the SGX-ST ("First-time Director") must undergo mandatory training in roles and responsibilities of a director of a listed issuer within one (1) year from the date of his/her appointment to the Board at the Company's expense as prescribed by the SGX-ST to ensure that they are familiar with the duties and roles as being a Director ("Mandatory Training"). To fulfil the Mandatory Training requirements, First-time Directors must attend one of the training programmes conducted by a training provider as prescribed by the SGX-ST.

Mr. David Chong, PBM was appointed as Director with effect from 23 April 2024 and has undergone the relevant Mandatory Training in the year 2024.

All Directors have successfully completed the ESG Training conducted by the Singapore Institute of Directors ("SID") pursuant to Rule 720(7) of the Listing Manual of the SGX-ST ("Listing Manual") as at 31 December 2024.

In addition, the Company organized relevant internal training including (i) the financial statement interpretation sessions conducted by the external auditors of the Company, and (ii) an overview and detailed insights into the investment processes and valuation methods of the investee companies provided by the CFO of the Company and the Senior Vice President of the Investment Department for Mr. David Chong, PBM, being the newly-appointed Director and Audit Committee member in 2024.

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 from outside professionals. 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 at the Company's expense, such as programs run by the SID.

***Access to Complete, Adequate and Timely Information***

To ensure that the Board would fulfil its responsibilities, the Directors are provided with complete, adequate and timely information quarterly 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. Draft agendas for Board and Board Committee meetings are circulated to the respective Chairmen of the Board and Board Committees, in advance, for their review. Any additional material or information requested by the Directors is promptly furnished. Information provided to the Board includes Board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and quarterly financial results. In respect of budgets, any material variances between the projections and actual results are disclosed and explained. The half-year and full-year financial statements of the Company are reviewed and discussed at the AC and thereafter recommended to the Board for its approval.

In addition, the management of the Group ("Management") is required to attend meetings of the Board to provide insight in relation to the matters being discussed and to respond to any questions that the Directors may have. Directors also have unrestricted access to the Company Secretary and Management at all times. Directors are entitled to request from Management and are provided with such additional information as needed to make informed and timely decisions.

***Independent Professional Advice***

In furtherance of the discharge of their duties, the Directors may take independent professional advice, where necessary, at the Company's expense.

***Company Secretary***

Each Director has separate and independent access to the Company Secretary. The Company Secretary is responsible for ensuring that Board procedures are observed and the applicable rules and regulations are complied with. The Company Secretary assists the Chairman in ensuring good information flow within the Board and Board Committees and between the Management. The Company Secretary attends all Board and Board Committees meetings. The appointment and the removal of the Company Secretary are subject to the Board's approval.

**Board Composition and Guidance**
**Principle 2:**

***Board Size and Board Composition***

The Board comprises ten (10) Directors, of whom nine (9) are non-executive. Of these non-executive Directors, five (5) are considered by the NC to be independent of the Company's management and substantial shareholders, in compliance with Rule 210(5)(c) of the Listing Manual which requires independent Directors to make up at least one third of the Board. Notwithstanding Provision 2.2 of the Code that the independent Directors should make up a majority of the Board where the Chairman is not independent, the Board is of the view that as half of the Board comprises independent Directors, who demonstrate a strong level of independence and judgement in discharging their duties and responsibilities as independent Directors, and provide impartial and autonomous views, there is presently an appropriate level of independence and diversity of thought and background in the Board composition to enable the Board to make decisions in the best interests of the Company. In addition, nine (9) out of the total ten (10) Directors are non-executive, which serves to reinforce management accountability, and which is adequate to ensure that there is an appropriate balance or power within the Board even though independent Directors do not make up a majority.

The NC constantly examines the size of the Board and Board Committees, with a view to determine their impact of the number upon their effectiveness, decided what are considered appropriate size for the Board and Board Committees, which facilitates effective decision-making and ensures a strong and independent element on the Board. The NC, in concurrence of the Board, is of the view that, given the scope and nature of the Group's operations, the current Board and Board Committees are of appropriate size; provided however that, the NC may make recommendations to the Board on the appointment of additional independent Directors as and when it deems necessary and appropriate so as to fully comply with the Code's requirement that the independent Directors should make up a majority of the Board where the Chairman of the Board is not independent.

All Board Committees are chaired by independent Directors.

The Lead Independent Director or other independent Director may, as and when he/she deems necessary and appropriate, call and lead meetings without the presence of Management, and the chairman of such meetings would provide feedback to the Board and/or Chairman as appropriate.

***Board Independence***

The NC determines, on an annual basis, whether or not a Director is independent by taking into account the definition of "independent director" under Provision 2.1 of the Code and Rule 210(5) of the Listing Manual. The Directors complete an annual declaration of independence, whereby they are required to assess their independence considering the aforesaid requirements, which is then put to the NC for review. The Directors who are determined to be independent by the NC do not have such relationships or circumstances as set forth in Provision 2.1 of the Code as well as Rules 210(5)(d)(i) and 210(5)(d)(ii) of the Listing Manual which may affect the independence of a Director.

Please refer to the "Board of Directors" section in the Annual Report for the independence of each Director.

***Board Diversity***

The Company recognizes the benefits of diversity on the Board, and is of the belief that a Board composed of appropriately qualified members with a broad range of relevant experience, in addition to diversity in thought and background, is essential to the effective governance of its business and ensuring that the Company has the opportunity to benefit from all available talent and perspectives so as to make decisions in the best interests of the Company in achieving long-term sustainable growth of the Group.

The Company has adopted a Board Diversity Policy which provides that, in reviewing the Board's composition, the NC and the Board will consider a number of aspects of diversity, including but not limited to skills, knowledge, experience, cultural and educational background, ethnicity, geographical background, core competencies, gender, and other relevant factors. Consideration and selection of candidates for appointment to the Board will be based on merit which shall include a review of the candidate's integrity, experience, educational background, industry or related experience and more general experience, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Company remains committed to non-discrimination in all aspects of its business, including the appointment of Board members.

As at 31 December 2024, the Board comprised ten (10) members who are business leaders or professionals with varied backgrounds, expertise and experience including in management, business, investment, legal, governance, finance, accounting and risk management.

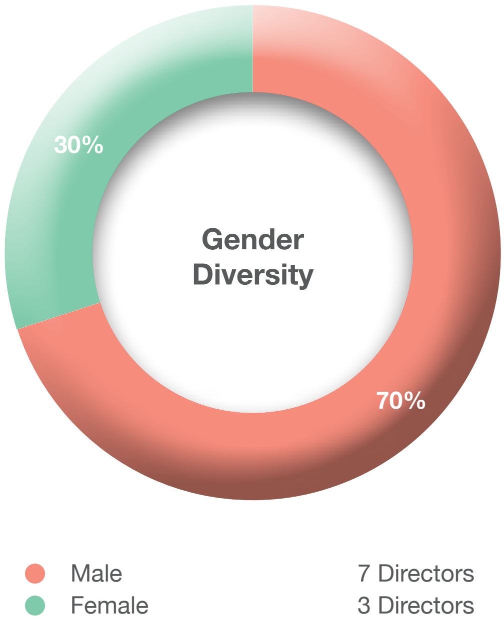
The Board is of the view that gender is an important aspect of diversity and will ensure that (a) there is female representation on the Board, and (b) there will be, as far as practicable, at least 30% of female representation on the Board. The Board has targeted to maintain at least one (1) suitably qualified female director on the Board since its listing on SGX-ST in 1997. As at 31 December 2024, the Board's target to have, as far as practicable, at least 30% of female representation, i.e., three (3) out of ten (10) Board members, on the Board has been met. One (1) of the female Directors, Ms. Tsui-Hui Huang, is the Chairman and CEO of the Company and a member of the NC.

Considering that the current Board and Board Committees comprise Directors who have the appropriate mix of diversity in expertise, experience, background, and gender, and collectively possess necessary core competencies for effective functioning and informed decision-making, the Board, in concurrence of the NC, is of the view that the Company has achieved the targets of diversity on the Board as set out in its Board Diversity Policy.

The NC will review the Board Diversity Policy from time to time as appropriate, to assess its relevance and effectiveness.

Please refer to the "Board of Directors" section in the Annual Report for further details of the qualifications and experience of each Director.

# CORPORATE GOVERNANCE **REPORT**

**Chairman and CEO**
**Principle 3:**

***Chairman and CEO***

The Chairman and CEO of the Company is the same person, Ms. Tsui-Hui Huang. The principal roles and responsibilities of Ms. Tsui-Hui Huang include but are not limited to the following:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) ensuring that the Directors receive complete, adequate and timely information;

(d) encouraging constructive relationships within the Board and between the Board and the Management; and

(e) promoting high standards of corporate governance.

As the Chairman and CEO of the Company for over ten (10) years, Ms. Tsui-Hui Huang has demonstrated her ability to lead the Board in an effective and strategic manner. She has, as Chairman and CEO, played a pivotal and instrumental role in developing the Group's businesses, allowing the Company to effectively plan and execute business strategies and deal with the Group's strategic challenges, while ensuring and upholding high standards of corporate governance. Given her continued, demonstrated track record as Chairman and CEO, the Board considers it to be in the Group's best interest for Ms. Tsui-Hui Huang to continue leading as Chairman and CEO. In view that Ms. Tsui-Hui Huang is both the Chairman and CEO, the Company has in place the following arrangements and appointments to ensure that no one individual has unfettered powers of decision-making:

(a) as disclosed under Principle 2 on Page 29, all Board Committees are chaired by independent Directors, and the majority of the members of each Board Committee are independent Directors. The Lead Independent Director or other independent Director may, as and when he/she deems necessary and appropriate, call and lead meetings without the presence of Management, and the chairman of such meetings would provide feedback to the Board and/or Chairman as appropriate;

(b) all independent Directors are actively engaged in deliberating on Board agenda and debates and promoting a high level of corporate governance relating to all material corporate actions (including in relation to operational, financial or compliance matters);

(c) as disclosed under Principle 1 on Page 26, the Board conducts regular scheduled meetings on a quarterly basis to keep the Board updated on the Group's financial position and business activities, and the overall business environment in which the Group engages. Where the Board or the Board Committees' approval is required for important and critical matters concerning the Group, the inputs and approval of all Directors or Board Committee members (as the case may be) would be sought, whether through meetings held by electronic means or the passing of Board resolutions. The Management performs its duties diligently based on the decisions of and approvals obtained from the Board and Board Committees; and

(d) the Chairman and CEO's performance and appointment to the Board and remuneration package is reviewed periodically by the NC and the RC respectively.

Notwithstanding the requirement in Provision 3.1 of the Code that the Chairman and CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making, the Board believes that, in view of the above, there are sufficient strong and independent elements on the Board, and adequate safeguards in place such that no one individual has unfettered powers of decision-making and is of the view that the existing practices adopted by the Company are consistent with the intent of Principle 3 of the Code.

***Lead Independent Director***

Having regard to the nature of business and the structure of the Board and the Management, Ms. Lan Yuan was appointed as the Lead Independent Director on 23 April 2024. The shareholders are welcome to contact the Lead Independent Director if they have concerns and if contact through the normal channels of the Management are inappropriate or inadequate. The Lead Independent Director also assists the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

**Board Membership**
**Principle 4:**

***Nominating Committee***

The NC was established in 2002. The majority of the NC members, including the Chairman, are independent Directors, with the Lead Independent Director being a member of the NC as follows:

Mr. Kung-Wha Ding (Chairman)
Ms. Tsui-Hui Huang
Ms. Lan Yuan

The NC meets at least twice a year. The NC's roles and responsibilities are set out in its written terms of reference. The principal functions of the NC are as follows:

(a) reviewing and making recommendations to the Board on the appointment, re-appointment and/or replacement of Directors as well as members of Board Committees, the CEO and key management personnel;

(b) determining annually, and as and when circumstances require, the independence of Directors;

(c) developing the process and criteria for evaluation of the performance of the Board, Board Committees and Directors;

(d) determining whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, taking into consideration, *inter alia*, the directorships in other companies held by such Director;

(e) reviewing and making recommendations to the Board on the training and professional development programmes for the Board and the Directors;

(f) reviewing the Board composition and efficiency of the Board and Board Committee meetings; and

(g) ensuring Board diversity by taking into account the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

The NC constantly bears in mind whether the diversity of the Board members is sufficient, and would, at the appropriate juncture, propose new members to the Board to enhance the competence of the Group. 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. 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 management, finance, technology and international experience.

***Board Renewal***

As Rule 720(5) of the Listing Manual requires all directors to submit themselves for re-nomination and re-appointment at least once every three (3) years, each Director shall forthwith retire at least once every three (3) years. New Directors appointed by the Board shall hold office only until the next AGM and shall then be eligible for re-election. The NC makes recommendations to the Board as to whether the Board should support the re-appointment/ re-election of a Director who is retiring. In making recommendations, the NC undertakes a process of review of the retiring Directors' performance during the period in which the Director has been a member of the Board. Information on the candidates for election or re-election as required in Appendix 7.4.1 of the Listing Manual will be provided to shareholders in the notice of AGM, in accordance with Rule 720(6) of the Listing Manual.

***Process for Selection and Nomination of New Directors***

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 after sourcing the candidates through an extensive network of contacts. 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.

***Continuous Review of Directors' Independence***

The NC reviews annually, and as and when circumstances require, the independence of each Director. Please refer to Principle 2 in this report on the basis of the NC's determination as to whether a Director should or should not be deemed independent.

*Multiple Directorships*

Each Director is required to complete the questionnaire on a half-yearly basis for the Director's board representations in other companies. After the NC assesses each Director's contribution and devotion of time and attention to the affairs of the Company, the NC will determine whether each Director is able to and has been accurately carrying out his/her duties as a Director. The Board is of the opinion that to fix a maximum number of listed company board representations which a Director may hold is not necessary considering the existing Directors' time commitment and contributions to the Company.

*Alternate Directors*

The Board does not appoint alternate directors.

*Key Information on Directors*

Key information regarding Directors, such as academic and professional qualifications, Board Committees served on (as a member or chairman), date of first appointment and last appointment as a Director, directorships or chairmanships in other listed companies, and other principal commitments, are disclosed in the "Board of Directors" section in the Annual Report. The names of Directors proposed for appointment or re-appointment, as well as the information required in Appendix 7.4.1 of the Listing Manual, are set out in the notice of AGM in accordance with Rule 720(6) of the Listing Manual, and any other information or details of such Directors will also be made available to shareholders during the AGM (where requested), to enable shareholders to make informed decisions.

**Board Performance**
**Principle 5:**

*Board Evaluation Process*

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 and each Board Committee separately. The process includes having Directors complete a questionnaire for their views on various aspects of Board and Board Committees' performance at the end of each financial year. The Company Secretary compiles the Directors' responses to the questionnaire into a consolidated report, which is reviewed and discussed during the NC meeting. The result of the Board assessment conducted by the NC is reported to the Board thereafter by the Chairman of the NC.

The performance criteria for the Board evaluation, which are not changed from year to year, are in respect of Board composition, Board meeting process, Board performance in relation to discharging its principal functions, including the review of the Company's budget and strategic plans and the monitoring of the progress throughout the year.

The NC did not engage any external facilitator to conduct the assessment of the performance of the Board and Board Committees during the financial year under review. If and where relevant, the NC will consider such engagement.

For the financial year ended 31 December 2024, the NC, having reviewed the overall performance of the Board and Board Committees in terms of their roles and responsibilities, is of the view that the Board and Board Committees continued to perform effectively to support the Company.

***Individual Director Evaluation***

In addition, the NC reviews and evaluates the performance of each Director in groups annually, especially those who are subject to retirement at the forthcoming AGM and further decides whether to recommend such Directors to be re-elected at the AGM. Performance criteria include factors such as Director's participation and contribution at the Board and Board Committee meetings, industry and business knowledge, functional expertise, and dedication.

## 2. REMUNERATION MATTERS

**Procedures for Developing Remuneration Policies**
**Principle 6:**

***Remuneration Committee***

The RC was established in 2002. Current members are entirely non-executive Directors, with the majority including the Chairman of RC being independent Directors as follows:

Mr. Kung-Wha Ding (Chairman)
Mr. Chang-Pang Chang
Ms. Shih-Ping Chen

The RC's roles and responsibilities are set out in its written terms of reference. The objective of the RC is to establish a formal, transparent and objective procedure for fixing the remuneration packages of each Director and key management personnel. To achieve this objective, the principal functions of RC are as follows:

(a) reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel considering their contributions to the Board and taking into account comparability of standards within the industry and with other companies;

(b) ensuring that remuneration policies are able to attract, retain and motivate Directors without being excessive, and thereby maximize the shareholders' value; and

(c) reviewing the specific remuneration packages for each Director, including but not limited to Director's fees, basic salaries, allowances, bonuses, share options and benefits in kind, and submitting for endorsement by the entire Board.

In discharging their duties, the RC members may seek advice from external consultants, where necessary. Market practices and standards are taken into account to ensure that the remuneration packages remain competitive. The Company has not engaged any remuneration consultants to advise on the remuneration of the Board or key management personnel for the financial year ended 31 December 2024.

**Level and Mix of Remuneration**
**Principle 7:**

The RC in determining the level and structure of remuneration of the Directors and key management personnel will ensure that they are appropriate and proportionate to the sustained performance and value creation of the Group. 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. No Director decides his/her own fees. Non-executive Directors are not over-compensated to the extent that their independence may be compromised. The Company does not currently have any contractual provisions to allow the reclaiming of incentive components of remuneration from executive Director 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. The remuneration framework for Directors and key management personnel is aligned with the interest of shareholders and relevant stakeholders and appropriate to attract, retain and motivate them for the long-term success of the Group.

**Disclosure on Remuneration**
**Principle 8:**

***Disclosure on Directors' Remuneration***

Under the terms of the service agreement and as approved by both the RC and the Board, the executive Director, Ms. Tsui-Hui Huang is entitled in aggregate, to an incentive bonus equivalent to 1.5% of the Group's audited profit after tax and non-controlling interests.

In compliance with Rule 1207(10D) of the Listing Manual, the breakdown for the remuneration paid to each individual Director of the Company for the financial year ended 31 December 2024[5] is set out in the table below:

**(S$)**

| Name of Directors | Salaries/Fees | Bonuses | Total[1] |
|---|---|---|---|
| **Tsui-Hui Huang** | **573,620<br>64%** | **319,548<br>36%** | **893,168** |
| **Andy C.W. Chen** | **31,143<br>100%** | | **31,143** |
| **Philip N. Pillai** | **42,271<br>100%** | | **42,271** |
| **Chang-Pang Chang** | **36,516<br>100%** | | **36,516** |
| **Kung-Wha Ding** | **44,332<br>100%** | | **44,332** |
| **Kenichi Shimomoto** | **26,109<br>100%** | | **26,109** |
| **Shih-Ping Chen** | **31,496<br>100%** | | **31,496** |
| **Lan Yuan** | **49,719<br>100%** | | **49,719** |
| **Hwai-Hsin Liang** | **26,109<br>100%** | | **26,109** |
| **David Chong, PBM[2]** | **29,220<br>100%** | | **29,220** |
| ***Ng-Chee Tan[3]*** | ***18,201<br>100%*** | | ***18,201*** |
| ***Pi-Tien Chen[4]*** | ***8,132<br>100%*** | | ***8,132*** |

**Note(s):**

1. In compliance with Rule 1207(10D) of the Listing Manual, this includes base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives, if any.
2. Mr. David Chong, PBM was appointed as a Director with effect from 23 April 2024.
3. Dr. Ng-Chee Tan was a Director since 31 July 2009. He resigned as a Director with effect from 23 April 2024.
4. Ms. Pi-Tien Chen was a Director since 17 February 2022. She resigned as a Director with effect from 23 April 2024.
5. For the purposes of the calculation of the breakdown for the remuneration paid to each individual Director of the Company for the financial year ended 31 December 2024, the foreign exchange rate between NT$ and S$ is based on a foreign exchange rate of S$1: NT$24.13 as at 31 December 2024.

Currently, there are no termination, retirement and post-employment benefits that are granted to Directors, CEO and key management personnel.

***Disclosure on Key Management Personnel's Remuneration***

The remuneration of the Company's top five (5) key management personnel (who are not Directors or the CEO of the Company) in bands of S$250,000 and with breakdown of salaries/fees and bonuses in percentage of each such key management personnel's remuneration for the financial year ended 31 December 2024 is set out below. Notwithstanding the requirement in Provision 8.1(b) of the Code to also disclose in aggregate the total remuneration paid to the Company's top five (5) key management personnel, the Board believes that the disclosure below, which discloses the remuneration in bands and includes the percentage breakdown of remuneration based on salaries/fees and bonuses, provides sufficient overview of the remuneration of the Company's key management personnel considering the confidentiality of remuneration matters, is made in the best interests of the Company given the highly competitive conditions in the venture capital business, and is substantively consistent with the intent of Principle 8 of the Code.

| Remuneration Bands and Name of Key Management Personnel | Salaries/Fees % | Bonuses % | Total[1] % |
|---|---|---|---|
| **S$250,000 to S$499,999** | | | |
| Hsieh-Ho Chen[2] | 100 | 0 | 100 |
| **Below S$250,000** | | | |
| Hsin-Chieh Chung | 64 | 36 | 100 |
| *Felicia Hsu[3]* | *43* | *57* | *100* |

**Note(s):**
1. This includes all forms of remuneration to the key management personnel, including base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share based incentives and awards, and other long-term incentives, if any.
2. Mr. Hsieh-Ho Chen joined the Company on 12 March 2024 and was appointed as CFO and Chief Sustainability Officer of the Company with effect from 25 April 2024.
3. Ms. Felicia Hsu was the CFO since 14 May 2014. She retired as CFO with effect from 25 April 2024.

Save for the persons mentioned above, there are no other persons whom the Company considers to be key management personnel of the Company (who are not Directors or the CEO of the Company).

***Disclosure on Remuneration of Employees who are Directors' Immediate Family Member***

No employees of the Company or any of its principal subsidiaries are substantial shareholders of the Company or immediate family member of Directors, the CEO or substantial shareholders of the Company; thus, no disclosure is required for employee whose remuneration exceeds S$100,000 per annum for the financial year ended 31 December 2024.

***Employee Share Schemes***

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

## 3. ACCOUNTABILITY AND AUDIT

**Risk Management and Internal Controls**
**Principle 9:**

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 the interests of the Group and shareholders, and to manage risks in the areas of financial, operational, legal/compliance, etc. The Board is responsible for the overall governance of the Group's risk management and internal controls. It determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives and value creation.

The Group has established an integrated risk identification and management framework. Within the Group, risks are proactively identified and addressed. The responsibility of these risks lies with the respective business and corporate heads with stewardship residing with the Board. The Board approves the framework and has oversight of compliance by Management. The AC reviews the compliance 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 faced by the Group and the internal controls in place to manage those risks. The internal auditor was also involved in evaluating the effectiveness of current risk management and internal control systems. Material deficiencies (if any) and the consequent remedial actions were reviewed by the AC, and reported to the Board. Management's corresponding remediation plans and control improvement were monitored by the internal auditor.

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 the risk management and internal control systems of the Group are adequate and effective, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls are adequate and effective in addressing the financial, operational, compliance, information technology and sustainability risks faced by 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 risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

***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 currencies 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.

***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 evaluation of such self-assessment exercise. Any material deficiency together with remedial actions are reviewed by the AC and reported to the Board.

The internal control system comprises all the procedures, which combine to give the Board reasonable assurance of:

(a) the maintenance of proper records and reliability of reporting used within or published by the Group;

(b) the safeguarding and proper documentation of the Group's assets; and

(c) the compliance with applicable legislation, regulation and best practices.

The Board has received assurance from the CEO and the CFO as well as the internal auditor that:

(a) 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) the Company's risk management and internal control systems were adequate and effective.

Considering the business scale of the Company, the Board's responsibility of overseeing the Group's internal control is delegated to the AC. The AC's oversight and supervision of the Group's internal controls are complemented by the work of the internal auditor and external auditors, whose roles are to evaluate and disclose deficiencies or weaknesses in various aspects of control and risk of the Group. Internal auditor adopts a risk-based approach to set the audit plan that aligns to key objectives and risks across the Group's business. The annual plan is reviewed and approved by the AC. The Company's external auditors, KPMG LLP ("KPMG") 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 findings from both audit work, if any, with corresponding management's remediation plans are reported to the CEO and the AC.

**Audit Committee**
**Principle 10:**

***Audit Committee***

The AC was established in 1997. Current members are entirely non-executive Directors, with the majority including the Chairman of AC being independent Directors as follows:

Ms. Lan Yuan (Chairman)
Dr. Philip N. Pillai
Mr. David Chong, PBM

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. To enable the AC to discharge its functions properly, the AC has the authority to invite CEO, CFO and the Management to attend its meetings to respond to any questions that the AC may have.

The AC's roles and responsibilities are set out in its written terms of reference. The AC performs the following functions:

(a) reviewing with the external auditors their audit plan and evaluates and advising on accounting controls, audit reports and any matters which the external auditors may raise to the AC;

(b) reviewing with the internal auditor, the scope and the results of internal audit procedures and his evaluation of the overall internal control system;

(c) commissioning an independent audit on internal control for its assurance, or where it is not satisfied with the system of internal control;

(d) reviewing the adequacy and effectiveness of the Company's internal controls and risk management systems;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function;

(f) reviewing the adequacy, scope, results and effectiveness of the external audit, and the independence and objectivity of the external auditor annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain objectivity;

(g) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company;

(h) reviewing the half-year and full-year financial statements, including announcements to shareholders and the SGX-ST prior to submission to the Board;

(i) reviewing the quarterly financial results, in particular, the financial result for the 1st or 3rd financial quarter for the relevant financial year, as the case may be;

(j) reviewing any significant findings of internal investigations;

(k) reviewing the Company's whistle-blowing policy, and ensuring that arrangements are in place for concerns about possible improprieties to be raised and independently investigated, and for appropriate follow-up actions to be taken;

(l) making recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal;

(m) reviewing and approving the appointment, replacement, reassignment or dismissal of the internal auditor;

(n) reviewing the assistance given by the Company's officers to the external and internal auditors; and

(o) reviewing interested person transactions to ensure that internal control procedures are adhered to.

The AC currently meets the external and internal auditors quarterly or half-yearly, as the case may be, 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. In addition, the AC has its own discretion to meet with the external and internal auditors, whenever the AC deems necessary, without the presence of Management.

***External Auditors***

The AC has undertaken a review of non-audit services provided by the external auditors annually and they would not, in the opinion of the AC, affect the independence of the external auditors. Details of the aggregate amount of fees paid to the external auditors for the financial year ended 31 December 2024, and a breakdown of the fees paid in total for audit and non-audit services, respectively, can be found on Page 134. The Company has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors.

***Whistle-blowing Policy***

The Group has in place a whistle-blowing policy, which sets out the procedures for a whistleblower to make a report to the Company on any misconduct or wrongdoing relating to the Company and its officers and the process for independent investigation of any reported incidents and appropriate follow-up actions. The Company is committed to ensuring protection of whistleblowers who have acted in good faith against reprisal, or detrimental or unfair treatment. The Company will ensure that the identity of whistleblowers will be kept confidential as far as practicable.

The AC is responsible for the overall oversight and monitoring of the whistle-blowing policy and its implementation. The Company has designated an independent function to investigate whistleblowing reports made in good faith, where the Chairman of the AC will evaluate all whistleblowing reports received, and may direct further investigation to the internal auditor and such other independent external advisors as may be appropriate. The outcome of each investigation shall be reported to the AC. The AC reviews the whistle-blowing policy from time to time.

The whistle-blowing policy was announced and made available to all the Directors and employees of the Group since its adoption. The Company has also publicly disclosed the purpose, scope, reporting procedures and communication channels of the whistle-blowing policy on its website.

***Summary of AC's Activities During the Financial Year Ended 31 December 2024***

The AC reviewed the half-year and full-year financial reports before submitting to the Board for its approval, reviewed the 1st and 3rd quarter financial results, the annual auditing plan of the external and internal auditors and assessed the results of audits performed by them, recommended the re-appointment of external auditors to be approved by the shareholders at the AGM, reviewed the adequacy, effectiveness, independence, scope and results of the internal audit and external audit functions, and confirmed the adequacy and effectiveness of the Group's risk management and internal controls in addressing financial, operational, compliance, information technology and sustainability risks of the Group.

The AC has taken measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements.

None of the AC members were previous partners or directors of the Group's external auditors, KPMG, within the last 24 months nor hold any financial interest in KPMG.

***Internal Audit***

The internal auditor reports directly to 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, effectively and independently perform its functions. The AC is satisfied that the Group's internal audit, an in-house function which comprises one (1) member, is independent, effective and adequately resourced since the internal auditor:

(a) is independent, given that the AC reviews and approves the appointment, replacement, reassignment or dismissal of the internal auditor, who reports to the AC, and has full access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Group;

(b) is effective, given that audit plans and projects adopt a risk-based audit approach to ensure that each business objective is achieved, audit follow-ups are systematically tracked for improvements, and the internal auditor, who reports directly to the AC for audit quality review, has consistently undertaken regular training and is qualified as a Certified Information Systems Auditor (CISA) and Certified Information Security Manager (CISM), with over 20 years of auditing experience in various fields of risk management, corporate governance, and IT security; and

(c) is adequately resourced, given the fact that (i) the principal activity of the Group is investment holding and its investment management operations are performed by its subsidiary, Hotung International Co., Ltd., which has its principal place of business in Taipei, Taiwan, (ii) the Group has around 30 employees, with both its headquarters and employees located in Taipei, Taiwan, and (iii) the Group fully supports continuous auditing, enabling self-developed software programs to significantly enhance audit efforts, saving time and resources, taking into account the relevant qualifications and experience of the internal auditor as set out in item (b) above.

In view of the above, the Company is in compliance with Rule 719(3) of the Listing Manual.

## 4. SHAREHOLDER RIGHTS AND ENGAGEMENT

**Shareholder Rights and Conduct of General Meetings**
**Principle 11:**
**Engagement with Shareholders**
**Principle 12:**
**Engagement with Stakeholders**
**Principle 13:**

***Shareholder Rights***

To facilitate shareholders' ownership rights, the Company releases all material information, to its best knowledge, through the SGXNet to keep all shareholders sufficiently informed.

For the 2024 AGM, all shareholders were sent a notice of the AGM, proxy form and a request form which set out the procedures for the shareholders to request for printed copies of the Annual Report and the Appendix to the notice of the AGM ("Appendix") and details on how the aforesaid documents may be accessed online. As part of our efforts to protect the environment, the Company has gone paperless with the Annual Report and the Appendix. The Annual Report and all relevant documents for the 2024 AGM were released through SGXNet and were also made available on the Company's website. The simplified version of the notice of the 2024 AGM was additionally advertised in the Singapore newspapers.

***Conduct of Shareholder Meetings***

The Company supports the principle of encouraging shareholder participation and voting at the AGM. At the AGM, shareholders are encouraged to communicate their views and discuss with the Board and Management on matters affecting the Company. Shareholders are also informed of the rules, including the voting procedures that govern general meetings of shareholders, during the AGM. The Bye-laws of the Company allow shareholders to appoint proxies to attend and vote at all general meetings on their behalf.

In respect of the 2024 AGM, shareholders were given the opportunity to submit their questions to the Board and/or Management prior to the 2024 AGM, and no questions in relation to the agenda of the 2024 AGM were received from the shareholders before the submission deadline as set out in the notice of the 2024 AGM. The 2024 AGM was conducted in a wholly physical format, and the Chairman of the Board, Ms. Tsui-Hui Huang, the Directors, Mr. Andy C.W. Chen, Dr. Ng-Chee Tan, Dr. Philip N. Pillai, Mr. Chang-Pang Chang, Mr. Kung-Wha Ding, Mr. Kenichi Shimomoto, and Ms. Lan Yuan, Company Secretary, external auditors and the Company's Singapore legal counsel were in attendance at the 2024 AGM.

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at the AGM. All the resolutions are put to vote by poll. The Company has been conducting electronic poll voting for all the resolutions passed at the AGM for greater transparency in the voting process. An independent external consultant is also appointed as scrutineer for the electronic poll voting process. Prior to the general meeting, the scrutineer will review the proxies and the electronic poll voting system, and attends at the proxy verification process, to ensure that the proxy and poll voting information is compiled correctly. Votes cast for, or against, each resolution will be tallied and displayed live-on-screen to shareholders or their appointed proxies immediately after each poll conducted at the AGM. A timely announcement showing total number of shares represented by votes for and against each resolution and the respective percentage are released through SGXNet after the AGM on the same date.

Minutes of the AGM which include substantial and relevant comments or queries from shareholders in relation to the agenda of the AGM and responses from the Board and Management are released through SGXNet and also available on the Company's website within one (1) month after the AGM.

The forthcoming 2025 AGM will be held, in a wholly physical format in accordance with the prevailing rules and regulations of the SGX-ST. There will be no option for shareholders to participate virtually. Please refer to the notice of the 2025 AGM and announcement dated 11 April 2025 for further information.

***Communication with Shareholders***

The Company endeavors to keep all its shareholders informed of the performance and changes in the Group by making timely and adequate announcement through SGXNet. The Company had adopted quarterly reporting of its financial results from 2003 to 2019. Following the amendments to Rules 705(2) and 705(3)(b) of the Listing Manual with effect from 7 February 2020, the Company has adopted half-yearly reporting of its financial results commencing from financial year 2020. Half-year and full-year financial 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.

The Company has an Investor Relations section on its corporate website (www.hihl.com.sg) featuring Investor FAQs and providing contact details for shareholders and other stakeholders to contact the Company with feedback or questions. The Company also has procedures in place to ensure that shareholders' queries are followed up upon and responded to in a timely manner. Shareholders and stakeholders may also access the financial results, annual reports, notices of AGM and other related documents of the Company released via SGXNet on the Company's corporate website.

The Company reviews the dividend policy annually depending on the Group's cash and operational needs. Annual dividend proposed for the financial year ended 31 December 2024 is shown on Page 131, which is subject to the approval of the shareholders at the 2025 AGM.

***Managing Stakeholder Relationships***

The Board adopts a balanced approach towards the needs and interests of key stakeholders, taking into account the best interests of the Company. The Group engages its stakeholders through various channels on a regular basis in order to gain better understanding of their concerns and expectations, and these interactions facilitate continuous improvements in all areas of the Group's operations. The Company has prepared its sustainability report in compliance with Rules 711A and 711B of the Listing Manual. For more information on the Company's stakeholder engagement, please refer to the Company's sustainability report disclosed on Pages 52-53.

The Group has put in place several investment management policies which set out the process and mechanism to engage its key stakeholders, investee companies, including meeting with them regularly. In order to safeguard the reputation and interest of the Group, the ethics policies of the Group set out the policies and procedures dealing with various issues such as conflicts of interests, the maintenance of records and reports, equal employment opportunities and sexual harassment. The Company also maintains a current corporate website, www.hihl.com.sg, to communicate and engage with stakeholders.

## ADDITIONAL INFORMATION

***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 Rule 1207(19) of the Listing Manual which provides guidance on the principles and best practices with regard to dealings by the Company and its officers in the Company's securities. In line with the said Listing Rule, 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 one (1) month before the release of half-year and full-year results (and, if any quarterly financial statements for the 1st and 3rd financial quarter are released, within two (2) weeks before the release of such statements). Directors and executives are required to report to the Company Secretary whenever they deal in the Company's shares.

### *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.

The Group's interested person transactions for the financial year ended 31 December 2024 are disclosed in the table below:

| Name of interested person | Nature of relationship | 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)[1] | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) |
|---|---|---|---|
| Tai Lung Capital Inc. | Controlling shareholder of the Company | NT$4,020,660[2] | – |

**Note(s):**

1. The disclosure under "Other related parties transactions" stated in Note 22 on Page 138 represents the total rental (excluding VAT) paid by the Company's subsidiaries, Hotung International Co., Ltd. ("HIC"), Hotung Venture Capital Corp. ("HVCC") and Daitung Development and Investment Corp. ("DDIC") to the Company's controlling shareholder, Tai Lung Capital Inc. ("Tai Lung"), for the financial year under review; while the disclosure herein pertains only to the rental paid by HIC to Tai Lung. The rental payments made by HVCC and DDIC amounting to NT$2,104,836 and NT$1,600,824 respectively, are excluded from this disclosure as the amounts are individually less than S$100,000 and are therefore not subject to the disclosure requirement under Rule 907 of the Listing Manual.
2. Rental income received by Tai Lung from HIC. The value of NT$4,020,660 refers to the total contract sum for the financial year under review.

# SUSTAINABILITY **REPORT**

## BOARD STATEMENT

Hotung Investment Holdings Limited ("HIHL") remains committed to building a sustainable business by integrating environmental, social, and governance ("ESG") objectives into our operations. In 2024, we have refined our ESG strategy with a stronger focus on setting and tracking specific ESG targets across all areas. Under the guidance of the Board, which actively oversees HIHL and its subsidiaries (collectively, "the Group") sustainability strategy, the Management is responsible for implementing, monitoring, and reporting on ESG factors. To enhance execution, we have assembled a dedicated ESG Working Group comprising members from different operational and business units. This group supports daily ESG activities, plan implementation, and performance tracking.

HIHL follows the Global Reporting Initiative Standards (the "GRI Standards") as the core framework for our sustainability reporting, ensuring a comprehensive assessment of our impact on the economy, people, and the environment, including human rights. Additionally, we have adopted industry-specific standards from the Sustainability Accounting Standards Board (SASB) when identifying and prioritizing material ESG factors. This combined approach allows us to maintain a robust and relevant ESG reporting framework.

We recognize the urgent need for global action to address climate change. As a venture capital firm, we understand that many early-stage investee companies may lack the resources to comprehensively report on their ESG practices. However, HIHL is actively developing mechanisms and standards to better evaluate how we can efficiently allocate investment resources towards companies with strong ESG performance. By conducting thorough assessments of our investee companies, we aim to align our investment strategies with ESG principles and integrate these insights into our business strategy. This approach refines our business direction while avoiding investments with potential negative impacts.

In 2024, we have further strengthened our strategies to enhance climate resilience by integrating robust risk management practices and initiatives aimed at long-term resilience. The Group continues to prioritize corporate governance, strategic planning, risk management, and policies as key pillars of sustainability. We remain committed to transparency and accountability by aligning our reporting with international frameworks and ensuring regulatory compliance. The 2024 report reflects our ongoing focus on providing a clear and structured overview of our ESG performance, reinforcing our dedication to progress in sustainable development.

## ABOUT THE REPORT

### Scope

The reporting scope covers the performance of the Group from 1 January 2024 to 31 December 2024 ("FY2024"). Where relevant, data from previous financial years is included for comparison. As the Group's headquarters and employees are based in Taipei, Taiwan, the report's geographic focus encompasses ESG aspects of our operations in Taipei. The additional information is considered in assessing the Company's overall impact on sustainability and climate-related risks.

# SUSTAINABILITY
# REPORT

**Reporting Framework**

This Sustainability Report has been prepared in accordance with the GRI Standards and in compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard Listing Rules 711A and 711B on Sustainability Reporting, as well as Practice Note 7.6 Sustainability Reporting Guide. The GRI Standards facilitate comprehensive ESG reporting. In addition to the GRI Standards, we have also referred to the industry-specific standards provided by the SASB to ensure a comprehensive and relevant reporting approach. This Sustainability Report is issued alongside the Group's Annual Report, with further details about the Company's sustainability practices integrated throughout.

The Sustainability Report also adheres to a comprehensive Sustainability Reporting Framework designed to capture the Group's ESG efforts. This framework includes the following six key components:

1. **Material ESG Factors:** Identifying and assessing key ESG factors relevant to the Group's business and stakeholders, with an explanation of the rationale and selection process.

2. **Climate-Related Disclosures under the TCFD Framework:** Reporting on climate-related risks and opportunities, aligned with the TCFD recommendations. The four overarching elements of TCFD—Governance, Strategy, Risk Management, and Metrics and Targets—are disclosed throughout various sections of the report. The TCFD Content Index is available on page 79.

3. **Policies, Practices, and Performance:** Providing descriptive and quantitative information regarding the policies, practices, and performance related to identified ESG factors.

4. **Targets:** Establishing short-term, medium-term, and long-term goals for each material ESG factor.

5. **Sustainability Reporting Framework:** Offering an overview of the selected framework and the rationale behind its adoption, as well as its application across the Group's operations.

6. **Board Statement:** Presenting the Board's statement, which outlines the role of the Board, Management, and the newly established ESG Working Group in sustainability governance. This statement highlights how sustainability issues are integrated into the Group's business strategy, and how the identified ESG factors are consistently managed and monitored.

In addition to the GRI Standards, this report supplements information on the Group's strategies and activities concerning sustainability practices related to ESG factors, many of which are covered in other sections of the Annual Report. For a full list of references and disclosures used in this report, please refer to the GRI Content Index on page 77-78.

**Internal Review**

All data presented in this Sustainability Report have undergone internal review by the Management and the internal audit function and have been approved by the Board.

The Company will publish the Sustainability Report annually to enhance transparency. We will track progress by closely monitoring the performance of key ESG issues that remain relevant and meaningful to our stakeholders. For any inquiries or suggestions regarding this report, please contact us at hihl@equity.com.tw.

## CORPORATE GOVERNANCE STRUCTURE AND ESG OVERSIGHT

Transparency and accountability are the cornerstones of our sustainability approach. We conduct our operations and businesses in a sustainable and ethical way. Our governance structure consists of four key levels: the Board, the Audit Committee, the Management (including the Chief Sustainability Officer, CSO), and the ESG Working Group. The hierarchy is illustrated in the diagram below.


The Board is responsible for guiding and overseeing material ESG factors, including climate-related metrics and targets. It receives regular updates from the Management to monitor progress on these factors. The Audit Committee provides oversight of risk management processes, including those related to ESG risks and climate change, working closely with the Management. Meanwhile, the Management, which includes the CSO, is responsible for strategic planning, risk management, financial tracking, and overall governance. The CSO also leads the ESG Working Group to ensure alignment with the Company's sustainability goals.

The ESG Working Group implements initiatives, manages stakeholder communications, and reports progress to align with sustainability goals. Under the leadership of the CSO, the ESG Working Group ensures the accuracy and comprehensiveness of the Sustainability Report while staying updated on evolving regulations.

## STAKEHOLDER ENGAGEMENT

The Board strives to balance the needs and interests of key stakeholders while prioritizing the Company's best interests. The Group regularly engages with its stakeholders to better understand their concerns and expectations, which in turn supports continuous improvements across all areas of the Group's operations. In line with the AA1000 Stakeholder Engagement Standard (AA1000 SES) and its five core principles—dependency, responsibility, tension, influence, and diverse perspectives—we have identified four main categories of stakeholders that are most directly relevant to the Company's business development: employees, shareholders, investee companies, and regulators. These stakeholder groups are integral to our operations, and we ensure open and regular communication with them through well-established channels.

Additionally, the Group has established several investment management policies that outline the processes and mechanisms for engaging with these key stakeholders and investee companies. Looking ahead, we plan to progressively include other stakeholder categories and actively develop new engagement channels to address a broader spectrum of interests and impacts. Our continuous stakeholder engagement efforts are critical to maintaining the trust and cooperation needed to drive long-term business sustainability and growth.

| Key Stakeholders | Purpose and Significance | Concerns and Interests | Modes of Engagement | Frequency of Engagement |
|---|---|---|---|---|
| Employees | Fostering a sense of belonging to improve retention. | • Organizational financial performance.<br>• Health and safety of the employees.<br>• Training and education. | Management and department meetings: Reporting and updating on key business information and progress. | Weekly. |
| | | | Training seminars and internal/ external education programs: Enhancing employees' professional skills. | On an ad-hoc basis, with a minimum of 2-3 times per year. |
| | | | Sustainability awareness communication and satisfaction surveys: Addressing ESG-related topics. | Annually. |
| | | | Performance review and evaluation. | Annually. |

| Key Stakeholders | Purpose and Significance | Concerns and Interests | Modes of Engagement | Frequency of Engagement |
| --- | --- | --- | --- | --- |
| Shareholders | Increasing corporate value. | • Organizational financial performance, including dividend policy.<br>• Risk management. | Addressing shareholder questions during the Annual General Meetings (AGM). | Annually. |
| | | | Announcements on the SGXNet platform. | On an ad-hoc basis. |
| | | | Providing relevant information on the company's website for shareholders. | On an ad-hoc basis. |
| | | | Offering a "Contact Us" option for electronic inquiries via email on the company website. | At any time. |
| Investee Companies | Directly impacting the company's profitability. | • Business ethics.<br>• Corporate governance. | Conducting surveys to monitor the ESG efforts and implementation outcomes of the investee companies. | Annually. |
| | | | Accessing financial and annual reports to review the performance of investee companies. | Quarterly and annually. |
| | | | Attending board or annual general meetings of investee companies as an observer. | Quarterly or annually. |
| | | | Tracking the business development of investee companies through on-site and remote meetings, teleconferences, and email correspondences. | On an ad-hoc basis. |
| | | | Conducting site visits to investee companies. | On an ad-hoc basis. |
| Regulators | Directly influencing the company's operational strategy. | • Compliance with policies, rules, and regulations, including sustainability reporting.<br>• Risk management. | Ensuring compliance with various policies, regulations, and guidelines. | At any time. |
| | | | Engaging in communication through physical or virtual mail, email, and teleconferences. | At any time. |
| | | | Participating in training and educational sessions. | On an ad-hoc basis. |

# SUSTAINABILITY **REPORT**

## EVALUATING CORE SUSTAINABILITY ISSUES

Our sustainability initiatives achieve the greatest impact by addressing critical issues. To ensure we focus on what matters most, we have adopted a structured approach with four key steps in determining material ESG factors: Identification, Assessment, Prioritization, and Validation. This systematic process allows us to thoroughly understand the critical ESG topics that could affect our business and align our efforts accordingly.

In addition to the stakeholder communication mentioned in the previous chapter, we have also referred to other international standards to identify and assess 20 key sustainability topics. This approach ensures that our analysis incorporates both the perspectives of our stakeholders and recognized global benchmarks when evaluating each topic.

To further refine our focus, we applied a materiality matrix to prioritize these sustainability topics. This matrix enabled us to narrow down the list from 20 key topics to 7 material ESG factors, ensuring that our sustainability strategy remains aligned with both stakeholder priorities and business needs.

**Identification**

The Group internally identifies material ESG topics significant to its operations, as there are no other SGX-ST Main Board listed companies with a core business in venture investment. Therefore, we benchmark against companies engaged in general investment, while considering differences in investment strategies and business models.

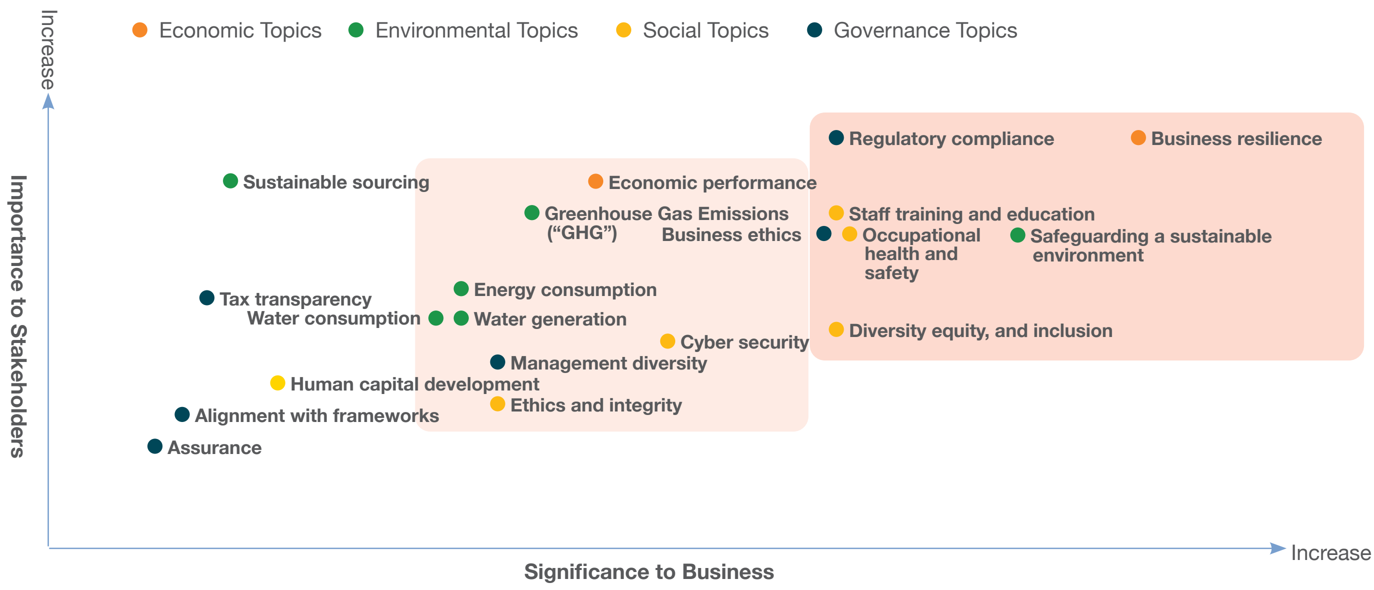
Our process evaluates stakeholder perspectives, compliance, and ESG ratings to align with international standards. We also adhere to international standards and frameworks, including the SASB industry recommendations (Asset Management and Custody Activities[1]), GRI, TCFD, and SDGs guidelines. Through this rigorous assessment, we have determined 20 material sustainability topics pertinent to the Group.

| Economy | Environment | Social (People/ Human Rights) | Governance |
|---|---|---|---|
| • Economic performance<br>• Business resilience | • Safeguarding a sustainable environment<br>• Sustainable sourcing<br>• Greenhouse Gas Emission ("GHG")<br>• Energy consumption<br>• Water consumption<br>• Waste generation | • Staff training and education<br>• Ethics and integrity<br>• Cyber security<br>• Diversity, equity and inclusion<br>• Occupational health and safety<br>• Human capital development | • Regulatory compliance<br>• Business ethics<br>• Management diversity<br>• Alignment with frameworks<br>• Assurance<br>• Tax transparency |

1 Although the SASB guidelines include "Selling Practices and Product Labeling" and "Product Design and Lifecycle Management" as relevant topics, these have been excluded from our material sustainability issues due to HIHL's nature as a venture capital firm, which does not engage in supply chain-related activities.

### Assessment

The team conducted an in-depth evaluation of the 20 identified internal sustainability topics, focusing on their potential impact and likelihood of affecting the Group's operations. This assessment considered how each topic could influence the ESG or sustainability objectives of the Group. This analysis refined the topics. Ultimately, the Board approved 7 key ESG material topics (highlighted in the deep red area in the diagram), 8 disclosure topics (highlighted in the light red area), and 5 observation topics to be included in the Sustainability Report.




#### Observation topics

- Energy consumption
- Tax transparency
- Human capital development
- Alignment with frameworks
- Assurance

#### Disclosure topics

- Economic performance
- Greenhouse Gas Emissions ("GHG")
- Energy consumption
- Waste generation
- Water consumption
- Cyber security
- Management diversity
- Ethics and integrity

#### Material topics

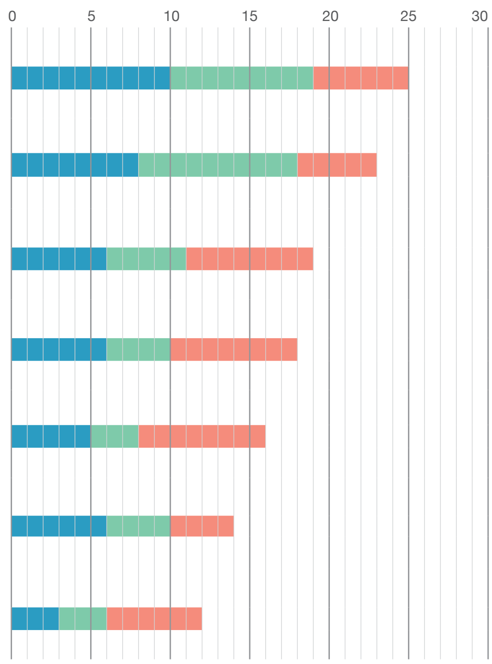
- Business resilience
- Safeguard a sustainable environment
- Regulatory compliance
- Staff training and education
- Occupational health and safety
- Business ethics
- Diversity, equity, and inclusion

### Prioritization

Based on our materiality assessment of ESG issues in the previous section, we have refined the list to 7 key ESG factors, designated as material topics. These 7 critical factors represent the core focus of our sustainability strategy. In addition, medium-priority ESG issues with narrower scopes have been categorized as disclosure topics and integrated under the broader categories of the 7 key factors. This approach provides a more detailed and comprehensive understanding of the Group's progress across various ESG aspects, ensuring that we can effectively track and present our development in these areas.

The 7 material topics were ranked by their impact across economic, environmental, and social dimensions. Furthermore, the alignment of each material topic with other international frameworks is also shown in the table below, ensuring a consistent approach in our sustainability efforts.

| Material topic | Economic | Environment | Social/ Human rights |
|---|---|---|---|
| 1. Business resilience | 10 | 9 | 6 |
| 2. Safeguarding a sustainable environmant | 8 | 10 | 5 |
| 3. Regulatory compliance | 6 | 5 | 8 |
| 4. Staff training and education | 6 | 4 | 8 |
| 5. Occupational health and safety | 5 | 3 | 8 |
| 6. Business ethics | 6 | 4 | 4 |
| 7. Diversity, equity, and inclusion | 3 | 3 | 6 |



| Material Topics | ESG Pillar | Key ESG Issues | Corresponding Reporting Standards |
|---|---|---|---|
| (1) Business resilience | Economy | • Financial Resilience<br>• Operational and Technological Resilience | • TCFD Recommendations<br>• GRI203-2<br>• SDGs8, 9,13 |
| (2) Safeguarding a sustainable environment | Environment | • Energy Consumption<br>• Water Consumption<br>• Waste Generation | • TCFD Recommendations<br>• GRI302-1, 302-4, 305-1-a, 305-2-a, 306-2<br>• SASB FN-AC-410b<br>• SDGs7, 11, 12, 13 |
| (3) Regulatory compliance | Governance | • Regulatory Compliance | • GRI2<br>• SDGs5, 8, 10, 16 |
| (4) Staff training and education | Social | • Staff Training and Education | • GRI404-1<br>• SDGs4, 5, 8, 10 |
| (5) Occupational health and safety | Social | • Occupational Health and Safety | • GRI403-1<br>• SDGs3, 5, 8, 10 |
| (6) Business ethics | Governance | • Whistle-blowing Policy | • GRI2<br>• SASB FN-AC-510a<br>• SDGs8, 10, 16 |
| (7) Diversity, equity, and inclusion | Social | • Diversity, Equity, and Inclusion | • GRI405-1, 406-1<br>• SASB FN-AC-330a<br>• SDGs5, 8, 10 |

**Validation**

The responsible team and person in charge, along with collaborating departments, continuously track and review the progress of the established targets, ensuring ongoing alignment with our sustainability objectives and operational adjustments as necessary. With the establishment of the ESG Working Group, the group is expected to take on the responsibility of tracking data and performance across all material topics more efficiently. While past reviews were conducted annually, starting from financial year 2025, the ESG Working Group will conduct data reviews on a quarterly basis to ensure more timely oversight and responsiveness to sustainability goals.

## DISCLOSURES ON MATERIAL TOPICS

**Business resilience**

**Definition**

Business resilience refers to the ability to adapt to risks and disruptions while preserving essential functions and safeguarding employees, assets, and reputation. Guided by the United Nations Sustainable Development Goals (SDGs), particularly SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, and SDG 13: Climate Action, the Group is committed to enhancing risk management practices. Our resilience strategy emphasizes minimizing operational instability, improving investment performance, and strengthening the robustness of our portfolio to secure long-term value and sustainable growth in a dynamic global environment.

As a venture capital firm, the performance of our investee companies plays a significant role in shaping our business outcomes. Their exposure to climate risks and opportunities directly influences our assets and financial stability. Recognizing this interconnectedness, we identify business resilience as a critical ESG factor for both our company and stakeholders, underscoring our commitment to transparency and the continuous improvement of risk management.

**Risk and Opportunity Management**

**Risk:**

The Group faces multiple risks that could significantly impact the operations and long-term sustainability:

- Investment and Market Vulnerabilities: Economic downturns and insufficient investment strategies, including inadequate resource planning, can hinder decision-making and erode sustainable value.

- Business Concentration: A high concentration of businesses in specific sectors compared to the broader VC industry increases exposure to sector-specific risks.

- Investment Exit Risks: Untimely exits or the inability to execute planned exits may lead to losses or suboptimal returns due to unfavorable market conditions, lack of buyers, or regulatory constraints.

- Operational Disruptions: Rapidly changing IT environments, intrusion threat, regulatory changes, and human errors may cause business disruptions. Failure to respond promptly can lead to financial losses, compliance issues, or reputational damage.

**Management methods and mitigation measures:**

- Investment Process Optimization: Establish and adhere to comprehensive investment process procedures, ensuring internal compliance.

- Structural Investment Procedures: Implement structured procedures for short-term and long-term investments to optimize returns and minimize risks.

- Informed Decision-Making through Monitoring and Due Diligence: Engage external consultants and monitor economic reports to ensure thorough due diligence and informed decision-making.

- Resource Availability: Ensure the immediate availability of sufficient resources, including labor and IT support, to respond effectively to business interruptions.

By addressing these risks and leveraging opportunities through robust mitigation strategies, the Group is committed to enhancing business resilience and achieving sustainable growth.

**Opportunities of how we can potentially adapt:**

Despite these risks, the Group identifies substantial opportunities to strengthen our resilience and create long-term value:

- Diversifying investments into sustainable and high-growth industries, leveraging innovative strategies to enhance competitive advantages and adapt to evolving market demands.

- Utilizing robust risk management frameworks and investment processes to improve financial performance and reduce operational volatility.

- Implementing advanced IT systems and cybersecurity measures to strengthen business continuity, safeguard sensitive data, and enhance operational resilience.

- Building stakeholder trust and strengthening the Group's reputation through transparent governance, compliance, and proactive communication.

## Performance

### *Financial Resilience*

HIHL balances short-term and long-term financial targets, ensuring sufficient working capital to withstand potential revenue and expense volatility. In addition to focusing on our own capital, we also prioritize the performance of our investee companies, which are diversified across regions including Taiwan, China, the United States, Israel, and Japan. Our investments are categorized by stages— 'Startup,' 'Expansion,' and 'Mature'—and by industry. For additional details, please refer to the 'Financial Risk Management' section in the Notes to Financial Statements of the Annual Report.

| | 2024/12/31 | 2023/12/31 | 2022/12/31 |
|---|---|---|---|
| Current assets[2] (NT$'000) | 1,913,741 | 1,913,536 | 1,648,466 |
| Current liabilities[2] (NT$'000) | 148,400 | 148,857 | 154,816 |
| Working capital (NT$'000) | 1,765,341 | 1,764,679 | 1,493,650 |
| Working capital ratio[3] | 12.9 | 12.9 | 10.6 |

Although the ESG performance of our portfolio companies does not directly impact our financial outcomes, we conducted an ESG-focused survey in FY2024 to assess their initiatives and performance. Distributed in Q4, the survey received a total of 26 responses by December 2024, achieving a response rate of 37%. Among the companies that responded, 19% have established ESG task forces, 46% plan to do so by 2028, and 81% have implemented climate-related policies. Moving forward, we aim to adopt industry benchmarks to evaluate and quantify the impact of these ESG factors, reinforcing our commitment to transparency and continuous improvement.

Regarding Environmental self-assessment, all portfolio companies indicated minimal or no adverse impact on natural resources from their operations. Additionally, over 92% reported that the effects of climate change, carbon taxation, and other ESG-related sustainability issues have had a low impact on their business thus far. Notably, more than 30% of companies have already implemented or are developing greenhouse gas emission reduction management policies.

Overall, 85% of the surveyed companies expressed a commitment to initiating ESG strategies between 2026 and 2028. Considering that most of our portfolio investments are in smaller, privately-held companies—predominantly in industries that are less susceptible to environmental concerns or ESG regulatory impacts, such as manufacturing and petrochemicals—we anticipate that climate change and related policy shifts will have minimal impact on these companies. Consequently, any fluctuations in our asset valuation due to these factors are also expected to be limited.

### *Operational and Technological Resilience*

In terms of information technological and operational resilience, our company's Administration Department and IT team spearheads the development and implementation of comprehensive information security policies and action plans to ensure robust information-protection and prevent data loss. These policies undergo regular effectiveness assessments, with compliance confirmation managed by dedicated audit personnel.

2 Please refer to the "Statements of Financial Position" of the components of Current Assets and Current Liabilities.
3 The working capital ratio, also known as the current ratio, measures the capability of a business to meet its short-term obligations that are due within a year. Moreover, the formula is: Current assets ÷ Current liabilities = Working capital ratio.

The Company regularly reviews its BCP and adjusts details as necessary to address evolving needs. A comprehensive drill is scheduled every 2-3 years to validate the plan's effectiveness. In FY2024, a successful BCP drill focusing on the call tree communication test was conducted during Typhoon Kong-rey, demonstrating the Company's operational resilience, with no significant disruptions or penalties recorded. This achievement highlights our commitment to continuous improvement in risk management and operational stability.

| | FY2024 | FY2023 | FY2022 |
|---|---|---|---|
| Significant impact to business due to operational disruption | NIL | NIL | NIL |

| | Optimization Actions |
|---|---|
| **FY2024** | Enhance detection with smart analytics for better and early alert to decrease impact of possible disruption or security events.<br>(1) Enhance current platform to analyze more logs with advanced patterns to prevent malicious intentions from any intrusions or attacks.<br>(2) Review analytics results and enhance patterns to get better detections. |
| **FY2023** | Strength sustainability through better collaboration in mixed cloud architecture.<br>(1) Expand internet connections to mobile ISP for better non-stop service and flexible network segmentation.<br>(2) Enhanced cloud functions of firewall to get better and efficient cyber protection.<br>(3) Planning upgrade backup to mixed cloud for quick recovery and easy accessibility. |
| **FY2022** | Expand sustainability with better network and OA process.<br>(1) Upgrade firewall gateway to manage mixed cloud architecture and network security.<br>(2) Leverage cloud service of firewall to get better and more comprehensive cyber protection.<br>(3) Changing from paper to digital forms to save time and resources in a secured and efficient way. |

**Targets**

| | |
|---|---|
| **short-term goals (~2028)** | Raise ESG evaluation completion for investee companies by 10%, and ensure that our company's cybersecurity management policies are aligned with and responsive to the latest regulatory requirements. |
| **mid-term strategy (~2035)** | Establish ESG assessment standards for investment targets and enhance financial resilience through effective investment strategies, such as prioritizing companies with strong ESG performance in investment decisions. As part of this framework, the Company aims to expand its ESG investment portfolio by adding at least one new ESG-focused investment every 5 years. Demonstrate how the Company leverages this investment risk management framework to address market fluctuations and climate-related risks that may impact financial performance and operations. |
| **long-term vision (~2050)** | The Company aims to expand its ESG investment portfolio by adding one to two new ESG-focused investments every 3-5 years, further strengthening its commitment to sustainability and aligning with long-term value creation goals. These efforts demonstrate the Company's proactive approach to integrating ESG principles into its investment strategy, ensuring a balanced and resilient portfolio capable of addressing evolving market and climate-related challenges. |

### Safeguarding a sustainable environment

#### Definition

The Group is committed to safeguarding a sustainable environment by encouraging and educating employees to adopt environmentally friendly practices. Aligned with the United Nations Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy, SDG 11: Sustainable Cities and Communities, SDG 12: Responsible Consumption and Production, and SDG 13: Climate Action, we aim to mitigate environmental and social risks that could impact financial stability or corporate reputation. This approach reinforces our operational resilience and underscores our commitment to responsible and sustainable growth.

#### Risk and Opportunity Management

| Type | Climate Risk Factor | Time of Impact Occurrence | Impact | Description |
|---|---|---|---|---|
| **Physical risks** | Outbreaks of infectious disease | Short-term | Low | The outbreak of a major epidemic may result in casualties, equipment damage, or disruptions in raw material supply chains, affecting the stability of R&D, production, or operations. |
| | Extreme weather events | Mid-term | Low | Such events may damage operational sites and information equipment, posing risks of operational disruption and increased maintenance costs. Additionally, domestic and foreign investee companies impacted by extreme climate events could lead to indirect asset losses. |
| | Global warming | Long-term | Low | Rising temperatures may increase electricity costs, thereby raising the direct or indirect operational costs of the company. |
| **Transitional risks** | Energy-related policy | Mid-term | Low | Stricter government regulations on energy conservation and carbon reduction, such as requiring a certain percentage of renewable energy usage or increased electricity prices, may elevate operational costs for investees. The expanding scope of carbon taxes and higher rates per unit also contribute to rising operational costs. |

| Type | Climate-related Opportunities | Description |
|---|---|---|
| Opportunities | Carbon emission reduction | Achieving net-zero emissions requires rapid transformation and large-scale technology deployment across industries. This transition creates significant opportunities for new business models and provides fresh investment avenues. |
| | Financing the low-carbon economy transition | Enhancing financial performance by reducing volatility strengthens the company's financial stability. Additionally, achieving and maintaining a competitive edge secures the company's market leadership. |
| | Aligning with customers on sustainability | Protecting the company's reputation ensures a positive social image and trust in an increasingly climate-conscious environment, reinforcing the company's commitment to sustainability in the eyes of stakeholders. |

**Management methods and mitigation measures:**

- Educate and empower employees on environmental protection practices, integrating energy-saving and carbon reduction measures into daily operations.

- Consider ESG factors for investment targets to fully capture market opportunities and understand associated risks.

- Diversify the investment portfolio to spread risk, including those associated with climate factors.

These strategies align with our commitment to operating in an environmentally and socially responsible manner, ensuring resilience against climate challenges in a transition to a zero-carbon future. We continue to identify, evaluate, and mitigate risks related to climate impacts while refining our short-term, medium-term, and long-term strategies to better address emerging risks and opportunities.

**Performance**

***Energy Consumption***

Energy is a major contributor to the Group's environmental impact in daily operations. The administration department has implemented various measures to promote energy conservation, including replacing incandescent lights with LED fixtures to reduce lighting power consumption and utilizing cloud solutions to lessen the energy load on IT infrastructure. From September to November 2024, during a floor renovation project, the Group replaced all existing air-conditioning units with 4- and 5-star energy efficiency ratings with new air-conditioning units certified with the highest-grade energy efficiency label. Employees are also encouraged to save energy by switching off unused equipment.

As of FY2024, the Group's total energy consumption was 1,178 kg. This figure includes Scope 1 (direct emissions from company vehicles) and Scope 2 (indirect emissions from purchased electricity). Scope 1 tracking was initiated this year, while Scope 2 data remain at a similar level to the past two financial years. Scope 3 emissions tracking is set to be formally implemented in the coming years and is expected to encompass outsourced cleaning, business travel, employee commuting, and investment activities.

Moving forward, the Group remains committed to further controlling energy consumption per employee and will continue to issue reminders and implement initiatives to encourage energy-saving behaviors. Comprehensive disclosures for Scope 1, Scope 2, and Scope 3 emissions are expected to be introduced progressively in dedicated sections of the recent years' Sustainability Reports.

| | FY2024 | FY2023 | FY2022 |
|---|---|---|---|
| **Total Scope 1 consumption (kg)** | 7,768 | – | – |
| **Total Scope 2 consumption (kg)** | 27,583 | 27,326 | 27,674 |
| **Total carbon emissions (kg)** | 35,351 | 27,326 | 27,674 |
| **Average energy consumption per employee (kg)** | 1,178 | 942 | 893 |

***Water Consumption***

The company utilizes water resources primarily for cleaning, sanitation, and drinking purposes. Water consumption is limited to employees' daily activities and facility maintenance, with no significant industrial or operational use. As building management does not separately meter our water usage, we are unable to provide specific data for the Group's water consumption. However, in FY2024, our water usage averaged approximately 60 liters per employee per day, which is significantly lower than the national average of 281 liters per person per day over the past decade[4].

From September to November 2024, we undertook floor renovations and replaced certain fixtures with water-saving devices. The Group is committed to emphasizing water conservation and educating employees on minimizing water wastage. We anticipate establishing a formal water conservation target in FY2025.

| | FY2024 | FY2023 | FY2022 |
|---|---|---|---|
| **Total water consumption ($m^3$)** | 732 | 726 | 618 |
| **Average water consumption per employee ($m^3$)** | 24 | 24 | 20 |
| **Carbon emissions (kg)** | 39.75 | 40.00 | 34.53 |

***Waste Generation***

Recognizing the environmental impact of excessive paper use, including deforestation and global warming, the Group is committed not only to recycling but also to reducing paper consumption. To this end, we have implemented several initiatives: setting all printers to permanent double-sided printing, utilizing digital forms for online leave requests and approvals (since July and September 2022, respectively), and limiting physical copies of our annual report and AGM appendix to shareholder requests only.

4 Source: Taiwan Water Resources Agency, Ministry of Economic Affairs (MOEA)

In FY2024, we began tracking paper expenditure, totaling 893 dollars, with an average daily consumption of 0.14 pounds per employee. Our goal is to establish a specific paper waste reduction target by FY2025. Additionally, all other waste is handled by external cleaning personnel, and we plan to include these waste management activities under Scope 3 greenhouse gas emissions in the future.

Targets

| | |
|---|---|
| **short-term goals (~2028)** | Maintain average greenhouse gas emissions through energy-saving initiatives established within the company. |
| **mid-term strategy (~2035)** | Implement a green energy procurement program. |
| **long-term vision (~2050)** | Join environmental conventions and cross-sector partnerships to support climate transition. |

**Regulatory compliance**

Definition

In alignment with the United Nations Sustainable Development Goals, particularly SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, and SDG 16: Peace, Justice, and Strong Institutions, the Group strives to strengthen the independence and diversity of its Board. We uphold a rigorous commitment to compliance by implementing robust management and evaluation mechanisms, ensuring that all business and operational activities meet the legal and regulatory requirements.

Risk and Opportunity Management

**Risk:**

- Inconsistencies in cross-jurisdictional regulations could increase compliance costs.
- Lack of a strong compliance culture within the organization might result in operational errors or heightened scrutiny from regulatory authorities.
- Failure to anticipate and adapt to evolving regulations could disrupt business strategies and hinder organizational resilience.

**Management methods and mitigation measures:**

- Establish clear accountability for compliance roles, ensuring the independence and capability of audit personnel.
- Conduct regular training for employees and management to enhance awareness of fiduciary duties and regulatory requirements.

**Opportunities of how we can potentially adapt:**

- Demonstrating strong compliance practices can strengthen stakeholder trust and attract responsible investors.
- Streamlined cross-border compliance processes can reduce redundancies and optimize resource allocation.
- Establishing a robust compliance framework positions the organization as a leader in regulatory adherence, gaining a competitive advantage.
- Meeting diverse regulatory standards enables the company to expand into new markets and seize global business opportunities.

**Performance**

The Group maintains a robust regulatory compliance framework to ensure adherence to applicable laws and standards across its jurisdictions, including Bermuda, BVI, Cayman, Taiwan, and Singapore. Through rigorous management, evaluation mechanisms, and collaboration with regulatory authorities, the Group strives to uphold the highest standards of transparency and accountability.

To reinforce compliance, all financial statements are independently audited by a certified accounting firm, with findings disclosed through regular financial reports. In FY2024, the Group conducted internal compliance reviews across key jurisdictions to identify and mitigate regulatory risks proactively. This process included aligning business practices with updated legal requirements and addressing cross-jurisdictional regulatory complexities to streamline operations and minimize compliance costs.

**FY2024 legal compliance summary: No significant violations, penalties, or sanctions recorded.**

| | |
|---|---|
| Corruption and bribery incidents | 0 cases |
| Discrimination and harassment incidents | 0 cases |
| Conflicts of interest incidents | 0 cases |
| Fraud, money laundering, insider trading incidents | 0 cases |
| Anti-competitive and market manipulation incidents | 0 cases |
| Other ethical management or significant legal violation incidents | 0 cases |

**Target**

<table>
<tr><td>short-term goals (~2028)</td><td rowspan="3">Foster employees' awareness of risk management, empowering them to proactively identify and mitigate risks, thereby strengthening organizational resilience and promoting a culture of accountability and strategic decision-making.<br>Moreover, to conduct regular reviews and updates of our policies and procedures to ensure relevance and compliance, and maintain a record free of significant regulatory violations, including major penalties and corrective actions.</td></tr>
<tr><td>mid-term strategy (~2035)</td></tr>
<tr><td>long-term vision (~2050)</td></tr>
</table>

**Staff training and education**

**Definition**

The Group is dedicated to fostering a culture of continuous learning and skill enhancement by providing diverse learning channels and comprehensive training programs. These resources equip employees with essential professional, communication, and management skills, enabling them to address emerging challenges effectively. Moreover, we encourage employees to engage in various forms of educational development, empowering them to enhance their work value, explore potential, and strengthen self-identity. Aligned with the United Nations Sustainable Development Goals, specifically SDG 4: Quality Education, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, and SDG 10: Reduced Inequalities, we focus on enhancing human capital in talent selection, development, and retention.

**Risk and Opportunity Management**

**Risk:**

- Inadequate training may reduce employee productivity, adversely affecting the Group's performance.
- Neglecting to educate employees on industry trends, policies, and advancements may result in missed opportunities for innovation and growth within the industry.
- Insufficient training on new policies and practices could lead to legal liabilities for the Group.

**Management methods and mitigation measures:**

- Ensure that every employee receives fair and constructive feedback on their performance and development.
- Provide training to enhance employees' management capabilities and professional skills, fostering both personal and professional growth.
- The establishment of the ESG Working Group and enhanced internal communication enable more effective dissemination of ESG-related knowledge and the organization of relevant training programs, empowering employees to integrate ESG core concepts into their daily work more efficiently. Ultimately strengthens the Group's competitive advantage in sustainable development.

**Opportunities of how we can potentially adapt:**

- Providing training that helps employees develop new skills and efficient work habits enables the Group to stay agile in the face of rapidly changing conditions.
- Enhancing employees' general capabilities, adaptability, and resilience ensures the Group is better prepared to navigate future challenges.

**Performance**

The quality of our employees is a key competitive advantage, and our commitment to staff training plays a crucial role in sustaining this edge. In a rapidly evolving business environment, we are dedicated to meeting the diverse training needs of our workforce to enhance their skills and adaptability. To support this, we offer a variety of training formats, including seminars, in-house programs, and remote video sessions, ensuring employees have access to the knowledge and skills they need for both personal and professional growth.

**Employee training and education in FY2024**

| Topics of Courses | Internal / External training | All / Partial employees |
|---|---|---|
| 2024 Corporate Governance Forum: New Challenges for Corporate Governance Executives | External | Partial |
| An Overview of Hong Kong Injunction Applications | External | Partial |
| Analysis and Challenges of Sustainability Reports | External | Partial |
| Comprehensive Analysis of the Core Content of IFRS Sustainability Disclosure Standards IFRS S1 and S2 | External | Partial |
| Core Content and strategies of IFRS S1 and S2 | External | Partial |
| CyberSEC 2024 and SRE Conference 2024 | External | Partial |
| e-Filing Profit-seeking Enterprise Annual Income Tax Return | External | Partial |
| Equity Transfers and Fund Inflows in Mainland China | External | Partial |
| Essential Financial Statement Interpretation for Non-Financial Professionals | External | Partial |
| Fire Fighting Management Personnel | External | Partial |
| GRI reporting made easy: Updated GRI Content Index Template | External | Partial |
| IFRS Sustainability Disclosure Standards Introduction | External | Partial |
| Industry Analysis and Investment Decision-Making Series | External | Partial |
| NewType 2024 Global Digital Transition Forum | External | Partial |
| Outlook on Implementation Plans and Governance Strategies for Sustainability Disclosure Standards | External | Partial |
| Practical Workshop on Reviewing and Drafting English Contracts | External | Partial |
| Recent Developments in the SIAC Arbitration Rules | External | Partial |
| Safety and Health Education and Training for Class-2 Manager of Occupational Safety and Health Affairs | External | Partial |
| Sustainability E-Training for Directors | External | Partial |
| Taiwan Tax Update seminar-Q1 | External | Partial |
| Taiwan Tax Update seminar-Q2 | External | Partial |
| Taiwan Tax Update seminar-Q4 | External | Partial |
| The ACMF International Conference 2024 | External | Partial |
| The ACMF-ISSB Technical Training for Corporates | External | Partial |

**Training hours per employee**

| FY2024 | FY2023 | FY2022 |
|---|---|---|
| 8.48hr | 9.88hr | 5.86hr |

**Retention rate of new hires**

| FY2024 | FY2023 | FY2022 |
|---|---|---|
| 87.5% (7/8) | 0.0% (0/2) | 100.0% (1/1) |

**Employee turnover rate (excluding retirements)**

| FY2024 | FY2023 | FY2022 |
|---|---|---|
| 16.67% (5/30) | 13.33% (4/30) | 3.23% (1/31) |

**Target**

| | |
|---|---|
| **short-term goals (~2028)** | Achieve an average of 8 hours of employee training per year, and help employees more effectively review annual performance and set goals during evaluations. Strengthen onboarding programs to support new hires in adapting to the company culture and responsibilities, fostering higher retention rates. |
| **mid-term strategy (~2035)** | Achieve an average of 8-10 hours of employee training per year, establish tailored training plans for each employee, or provide opportunities for cross-departmental development. Achieve a retention rate of 85% for new hires and reduce the employee turnover rate (excluding retirements) to below 16%. Enhance employee engagement through structured career development pathways and regular feedback mechanisms. |
| **long-term vision (~2050)** | Achieve an average of 10-12 hours of employee training per year and complete the succession planning for management positions. Achieve a retention rate of 90% for new hires and reduce the employee turnover rate (excluding retirements) to below 15%. Develop a robust leadership pipeline to ensure organizational stability and foster long-term employee loyalty. |

### Occupational health and safety

**Definition**

The Group is committed to creating a safe work environment and providing regular health check-ups to support employees' overall well-being. In alignment with the United Nations Sustainable Development Goals, specifically SDG 3: Good Health and Well-Being, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, and SDG 10: Reduced Inequalities, our goal is to establish a workplace with zero occupational incidents. This commitment reflects our dedication to fostering a healthy, supportive, and inclusive environment where employees can thrive without risk of harm or inequality.

**Risk and Opportunity Management**

**Risk:**

- Work-related incidents or health issues not only pose harm to the affected individuals but also risk damaging the Group's reputation, diminishing staff morale, and leading to substantial direct and indirect financial costs.
- Failure to ensure occupational health and safety may also increase turnover rates, legal liabilities, and regulatory scrutiny, thereby impacting long-term organizational stability and trust.

**Management methods and mitigation measures:**

- Provide regular health check-ups tailored to employees based on their age.
- Regularly inspect, maintain, and update the office environment and related equipment to ensure workplace safety for all employees.
- Develop and implement remote work policies to address situations where employees are unable to access the office due to external factors or health-related issues.

**Opportunities of how we can potentially adapt:**

- Improved health and safety performance reduces workplace accidents, which in turn lowers costs associated with compensation and downtime.
- Implementing effective occupational health and safety management improves productivity, competitiveness, profitability, and overall employee motivation. And a strong commitment to health and safety enhances employee retention and attracts new talent who value a safe and supportive work environment.
- Maintaining a safe workplace strengthens the Group's reputation as a responsible employer, which benefits stakeholder relationships and supports long-term business success.

**Performance**

The Group recognizes employees as its most valuable asset, playing a crucial role in long-term success. Consequently, employee health and safety remain a foundational priority for the Group, and we strictly adhere to the Occupational Safety and Health Act and related regulations issued by Taiwan's Ministry of Labor. As part of our commitment to 2024, we remain vigilant in mitigating the impact of potential disruptions from widespread infectious diseases like Covid-19 to maintain business and operational resilience.

**Occupational accident statistics**[5]

| | FY2024 | FY2023 | FY2022 |
|---|---|---|---|
| **Lost Time Injury Frequency Rate (LTIFR)** | 0 | 0 | 0 |
| **Disabling Injury Frequency Rate (FR)** | 0 | 0 | 0 |
| **Disabling Injury Severity Rate (SR)** | 0 | 0 | 0 |
| **Occupational Disease Rate (ODR)** | 0 | 0 | 0 |
| **Rate of fatalities as a result of work-related injury** | 0 | 0 | 0 |
| **Rate of high-consequence work-related injuries (excluding fatalities)** | 0 | 0 | 0 |
| **Rate of recordable work-related injuries** | 0 | 0 | 0 |
| **Total number of fatal accidents** | 0 | 0 | 0 |

Our health check policy ensures that new employees undergo a general health examination before employment. We are committed to continually optimizing the scope and frequency of these health checks to better support our employees' wellbeing.

**Target**

| | |
|---|---|
| **short-term goals (~2028)** | Complete the establishment of the company's internal "Occupational Safety and Health Work Code" and achieve the goal of zero reported occupational incidents. |
| **mid-term strategy (~2035)** | Ensure that each employee completes an average of 1 hours of 'on-the-job safety and health training' annually while maintaining a record of zero reported occupational incidents. |
| **long-term vision (~2050)** | Ensure that each employee completes an average of 2 hours of 'on-the-job safety and health training' annually while maintaining a record of zero reported occupational incidents. |

5 The calculation method follows the Ministry of Labor's Occupational Safety and Health Administration and GRI 403: Occupational Health and Safety statistical indicators.
Lost Time Injury Frequency Rate = (Number of work injuries/Number of hours worked)×$10^6$
Disabling Injury Frequency Rate = (Total number of disabling injuries/Number of hours worked)×$10^6$
Disabling Injury Severity Rate = (Total lost days from disabling injuries/Number of hours worked)×$10^6$
Occupational Disease Rate = (Number of identified occupational diseases during the year/Number of hours worked)×$10^6$
Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury/Number of hours worked)×$10^6$
Rate of high-consequence work-related injuries (excluding fatalities) = (Number of high-consequence work-related injuries (excluding fatalities)/ Number of hours worked)×$10^6$
Rate of recordable work-related injuries = (Number of recordable work-related injuries/Number of hours worked)×$10^6$

**Business ethics**

Definition

Aligned with the United Nations Sustainable Development Goal, specifically SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, and SDG 16: Peace, Justice, and Strong Institutions, our aim is to build an ethical business that contributes positively to society and sustainability. Our commitment to business ethics extends beyond compliance, reflecting our dedication to fostering social prosperity through various community investment initiatives.

Risk and Opportunity Management

**Risk:**

- Employee-related risks may arise from violations of the Group's Code of Conduct and related policies, including practices involving bribery, fraud, corruption, and misconduct, potentially impacting the Group's reputation and financial stability.

- In an environment where corporate social responsibility is increasingly valued, the Group's perceived indifference to societal impact may deter potential investors, partners, and talent.

- Failure to uphold business ethics can lead to significant legal and defense costs, damage to the Group's reputation, and loss of stakeholder trust.

**Management methods and mitigation measures:**

- Demonstrate care for employees and prioritize open, two-way communication, while utilizing whistle-blowing policy to prevent misconduct.

- Develop specific community engagement initiatives to demonstrate the Group's commitment to giving back to society.

**Opportunities of how we can potentially adapt:**

- Strong ethical guidelines help the Group navigate periods of change and uncertainty.

- Maintaining high business ethics helps prevent legal disputes and associated costs.

- A steadfast commitment to ethical business practices strengthens the Group's reputation as a responsible industry leader, fostering stakeholder confidence and supporting long-term business success.

**Performance**

***Whistle-blowing Policy***

In FY2024, zero incidents of corruption involving employees or business partners were reported. We maintain a strong stance on zero tolerance towards any form of corruption, bribery, and fraud. Our whistle-blowing policy and procedures provide clear guidelines for employees to report concerns confidentially and without fear of reprisal, encouraging them to raise any observed or suspected unethical behavior, misconduct, or policy violations. To support these efforts, we have implemented an effective accounting and internal control system. Our internal audit personnel monitor compliance with various operational procedures and regularly report to the Board. Our whistle-blowing policy is accessible to all employees through our internal platform and website, and we continue to enhance its effectiveness. For more details, please refer to the 'Whistle-Blowing Policy' section of the Corporate Governance Report in the Annual Report.

**Target**

| | |
|---|---|
| **short-term goals (~2028)** | Establish annual minimum targets for community investment initiatives and begin implementing actionable plans to achieve these goals. |
| **mid-term strategy (~2035)** | Achieve 30 hours of employee involvement in community service or environmental protection activities. Participation will be reviewed annually on an individual level, and contributions will be considered as part of employees' performance evaluations. |
| **long-term vision (~2050)** | Achieve 120 hours of employee involvement in community service or environmental initiatives. The level of individual participation will be assessed yearly, with outcomes reflected in employee performance reviews to emphasize the importance of active engagement. |

**Diversity, equity, and inclusion**

**Definition**

Our commitment to diversity, equity, and inclusion (DEI) is grounded in alignment with the United Nations Sustainable Development Goals, particularly SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, and SDG 10: Reduced Inequalities. DEI at our company means cultivating a workplace that attracts and retains top talent, fosters balanced gender representation, and enables a variety of perspectives and innovative ideas to thrive.

**Risk and Opportunity Management**

**Risk:**

- A lack of diversity in the workplace can create a hostile environment, leading to higher employee turnover and potentially exposing the company to legal and defense costs, as well as Directors and Officers (D&O) liability claims.

- Instances of gender discrimination, such as unequal treatment of female employees in hiring, evaluation, or promotion, may undermine employee engagement and morale.

- Actions that inhibit employees from expressing opinions, organizing, or participating in collective bargaining may infringe upon their freedom of speech, eroding trust between the company and its workforce.

- Discriminatory behaviors, language, or attitudes based on race, nationality, religion, disability, age, or appearance may lead to alienation, reduced job satisfaction, and a negative impact on the company's reputation.

**Management methods and mitigation measures:**

- Establish a fair and impartial evaluation system as the basis for employee compensation, bonuses, and promotions. Develop a salary scale to assess employees' salary levels.

- Regularly review employee clock-in and clock-out times as well as working hours and provide support for cases of abnormal working hours.

- Establish company policies on sexual harassment prevention measures, with violations subject to disciplinary actions in accordance with company regulations.

- Use anonymous feedback surveys as a communication channel with employees to encourage active expression of their opinions.

**Opportunities of how we can potentially adapt:**

- Embracing diversity in the workplace enables the Group to benefit from a wealth of diverse experiences, knowledge, and skills, driving further progress and innovation, and helps retain top talent within the Group while attracting a broader pool of external candidates.

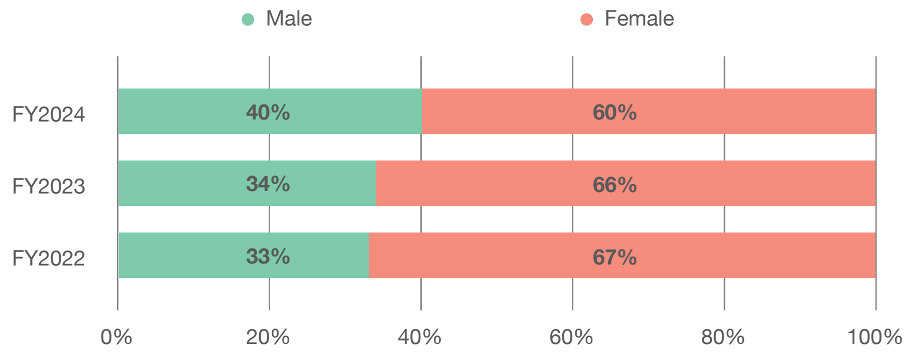
- A diverse, equitable, and inclusive workplace strengthens the Group's reputation, enhancing its image and appeal among various stakeholders.

**Performance**

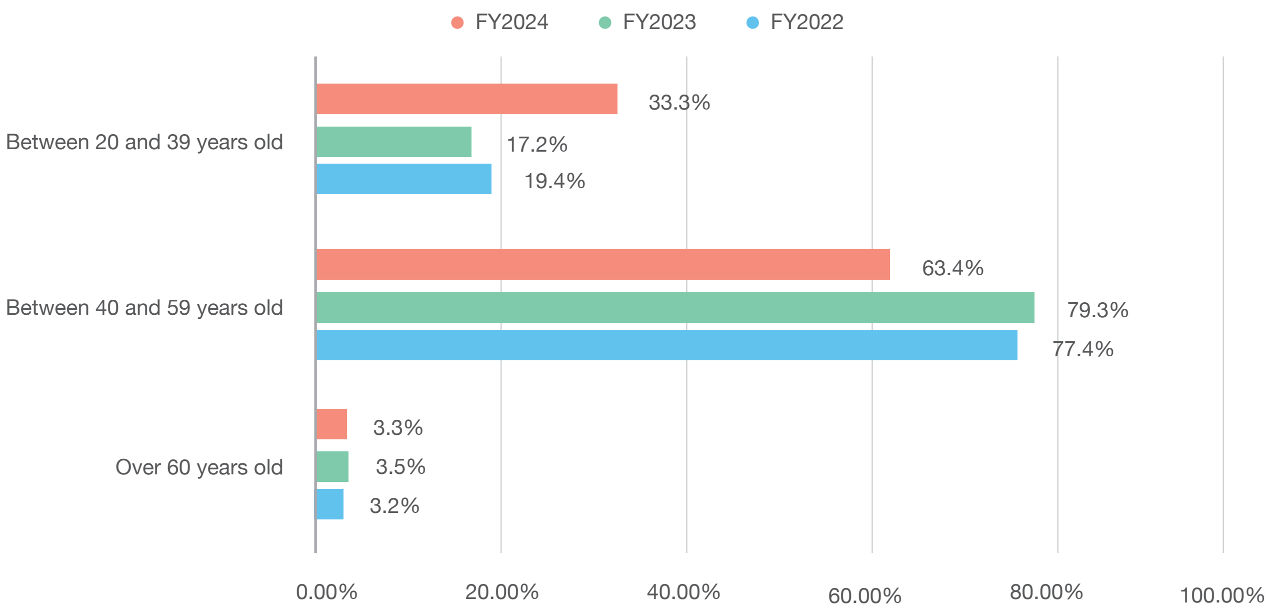
Building and retaining talent is a longstanding priority for the Group. As an equal opportunity employer, the Group bases all recruitment, promotion, and compensation on merit, regardless of age, ethnicity, gender, marital status, or disability. We believe that a diverse workforce, drawing from a range of expertise and perspectives, enhances our ability to perform over the long term.

In FY2024, the Group has continued to foster a strong DEI culture, as demonstrated in the charts below. We remain committed to providing a fair and supportive workplace environment and will keep advancing our DEI initiatives to build on this foundation for continued progress.

### Current employees by gender




### Current employees by age groups



**Incidents of discrimination and corrective actions taken**

| FY2024 | FY2023 | FY2022 |
|---|---|---|
| NIL | NIL | NIL |

**Employee anonymous survey response rate**

| FY2024 | FY2023 | FY2022 |
|---|---|---|
| 73.3% | Forms not yet established. | Forms not yet established. |

**Employee satisfaction score**

| FY2024 | FY2023 | FY2022 |
|---|---|---|
| 87.0 | Forms not yet established. | Forms not yet established. |

**Target**

| | |
|---|---|
| **short-term goals (~2028)** | Achieve an 80% response rate for feedback surveys and develop specific response measures based on feedback received. Continue to maintain zero incidents of discrimination and adhere to recruitment practices as outlined by the Act of Gender Equality in Employment issued by the Ministry of Labor. |
| **mid-term strategy (~2035)** | Increase the feedback survey response rate to over 85% and establish additional grievance channels as needed. |
| **long-term vision (~2050)** | Increase the feedback survey response rate to over 90% and reach an employee satisfaction score of 90. |

## GRI STANDARDS CONTENT INDEX

| | |
|---|---|
| **Statement of use** | Hotung Investment Holdings Limited has reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024. |
| **GRI 1 used** | GRI 1: Foundation 2021 |
| **Applicable GRI Sector Standard(s)** | N/A |

| Reference No. | Disclosure | Location |
|---|---|---|
| **GRI 2: General Disclosures 2021** | | |
| 2-1 | Organizational detail | page 49-50 |
| 2-2 | Entities included in the organization's sustainability reporting | page 49, 85 |
| 2-3 | Reporting period, frequency and contact point | page 49-50 |
| 2-4 | Restatements of information | N.A. |
| 2-5 | External assurance | N.A. |
| 2-6 | Activities, value chain and other business relationships | N.A. |
| 2-7 | Employees | page 69, 75. The Group has 1 contractor who is the office cleaner as at the end of FY2024. |
| 2-8 | Workers who are not employees | |
| 2-9 | Governance structure and composition | page 24-39 |
| 2-10 | Nomination and selection of the highest governance body | page 51 |
| 2-11 | Chair of the highest governance body | page 32-33 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | page 24, 49-50 |
| 2-13 | Delegation of responsibility for managing impacts | page 52-58 |
| 2-14 | Role of the highest governance body in sustainability reporting | page 24, 49-50 |
| 2-15 | Conflicts of interest | page 27, 47-48 |
| 2-16 | Communication of critical concerns | page 32-33 |
| 2-17 | Collective knowledge of the highest governance body | page 29-31 |
| 2-18 | Evaluation of the performance of the highest governance body | page 35-36 |
| 2-19 | Remuneration policies | page 36-39 |
| 2-20 | Process to determine remuneration | page 36-39 |
| 2-21 | Annual total compensation ratio | page 138 |
| 2-22 | Statement on sustainable development strategy | page 49-50 |
| 2-23 | Policy commitments | page 49-51 |
| 2-24 | Embedding policy commitments | page 24-79 |
| 2-25 | Processes to remediate negative impacts | page 58-76 |
| 2-26 | Mechanisms for seeking advice and raising concerns | page 46-47, 50, 52-53 |

| Reference No. | Disclosure | Location |
|---|---|---|
| 2-27 | Compliance with laws and regulations | page 65-66 |
| 2-28 | Membership associations | N.A. |
| 2-29 | Approach to stakeholder engagement | page 52-53 |
| 2-30 | Collective bargaining agreements | page 70-71, 73-76 |
| **GRI 3: Material Topics 2021** | | |
| 3-1 | Process to determine material topics | page 54-58 |
| 3-2 | List of material topics | page 57 |
| **GRI 203: Indirect economic impacts 2016** | | |
| 3-3 | Management of material topics | page 58-59 |
| 203-2 | Significant indirect economic impacts | page 60-61 |
| **GRI 302: Energy 2016** | | |
| 3-3 | Management of material topics | page 62-63 |
| 302-1 | Energy consumption within the organization | page 63-64 |
| 302-4 | Reduction of energy consumption | page 63-64 |
| **GRI 305: Emissions 2016** | | |
| 3-3 | Management of material topics | page 62-63 |
| 305-1 | Direct (Scope 1) GHG emissions | page 64 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | page 64 |
| **GRI 306: Waste 2020** | | |
| 3-3 | Management of material topics | page 62-63 |
| 306-2 | Management of significant waste-related impacts | page 64-65 |
| **GRI 403: Occupational Health and Safety 2018** | | |
| 3-3 | Management of material topics | page 70 |
| 403-1 | Occupational health and safety management system | page 70-71 |
| **GRI 404: Training and Education 2016** | | |
| 3-3 | Management of material topics | page 67 |
| 404-1 | Average hours of training per year per employee | page 69 |
| **GRI 405: Diversity and Equal Opportunity 2016** | | |
| 3-3 | Management of material topics | page 73-74 |
| 405-1 | Diversity of governance bodies and employees | page 74-75 |
| **GRI 406: Non-discrimination 2016** | | |
| 3-3 | Management of material topics | page 73-74 |
| 406-1 | Incidents of discrimination and corrective actions taken | page 76 |

## TCFD CONTENT INDEX

Recommended disclosures, including supplemental guidance for financial sector

| Pillars | Recommended disclosures | Reference and response |
|---|---|---|
| **Governance** | 1. Describe the board's oversight of climate-related risks and opportunities. | page 49 |
| | 2. Describe management's role in assessing and managing climate-related risks and opportunities. | page 49, 51 |
| **Strategy** | 3. Describe the climate-related risks and opportunities the Group has identified over the short, medium, and long term. | page 62-63 |
| | 4. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | page 62-63 |
| | 5. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | page 62-63 |
| **Risk Management** | 6. Describe the organization's processes for identifying and assessing climate-related risks | page 62-63 |
| | 7. Describe the organization's processes for managing climate-related risks. | page 62-63 |
| | 8. Describe how processes for identifying assessing and managing climate-related risks are integrated into the organization's overall risk management. | page 62-63 |
| **Metrics and Targets** | 9. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | page 62-65 |
| | 10. Disclose Scope1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks. | page 64 |
| | 11. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | page 65 |

# DIRECTORS' **STATEMENT**

The Directors are pleased to present their statement together with the audited consolidated financial statements of Hotung Investment Holdings Limited ("Company") and its subsidiaries ("Group") and the statement of financial position of the Company for the financial year ended 31 December 2024.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 90 to 141 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) 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 of the Company ("Board") has, on the date of this statement, authorized these financial statements for issue.

## DIRECTORS

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

| | |
|---|---|
| Tsui-Hui Huang | (Executive) |
| Andy C.W. Chen | (Re-appointed on 23 April 2024) |
| Philip N. Pillai | |
| Chang-Pang Chang | |
| Kung-Wha Ding | |
| Kenichi Shimomoto | (Re-appointed on 23 April 2024) |
| Shih-Ping Chen | |
| Lan Yuan | |
| Hwai-Hsin Liang | (Re-appointed on 23 April 2024) |
| David Chong, PBM | (Appointed on 23 April 2024) |

Pursuant to the Bye-laws of the Company ("Bye-laws") and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual"), the following Directors will be retiring at the 2025 AGM:

Mr. Kung-Wha Ding;
Ms. Shih-Ping Chen;
Ms. Tsui-Hui Huang; and
Ms. Lan Yuan.

All of the above Directors have offered themselves for re-election at the 2025 AGM.

# DIRECTORS' **STATEMENT**

## 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 as recorded in the register of directors' shareholdings kept by the Company except as follows:

| | Interest held | | Directors' deemed interest | |
|---|---|---|---|---|
| | At beginning of the financial year | At end of the financial year | At beginning of the financial year | At end of the financial year |
| **In the Company** | | | | |
| **Ordinary shares of NT$50 each** | | | | |
| Tsui-Hui Huang | – | – | 21,566,112 | 21,566,112* |

**Note:**
Tsui-Hui Huang has deemed interests in the following: (i) 17,415,100 shares held by Tai Lung Capital Inc.; (ii) 1,894,477 shares held by Chung Lung Investment Co., Ltd.; (iii) 1,339,785 shares held by Alps International Co., Ltd., which are registered in the name of DB Nominees (Singapore) Pte Ltd.; and (iv) 916,750 shares registered in the name of Daiwa Capital Markets Singapore Limited.

The Directors' interests as at 21 January 2025 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, CEO and Executive Director of the Company, entered into a service agreement ("Service Agreement") with the Company with effect from 20 June 2005. The Service Agreement was last renewed on 20 June 2023 for a period of 3 years.

Under the terms of the Service Agreement and as approved by both the Remuneration Committee and the Board, Tsui-Hui Huang is entitled to an incentive bonus equivalent to 1.5% of the Group's audited profit after tax and non-controlling interests 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$2.4 million for the financial year ended 31 December 2024.

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"), of which Cheng-Wang Huang (being an immediate family member of Tsui-Hui Huang) is a member 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 any benefit (other than a benefit which has been included in the aggregate amount of Directors' emoluments or fees paid to a firm of 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, a firm of which the Director is a member, or a company in which the Director 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 LISTING MANUAL

(i) Material contracts

Other than as disclosed elsewhere in this annual report, no material contracts involving the interests of the CEO, any Director or controlling shareholder to which the Company or any subsidiary is a party were subsisting 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 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 these services would not, in the opinion of the Audit Committee, affect the independence of the auditors.

(iv) Internal controls

The Group has established an integrated risk identification and management framework. Within the Group, risks are proactively identified and addressed. The responsibility of these risks lies with the respective business and corporate heads with stewardship residing with the Board. The Board approves the framework and has oversight of compliance by Management. The Audit Committee reviews the compliance 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 faced by the Group and the internal controls in place to manage those risks. The internal auditor was also involved in evaluating the effectiveness of current risk management and internal control systems. Material deficiencies (if any) and the consequent remedial actions were reviewed by the Audit Committee, and reported to the Board. Management's corresponding remediation plans and control improvement were monitored by the internal auditor.

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 the risk management and internal control systems of the Group are adequate and effective, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management and internal controls are adequate and effective in addressing the financial, operational, compliance, information technology and sustainability risks faced by 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 risk management and internal controls 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*

**Lan Yuan**
*Director*

20 March 2025

# INDEPENDENT
# **AUDITORS' REPORT**

Members of the Company Hotung Investment Holdings Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

*Opinion*

We have audited the financial statements of Hotung Investment Holdings Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 90 to 141.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024, and of the consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

*Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (IESBA Code) and the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code, and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters – Valuation of unquoted investments (NT$4,134 million)
(Refer to Note 8 to the financial statements)

| *Valuation of unquoted investments* | *How the matter was addressed in our audit* |
|---|---|
| The Group's portfolio of investments comprised quoted investments of NT$565 million and unquoted investments of NT$4,134 million. Within the portfolio of unquoted investments, NT$756 million were classified as Level 2 financial instruments which were valued using market observable prices or inputs which reduced the extent of management judgement and estimation and thus, reduced the uncertainty associated with the determination of fair values.<br><br>The remaining portfolio of unquoted investments amounting to NT$3,378 million comprised Level 3 financial instruments. The Level 3 financial instruments comprised mainly unquoted equity securities and fund investments which were valued based on methodologies that applied unobservable inputs, resulting in a significant degree of estimation uncertainty and management judgement in the valuation. | For the portfolio of Level 3 financial instruments, we assessed and tested the design and operating effectiveness of the controls over the preparation, review and approval of the valuations.<br><br>We also performed additional procedures over a selection of investments for each type of valuation methodology adopted by the Group. Valuation of the Group's investment in fund investments was based on the net asset values reported by the external fund managers. In assessing the reliability of using unaudited financial information provided by the fund managers, we performed a retrospective review of prior year's valuations by assessing the difference between the unaudited and audited 31 December 2023 net assets and partners' capital, where we noted the difference to be immaterial. This trend was consistent for previous financial years, also an indication of the reliability of the fund managers' valuations.<br><br>For the portfolio of investments measured using transaction prices, our procedures to evaluate the reasonableness of the valuations included industry trend and analysis of the investee performance as well as application of market multiples approach as a cross-check of the Group's valuations. Our valuation specialists were involved in the market multiples approach to assess if comparable companies and multiples selected were appropriate.<br><br>Similarly, the valuation specialists were also involved in the review of investment portfolio that was valued using the market multiples approach to corroborate and challenge key assumptions and judgments within management's valuation models, specifically focusing on scrutinizing the appropriateness of comparable companies derived by management and assessing the reasonableness of the transaction multiples employed in the valuations.<br><br>Overall, the valuation estimates for the Group's portfolio of investments were within a reasonable range of outcomes as at 31 December 2024. We also noted that the Group's disclosures were appropriate. |

*Other information*

Management is responsible for the other information. The other information comprises the Financial highlights, Chairman's statement, Board of directors, Key management, Investment managers, Investment advisors, Operating and financial review, Investment manager report, Corporate governance report, Sustainability report, Directors' statement and Shareholding statistics included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Hong Cho Hor Ian.

**KPMG LLP**
*Public Accountants and*
*Chartered Accountants*

**Singapore**
20 March 2025

# STATEMENTS OF **FINANCIAL POSITION**

As at 31 December 2024

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2024 | 2023 | 2024 | 2023 |
| | | NT$'000 | NT$'000 | NT$'000 | NT$'000 |
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| Investments in subsidiaries | 7 | – | – | 4,416,773 | 4,416,773 |
| Financial assets at fair value through profit or loss | 8 | 4,675,669 | 4,508,645 | – | – |
| Financial assets at amortised cost | | 6,479 | 5,968 | – | – |
| Property, plant and equipment | 9 | 26,497 | 34,056 | – | – |
| | | 4,708,645 | 4,548,669 | 4,416,773 | 4,416,773 |
| **Current assets** | | | | | |
| Financial assets at fair value through profit or loss | 8 | 23,364 | 71,121 | – | – |
| Trade and other receivables | 10 | 13,189 | 24,540 | 1,830 | 2,932 |
| Cash and cash equivalents | 11 | 1,877,188 | 1,817,875 | 109,559 | 143,014 |
| | | 1,913,741 | 1,913,536 | 111,389 | 145,946 |
| **Total assets** | | 6,622,386 | 6,462,205 | 4,528,162 | 4,562,719 |
| **Equity** | | | | | |
| Share capital | 12 | 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 | 13 | 854,725 | 664,056 | 47,040 | 48,573 |
| Accumulated losses | 13 | (1,306,629) | (1,201,373) | (2,128,069) | (2,090,854) |
| **Equity attributable to owners of the Company** | | 6,129,016 | 6,043,603 | 4,499,891 | 4,538,639 |
| **Non-controlling interests** | 14 | 103,828 | 88,011 | – | – |
| **Total equity** | | 6,232,844 | 6,131,614 | 4,499,891 | 4,538,639 |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | 16 | 222,596 | 155,734 | – | – |
| Trade and other payables | 17 | 18,546 | 26,000 | – | – |
| | | 241,142 | 181,734 | – | – |
| **Current liabilities** | | | | | |
| Trade and other payables | 17 | 121,993 | 126,621 | 28,271 | 24,080 |
| Income tax payables | | 26,407 | 22,236 | – | – |
| | | 148,400 | 148,857 | 28,271 | 24,080 |
| **Total liabilities** | | 389,542 | 330,591 | 28,271 | 24,080 |
| **Total equity and liabilities** | | 6,622,386 | 6,462,205 | 4,528,162 | 4,562,719 |

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

# CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

Year ended 31 December 2024

| | Note | Group 2024 NT$'000 | Group 2023 NT$'000 |
|---|---|---|---|
| Revenue | 18 | 431,830 | 325,642 |
| Operating expenses | 19 | (149,921) | (127,306) |
| Operating profit | | 281,909 | 198,336 |
| Finance costs | 9 | (322) | (121) |
| **Profit before tax** | | 281,587 | 198,215 |
| Tax expense | 20 | (89,957) | (84,429) |
| **Profit for the year** | | 191,630 | 113,786 |
| **Other comprehensive income:** | | | |
| Items that are or may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations and others | | 170,596 | 427 |
| **Other comprehensive income for the financial year, net of tax** | | 170,596 | 427 |
| **Total comprehensive income for the financial year** | | 362,226 | 114,213 |
| **Profit attributable to:** | | | |
| Owners of the Company | | 158,188 | 96,796 |
| Non-controlling interests | | 33,442 | 16,990 |
| | | 191,630 | 113,786 |
| **Total comprehensive income for the financial year attributable to:** | | | |
| Owners of the Company | | 328,784 | 97,223 |
| Non-controlling interests | | 33,442 | 16,990 |
| | | 362,226 | 114,213 |
| **Earnings per share (in NT$):** | | | |
| Basic | 21 | 1.67 | 1.02 |
| Diluted | 21 | 1.67 | 1.02 |

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

# CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

Year ended 31 December 2024

| | Note | Attributable to owners of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital NT$'000 | Share premium NT$'000 | Contributed surplus reserve NT$'000 | Currency translation and other reserve NT$'000 | Legal reserve NT$'000 | Special reserve NT$'000 | Capital surplus – net assets from merger NT$'000 | Treasury share reserve NT$'000 | Accumulated losses NT$'000 | Sub-total NT$'000 | Non-controlling interests NT$'000 | Total NT$'000 |
| **Group** | | | | | | | | | | | | | |
| **At 1 January 2023** | | 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 |
| **Total comprehensive income for the year** | | | | | | | | | | | | | |
| Profit for the year | | – | – | – | – | – | – | – | – | 96,796 | 96,796 | 16,990 | 113,786 |
| Exchange differences on translation of foreign operations and others | | – | – | – | 427 | – | – | – | – | – | 427 | – | 427 |
| Total other comprehensive income | | – | – | – | 427 | – | – | – | – | – | 427 | – | 427 |
| **Total comprehensive income for the year** | | – | – | – | 427 | – | – | – | – | 96,796 | 97,223 | 16,990 | 114,213 |
| **Transactions with owners, recognized directly in equity** | | | | | | | | | | | | | |
| **Contributions by and distributions to owners** | | | | | | | | | | | | | |
| Transfer to legal reserve of certain subsidiaries | | – | – | – | – | 8,616 | – | – | – | (8,616) | – | – | – |
| Dividends paid to shareholders of the Company | 15 | – | – | – | – | – | – | – | – | (241,942) | (241,942) | (29,323) | (271,265) |
| **Total transactions with owner** | | – | – | – | – | 8,616 | – | – | – | (250,558) | (241,942) | (29,323) | (271,265) |
| **At 31 December 2023** | | 5,233,033 | 1,347,887 | 406,116 | (118,931) | 587,946 | 19,801 | 126,667 | (357,543) | (1,201,373) | 6,043,603 | 88,011 | 6,131,614 |

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

# CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY (CONT'D)**

Year ended 31 December 2024

| | | Attributable to owners of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Note** | **Share capital NT$'000** | **Share premium NT$'000** | **Contributed surplus reserve NT$'000** | **Currency translation and other reserve NT$'000** | **Legal reserve NT$'000** | **Special reserve NT$'000** | **Capital surplus – net assets from merger NT$'000** | **Treasury share reserve NT$'000** | **Accumulated losses NT$'000** | **Sub-total NT$'000** | **Non-controlling interests NT$'000** | **Total NT$'000** |
| **Group** | | | | | | | | | | | | | |
| **At 1 January 2024** | | 5,233,033 | 1,347,887 | 406,116 | (118,931) | 587,946 | 19,801 | 126,667 | (357,543) | (1,201,373) | 6,043,603 | 88,011 | 6,131,614 |
| **Total comprehensive income for the year** | | | | | | | | | | | | | |
| Profit for the year | | – | – | – | – | – | – | – | – | 158,188 | 158,188 | 33,442 | 191,630 |
| Exchange differences on translation of foreign operations and others | | – | – | – | 170,596 | – | – | – | – | – | 170,596 | – | 170,596 |
| Total other comprehensive income | | – | – | – | 170,596 | – | – | – | – | – | 170,596 | – | 170,596 |
| **Total comprehensive income for the year** | | – | – | – | 170,596 | – | – | – | – | 158,188 | 328,784 | 33,442 | 362,226 |
| **Transactions with owners, recognized directly in equity** | | | | | | | | | | | | | |
| **Contributions by and distributions to owners** | | | | | | | | | | | | | |
| Transfer to legal reserve of certain subsidiaries | | – | – | – | – | 21,606 | – | – | – | (21,606) | – | – | – |
| Shares bought back as treasury shares | 13 | – | – | – | – | – | – | – | (1,533) | – | (1,533) | – | (1,533) |
| Dividends paid to shareholders of the Company | 15 | – | – | – | – | – | – | – | – | (241,838) | (241,838) | (17,594) | (259,432) |
| **Total contributions by and distributions to owners** | | – | – | – | – | 21,606 | – | – | (1,533) | (263,444) | (243,371) | (17,594) | (260,965) |
| **Changes in ownership interests in subsidiaries** | | | | | | | | | | | | | |
| Acquisition of non-controlling interests without a change in control | | – | – | – | – | – | – | – | – | – | – | (31) | (31) |
| **Total changes in ownership interests in subsidiaries** | | – | – | – | – | – | – | – | – | – | – | (31) | (31) |
| **Total transactions with owner** | | – | – | – | – | 21,606 | – | – | (1,533) | (263,444) | (243,371) | (17,625) | (260,996) |
| **At 31 December 2024** | | 5,233,033 | 1,347,887 | 406,116 | 51,665 | 609,552 | 19,801 | 126,667 | (359,076) | (1,306,629) | 6,129,016 | 103,828 | 6,232,844 |

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

# CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year ended 31 December 2024

| | Note | Group 2024 NT$'000 | Group 2023 NT$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit after tax | | 191,630 | 113,786 |
| Adjustments for: | | | |
| Net gains on financial assets at fair value through profit or loss | | (301,134) | (193,312) |
| Dividend/distribution income | | (81,560) | (91,157) |
| Depreciation expense | | 8,235 | 8,365 |
| Finance costs | | 322 | 121 |
| Interest income | | (30,560) | (39,118) |
| Tax expenses | | 89,957 | 84,429 |
| | | (123,110) | (116,886) |
| Changes to: | | | |
| Financial assets at fair value through profit or loss | | 319,479 | 577,887 |
| Trade and other receivables | | (1,244) | (3,534) |
| Trade and other payables | | (6,362) | (11,385) |
| Cash from operations | | 188,763 | 446,082 |
| Interest received | | 42,245 | 29,058 |
| Finance costs paid | | (322) | (121) |
| Dividend/distribution income received | | 81,560 | 91,157 |
| Tax paid | | (18,118) | (35,302) |
| **Net cash from operating activities** | | 294,128 | 530,874 |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | | (676) | – |
| **Net cash used in investing activities** | | (676) | – |
| **Cash flows from financing activities** | | | |
| Payment of lease liabilities | | (8,008) | (8,210) |
| Dividend paid to non-controlling shareholders in subsidiaries | | (16,793) | (27,988) |
| Dividends paid to shareholders of the Company | | (241,838) | (241,942) |
| Purchase of treasury shares | | (1,533) | – |
| **Net cash used in financing activities** | | (268,172) | (278,140) |
| **Net increase in cash and cash equivalents** | | 25,280 | 252,734 |
| Cash and cash equivalents at 1 January | | 1,817,875 | 1,568,089 |
| Effect of exchange rate on cash and cash equivalents | | 34,033 | (2,948) |
| **Cash and cash equivalents at 31 December** | 11 | 1,877,188 | 1,817,875 |

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 20 March 2025.

## 1 DOMICILE AND ACTIVITIES

Hotung Investment Holdings Limited (the "Company") is incorporated in Bermuda with 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 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. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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 IFRS Accounting Standards.

### 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 ("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.

### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards 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 recognized prospectively.

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.

## 2 BASIS OF PREPARATION (CONT'D)

### 2.5 Changes in material accounting policies

**New standards and amendments**

The Group has applied the following IFRS Accounting Standards, amendments to and interpretations of IFRS Accounting Standards for the first time for the annual period beginning on 1 January 2024:

- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* and Amendments to IAS 1 *Non-current Liabilities with Covenants*
- Amendments to IFRS 16 *Lease Liabilities in a Sale and Leaseback*
- Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*

Except for described above, the application of these amendments to standards and interpretations does not have material effects on the financial statements.

## 3 MATERIAL ACCOUNTING POLICIES

Except as described in Note 2.5, 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*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset of group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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

Any contingent consideration payable is recognized 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 recognized in profit or loss.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of consolidation (cont'd)

*(ii) Subsidiaries*

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

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. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*(iii) Non-controlling interests*

Non-controlling interests are measured initially at either their proportionate share of the acquiree's identifiable net assets at the date of acquisition or at fair value. The measurement basis taken is elected on a transaction-by-transaction basis.

*(iv) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

*(v) Subsidiaries in the separate financial statements*

Investments in subsidiaries 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 reporting date are translated 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.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.2 Foreign currency (cont'd)

*(i) Foreign currency transactions (cont'd)*

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated 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 based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognized in profit or loss. However, foreign currency differences arising from the translation of investments in equity securities designated at fair value through other comprehensive income ('FVOCI') are recognized in other comprehensive income.

*(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 recognized in other comprehensive income, and presented in the 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 of 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 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 recognized in other comprehensive income, and are presented in the currency translation reserve in equity.

### 3.3 Financial instruments

*(i) Recognition and initial measurement – Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity investments, trade and other receivables (excluding prepayments), cash and cash equivalents and trade and other payables.

Cash and cash equivalents comprise cash balances, bank deposits and other short-term highly liquid investments.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

*(i) Recognition and initial measurement – Non-derivative financial instruments (cont'd)*

The Group initially recognizes trade and other receivables (excluding prepayments) and cash and cash equivalents on the date that they are originated. All other financial instruments are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. For financial instruments that are at FVTPL, at initial recognition, attributable transaction costs are recognized in the income statement when incurred. A trade receivable without a significant financing component is initially measured at transaction price.

*(ii) Classification and subsequent measurement – Financial assets*

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

*(ii) Classification and subsequent measurement – Financial assets (cont'd)*

***Financial assets at fair value through comprehensive income***

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

***Financial assets at fair value through profit or loss***

**Mandatorily at FVTPL**

Financial assets that are held for trading are measured at fair value through profit or loss ("FVTPL"). Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the short-term or on initial recognition they are part of a portfolio of identified financial instruments that are managed together for which there is evidence of a recent actual pattern of short-term profit taking.

Financial assets which are managed and whose performance is evaluated on a fair value basis and those that are not classified as measured at amortised cost or FVOCI are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that does not meet the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or any dividend income, are recognized in the profit or loss.

***Associates***

Associates are entities over which the Group has significant influence, but not control or joint control, generally accompanied by a shareholding giving rise to 20% to 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee companies but is not control or joint control.

Investments in associates which are held as part of the Group's investment portfolio are designated upon initial recognition as investments at FVTPL as their performance is evaluated on a fair value basis. This is permitted by IAS 28 *Investments in Associates and Joint Ventures* which allows a venture capital organisation to measure its investment in an associate to be measured at FVTPL in accordance with IFRS 9. This election shall be made separately for each associate at initial recognition.

Investments in associates that are measured at FVTPL are subsequently measured at fair value.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

*(ii) Classification and subsequent measurement – Financial assets (cont'd)*

***Associates (cont'd)***

*Financial assets – Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or contractual cash flows collected); and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

*(iii) Derivative financial instruments*

A derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) is deemed as held-for-trading.

Derivatives are recognized initially at fair value and any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

Embedded derivatives are separated from host contracts that are not financial assets and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivatives are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at FVTPL.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

*(iv) Classification and subsequent measurement - Non-derivative financial liabilities*

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized 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.

*(v) 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. Fund investments are measured at reported net asset values. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

*(vi) Derecognition*

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of 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 it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all of substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

*(vii) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

*(viii) Impairment*

*Non-derivative financial assets*

The Group recognizes loss allowances for expected credit loss ('ECL') on financial assets measured at amortised cost and contract assets.

The impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

***Simplified approach***

The Group applies the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

***General approach***

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assessed whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

*(viii) Impairment (cont'd)*

***Measurement of ECL***

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive); and

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

### 3.4 Property, plant and equipment

*(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

*(ii) Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.4 Property, plant and equipment (cont'd)

*(iii) Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognized from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives are as follows:

| | |
|---|---|
| Office equipment | 3-5 years |
| Motor vehicles | 5 years |
| Right-of-use assets | 5 years |

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.5 Share capital

*Ordinary shares*

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

*Repurchase of share capital (treasury shares)*

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized 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 recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in contributed surplus reserve.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.6 Revenue recognition

Revenue for the Group comprises investment income arising from dividend income, distribution income, interest income, net gains/losses on financial assets at fair value through profit or loss, and consultancy fee income.

*Dividend/distribution income*

Dividend/distribution income is recognized 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 recognized as it accrues in profit or loss using the effective interest method.

*Net gains/losses on financial assets at fair value through profit or loss*

Net gains/losses on financial assets at fair value through profit or loss comprise gains/losses from sale of investments and net changes in fair value of investments.

*Consultancy fee income*

Consultancy fee income are recognized in the accounting period in which the services are rendered.

### 3.7 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 recognized for the amount expected to be paid 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.

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

### 3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.8 Leases (cont'd)

***As a lessee***

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.8 Leases (cont'd)

***As a lessee (cont'd)***

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

***Short-term leases and leases of low-value assets***

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.9 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized 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 recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized 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.

## 3 MATERIAL ACCOUNTING POLICIES (CONT'D)

### 3.9 Income tax expense (cont'd)

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 realized simultaneously.

A deferred tax asset is recognized 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 realized.

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.

### 3.10 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.

### 3.11 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.

### 3.12 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 2024, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

## 4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period prospectively.

*(i) 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) and (iv).

*(ii) Key sources of estimation uncertainty*

*Determining fair value*

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

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).

## 4 USE OF ESTIMATES AND JUDGEMENTS (CONT'D)

*(ii) Key sources of estimation uncertainty (cont'd)*

*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 categorized:

| | Note | Level 1<br>NT$'000 | Level 2<br>NT$'000 | Level 3<br>NT$'000 | Total<br>NT$'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Investments at FVTPL** | 8 | | | | |
| Quoted equity investments – at FVTPL | | 564,611 | – | – | 564,611 |
| Unquoted equity investments – at FVTPL | | – | 756,373 | 3,354,355 | 4,110,728 |
| Associate, at fair value – at FVTPL | | – | – | 23,694 | 23,694 |
| | | 564,611 | 756,373 | 3,378,049 | 4,699,033 |
| **2023** | | | | | |
| **Investments at FVTPL** | 8 | | | | |
| Quoted equity investments – at FVTPL | | 709,787 | – | – | 709,787 |
| Unquoted equity investments – at FVTPL | | – | 870,258 | 2,972,727 | 3,842,985 |
| Associate, at fair value – at FVTPL | | – | – | 26,994 | 26,994 |
| | | 709,787 | 870,258 | 2,999,721 | 4,579,766 |

At 31 December 2024, there were 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$37.8 million were transferred from Level 2 to Level 1 because those investments were listed during the year.

At 31 December 2023, 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.

The fair value hierarchy table excludes financial assets and financial liabilities such as cash and cash equivalents, trade and other receivables, financial assets at amortised cost and trade and other payables because their carrying amounts approximate their fair values due to their short-term or where the effect of discounting is immaterial.

## 4 USE OF ESTIMATES AND JUDGEMENTS (CONT'D)

*(ii) Key sources of estimation uncertainty (cont'd)*

*Fair value hierarchy (cont'd)*

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 NT$'000 |
|---|---|
| **2024** | |
| At beginning of year | 2,999,721 |
| Total gain recognized in profit or loss | |
| - net gain on investments at fair value through profit or loss | 164,181 |
| Disposals | (163,337) |
| Purchases | 27,327 |
| Transfers to Level 3 | |
| - from Level 2 (a) | 601,671 |
| Transfers out of Level 3 | |
| - to Level 1 (b) | (59,796) |
| - to Level 2 (c) | (191,718) |
| At end of year | 3,378,049 |
| Total realized gain for the year included in profit or loss for investments held as at 31 December | 3,536 |
| Total unrealized gain for the year included in profit or loss for investments held as at 31 December | 160,645 |
| Total net gain on investments at fair value through profit or loss | 164,181 |

## 4 USE OF ESTIMATES AND JUDGEMENTS (CONT'D)

*(ii) Key sources of estimation uncertainty (cont'd)*

*Fair value hierarchy (cont'd)*

| | Financial assets at FVTPL NT$'000 |
|---|---|
| **2023** | |
| At beginning of year | 3,319,186 |
| Total loss recognized in profit or loss | |
| - net loss on investments at fair value through profit or loss | (271,686) |
| Disposals | (6,829) |
| Purchases | 31,558 |
| Transfers to Level 3 | |
| - from Level 2 [(a)] | 719,932 |
| Transfers out of Level 3 | |
| - to Level 1 [(b)] | (345,142) |
| - to Level 2 [(c)] | (447,298) |
| At end of year | 2,999,721 |
| Total realized gain for the year included in profit or loss for investments held as at 31 December | 3,951 |
| Total unrealized loss for the year included in profit or loss for investments held as at 31 December | (275,637) |
| Total net loss on investments at fair value through profit or loss | (271,686) |

(a) Certain investments were transferred from Level 2 to Level 3 because measurement of fair value was based on valuation techniques using significant unobservable inputs.

(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 observable market data.

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) Key sources of estimation uncertainty (cont'd)*

*Fair value hierarchy (cont'd)*

The following table shows the valuation techniques and the significant unobservable inputs used in the determination of fair value of the Level 2 and Level 3 financial instruments.

| 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* 10.8x to 27.7x (2023: 7.3x to 46.3x)<br>• Adjusted price-book ratio multiple* 1.0x to 3.9x (2023: 0.8x to 7.2x)<br>• Adjusted price-to-sales ratio multiple* 1.4x to 13.9x (2023: 1.5x to 8.1x)<br>* The multiples were adjusted for discount for lack of marketability 10% to 40% (2023: 5% to 80%) | • The estimated fair value would increase if the multiples were higher or the discount for lack of marketability was lower. |
| Transacted prices | • Not applicable | • Not applicable |
| Net asset values | • Not applicable | • Not applicable |

*Sensitivity analysis*

For the fair values of level 3 unquoted investments, a 5% increase/(decrease) to the discount for lack of marketability, holding other inputs constant, would have a net effect of (decreasing)/increasing equity by NT$109,777,000 (2023: NT$80,516,000).

## 5 FINANCIAL RISK MANAGEMENT

**Overview**

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

- market risk
- 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.

**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 risk**

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 risk 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 United States dollars, Japanese yen, Singapore dollars and Chinese yuan.

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)

**Market 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<br>NT$'000 | JPY<br>NT$'000 | RMB<br>NT$'000 | SGD<br>NT$'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **2024** | | | | |
| Investments at fair value through profit or loss | 774,717 | 56,731 | – | – |
| Trade and other receivables | 3,322 | – | – | 186 |
| Cash and cash equivalents | 375,217 | 4 | 1,300 | 17,200 |
| Trade and other payables | (8,166) | – | – | (3,622) |
| Net exposure | 1,145,090 | 56,735 | 1,300 | 13,764 |
| **2023** | | | | |
| Investments at fair value through profit or loss | 902,262 | 71,097 | 26,871 | – |
| Trade and other receivables | 3,478 | – | – | 347 |
| Cash and cash equivalents | 191,855 | 4 | 1,255 | 29,823 |
| Trade and other payables | (7,592) | – | – | (769) |
| Net exposure | 1,090,003 | 71,101 | 28,126 | 29,401 |

| | USD<br>NT$'000 | SGD<br>NT$'000 |
|---|---|---|
| **Company** | | |
| **2024** | | |
| Trade and other receivables | 1,644 | 186 |
| Cash and cash equivalents | 90,220 | 17,199 |
| Trade and other payables | (8,166) | (3,622) |
| Net exposure | 83,698 | 13,763 |
| **2023** | | |
| Trade and other receivables | 2,584 | 347 |
| Cash and cash equivalents | 111,550 | 29,822 |
| Trade and other payables | (7,592) | (769) |
| Net exposure | 106,542 | 29,400 |

## 5 FINANCIAL RISK MANAGEMENT (CONT'D)

**Market risk (cont'd)**

*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. Their translation has been adjusted at the year end for a 5% change in foreign currency exchange rates.

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 | Profit or loss |
| | NT$'000 | NT$'000 |
| **2024** | | |
| USD | (18,519) | (4,185) |
| JPY | * | – |
| RMB | (65) | – |
| SGD | (688) | (688) |
| **2023** | | |
| USD | (9,387) | (5,327) |
| JPY | * | – |
| RMB | (63) | – |
| SGD | (1,470) | (1,470) |

* Less than NT$1,000

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.

## 5 FINANCIAL RISK MANAGEMENT (CONT'D)

### Market risk (cont'd)

*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 11.

*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.

*Exposure to market price risk*

As at 31 December 2024, if market prices had been 5% higher with all other variables held constant, the increase in the fair value of financial assets at fair value through profit or loss quoted investments and the corresponding increase in profit before tax, would be NT$28 million (2023: increase in profit before tax, would be NT$35 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.

## 5 FINANCIAL RISK MANAGEMENT (CONT'D)

**Credit risk (cont'd)**

*Exposure to credit risk*

The carrying amounts of financial assets at amortised cost, 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.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

The Group limits its exposure to credit risk on investments held by investing only with counterparty that are of acceptable credit rating. Impairment on financial assets at amortised cost has been measured on the 12-month and lifetime probabilities of default. The Group considers that its financial assets at amortised cost have low credit risk based on the credit rating of the counterparty. The amount of allowance on financial assets at amortised cost is negligible.

**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. The Group maintains a current ratio of 12.9 as at 31 December 2024 (2023: 12.9). Except for lease liabilities, the Group's financial liabilities are repayable upon demand or repayable within the next financial year.

## 5 FINANCIAL RISK MANAGEMENT (CONT'D)

**Liquidity risk (cont'd)**

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 | More than 1 year |
| | NT$'000 | NT$'000 | NT$'000 | NT$'000 |
| **Group** | | | | |
| **2024** | | | | |
| **Non-derivative financial liabilities** | | | | |
| Trade and other payables (excluding lease liabilities) | 114,539 | 114,539 | 114,539 | – |
| Lease liabilities | 26,000 | 26,517 | 7,694 | 18,823 |
| | 140,539 | 141,056 | 122,233 | 18,823 |
| **2023** | | | | |
| **Non-derivative financial liabilities** | | | | |
| Trade and other payables (excluding lease liabilities) | 118,613 | 118,613 | 118,613 | – |
| Lease liabilities | 34,008 | 34,848 | 8,331 | 26,517 |
| | 152,621 | 153,461 | 126,944 | 26,517 |
| **Company** | | | | |
| **2024** | | | | |
| **Non-derivative financial liabilities** | | | | |
| Trade and other payables | 28,271 | 28,271 | 28,271 | – |
| **2023** | | | | |
| **Non-derivative financial liabilities** | | | | |
| Trade and other payables | 24,080 | 24,080 | 24,080 | – |

## 5 FINANCIAL RISK MANAGEMENT (CONT'D)

### 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 13. 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 statements of financial position, are as follows:

| | Note | Mandatorily at FVTPL (non-current) NT$'000 | Mandatorily at FVTPL (current) NT$'000 | Amortised cost (non-current) NT$'000 | Amortised cost (current) NT$'000 | Total carrying amount NT$'000 |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **2024** | | | | | | |
| Financial assets designated at fair value through profit or loss | 8 | 4,675,669 | 23,364 | – | – | 4,699,033 |
| Financial assets at amortised cost | | – | – | 6,479 | – | 6,479 |
| Trade and other receivables* | 10 | – | – | – | 5,865 | 5,865 |
| Cash and cash equivalents | 11 | – | – | – | 1,877,188 | 1,877,188 |
| | | 4,675,669 | 23,364 | 6,479 | 1,883,053 | 6,588,565 |
| Trade and other payables | 17 | – | – | (18,546) | (121,993) | (140,539) |
| **2023** | | | | | | |
| Financial assets designated at fair value through profit or loss | 8 | 4,508,645 | 71,121 | – | – | 4,579,766 |
| Financial assets at amortised cost | | – | – | 5,968 | – | 5,968 |
| Trade and other receivables* | 10 | – | – | – | 23,196 | 23,196 |
| Cash and cash equivalents | 11 | – | – | – | 1,817,875 | 1,817,875 |
| | | 4,508,645 | 71,121 | 5,968 | 1,841,071 | 6,426,805 |
| Trade and other payables | 17 | – | – | (26,000) | (126,621) | (152,621) |

* *Excludes prepayments*

## 6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

| | Note | Amortised cost (current) NT$'000 | Total carrying amount NT$'000 |
|---|---|---|---|
| **Company** | | | |
| **2024** | | | |
| Cash and cash equivalents | 11 | 109,559 | 109,559 |
| Trade and other receivables* | 10 | – | – |
| | | 109,559 | 109,559 |
| Trade and other payables | 17 | (28,271) | (28,271) |
| **2023** | | | |
| Cash and cash equivalents | 11 | 143,014 | 143,014 |
| Trade and other receivables* | 10 | 2,003 | 2,003 |
| | | 145,017 | 145,017 |
| Trade and other payables | 17 | (24,080) | (24,080) |

* *Excludes prepayments*

## 7 INVESTMENTS IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2024 NT$'000 | 2023 NT$'000 |
| Unquoted equity investments, at cost | 4,416,773 | 4,416,773 |

## 7 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of significant subsidiaries are as follows:

| Name | Principal activities | Principal place of business/Country of incorporation | Ownership interest 2024 % | Ownership interest 2023 % |
|---|---|---|---|---|
| Daitung Development and Investment Corp. [(a)(b)] | Invest in listed/over the counter and unlisted companies | Taiwan, Republic of China | 99.99 | 99.99 |
| Hotung Venture Capital Corp. [(a)(b)] | Invest in listed/over the counter and unlisted companies | Taiwan, Republic of China | 99.99 | 99.99 |
| Huitung Investments (BVI) Ltd. [(a)(b)(e)] | Invest in listed/over the counter and unlisted companies | British Virgin Islands | 100.00 | 100.00 |
| Hotung Management International Ltd. [(c)] | Dormant | Cayman Islands | 100.00 | 100.00 |
| Hotung International Co., Ltd. [(a)(d)(f)] | Provision of consultancy services | Taiwan, Republic of China | 41.35 | 41.35 |
| **Held by subsidiaries** | | | | |
| Horizon Consultants Co., Ltd. [(a)(b)] | Investment holding | Cayman Islands | 100.00 | 100.00 |
| Infinitude Investment Co., Ltd. [(a)(b)] | Invest in listed/over the counter and unlisted companies | British Virgin Islands | 100.00 | 100.00 |

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

(b) These are investment companies and the investment management operations are performed by Hotung International Co., Ltd ("HIC").

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

(d) Although the Group owns less than half of the ownership interest of HIC, management has determined that the Group has control over HIC as the Group is exposed to variable returns from its involvement with HIC and has the ability to affect those returns through its power over HIC.

(e) During the year, Huitung Investments (BVI) Ltd. ("Huitung") declared cash dividend of NT$227 million (2023: NT$160 million) to the Company.

(f) During the year, Hotung International Co., Ltd. ("HIC") declared cash dividend of NT$30 million (2023: NT$50 million) to its shareholders.

## 8 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | NT$'000 | NT$'000 |
| **Non-current** | | |
| Quoted equity investments – mandatorily at FVTPL | 541,247 | 638,666 |
| Unquoted equity investments – mandatorily at FVTPL | 4,110,728 | 3,842,985 |
| | 4,651,975 | 4,481,651 |
| Investment in associate – mandatorily at FVTPL[1] | 23,694 | 26,994 |
| | 4,675,669 | 4,508,645 |
| **Current** | | |
| Quoted equity investments – mandatorily at FVTPL | 23,364 | 71,121 |

(1) The investment comprises of equity interest of 29.36% (2023: 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.

The Group's exposure to market risks and fair value information related to investments at fair value through profit or loss are disclosed in Notes 5 and 4 respectively.

## 9 PROPERTY, PLANT AND EQUIPMENT

| | Right-of-use assets NT$'000 | Motor vehicles NT$'000 | Office equipment NT$'000 | Total NT$'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **Cost** | | | | |
| At 1 January 2023 | 38,633 | 990 | 701 | 40,324 |
| Additions | 34,374 | – | – | 34,374 |
| Disposals | (32,387) | – | – | (32,387) |
| At 31 December 2023 | 40,620 | 990 | 701 | 42,311 |
| Additions | – | – | 676 | 676 |
| Disposals | – | – | (224) | (224) |
| At 31 December 2024 | 40,620 | 990 | 1,153 | 42,763 |
| **Accumulated depreciation and impairment losses** | | | | |
| At 1 January 2023 | 30,883 | 693 | 701 | 32,277 |
| Depreciation | 8,167 | 198 | – | 8,365 |
| Disposals | (32,387) | – | – | (32,387) |
| At 31 December 2023 | 6,663 | 891 | 701 | 8,255 |
| As at 1 January 2024 | 6,663 | 891 | 701 | 8,255 |
| Depreciation | 8,125 | 99 | 11 | 8,235 |
| Disposals | – | – | (224) | (224) |
| At 31 December 2024 | 14,788 | 990 | 488 | 16,266 |
| **Carrying amounts** | | | | |
| At 1 January 2023 | 7,750 | 297 | – | 8,047 |
| At 31 December 2023 | 33,957 | 99 | – | 34,056 |
| At 31 December 2024 | 25,832 | – | 665 | 26,497 |

Property, plant and equipment – right-of-use assets of NT$25.8 million (2023: NT$34.0 million) relates to NT$25.2 million (2023: NT$32.1 million) of leased office space and NT$0.6 million (2023: NT$1.9 million) of leased transportation equipment.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and/or leases of low-value items.

## 9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

***Amounts recognized in profit or loss***

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **NT$'000** | **NT$'000** |
| **Leases under IFRS 16** | | |
| Finance cost - interest on lease liabilities | 322 | 121 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | 426 | 395 |

***Amounts recognized in statement of cash flows***

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **NT'000** | **NT$'000** |
| Total cash outflow for leases | 8,756 | 8,726 |

## 10 TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **NT$'000** | **NT$'000** | **NT$'000** | **NT$'000** |
| Trade receivables | 668 | 5,965 | – | – |
| Interest receivable | 2,608 | 14,397 | – | 2,003 |
| Other receivables | 2,589 | 2,834 | – | – |
| Prepayments | 7,324 | 1,344 | 1,830 | 929 |
| | 13,189 | 24,540 | 1,830 | 2,932 |

The Group and Company's exposure to credit and currency risks are disclosed in Note 5.

## 11 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | NT$'000 | NT$'000 | NT$'000 | NT$'000 |
| Time deposits | 1,487,745 | 1,629,994 | – | 121,494 |
| Cash and bank balances | 389,443 | 187,881 | 109,559 | 21,520 |
| Cash and cash equivalents | 1,877,188 | 1,817,875 | 109,559 | 143,014 |

The time deposits bear effective interest at rates ranging from 0.71% to 4.4% (2023: 0.585% to 5.418%) per annum at the reporting date. The time deposits mature on varying dates within 12 months (2023: 11 months) from the reporting date.

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

## 12 SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | Number of ordinary shares, including treasury shares | | | |
| | '000 | '000 | NT$'000 | NT$'000 |
| Authorized | 200,000 | 200,000 | 10,000,000 | 10,000,000 |
| Issued and fully paid: | | | | |
| At the beginning and end of the year | 104,661 | 104,661 | 5,233,033 | 5,233,033 |

***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.

## 13 RESERVES AND ACCUMULATED LOSSES

The reserves and accumulated losses of the Group and the Company comprise the following balances:

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | NT$'000 | NT$'000 | NT$'000 | NT$'000 |
| Reserves | | | | |
| Contributed surplus reserve | 406,116 | 406,116 | 406,116 | 406,116 |
| Currency translation and other reserve | 51,665 | (118,931) | – | – |
| Legal reserve | 609,552 | 587,946 | – | – |
| Special reserve | 19,801 | 19,801 | – | – |
| Capital surplus – net assets from merger | 126,667 | 126,667 | – | – |
| Treasury share reserve | (359,076) | (357,543) | (359,076) | (357,543) |
| | 854,725 | 664,056 | 47,040 | 48,573 |
| Accumulated losses | (1,306,629) | (1,201,373) | (2,128,069) | (2,090,854) |

***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.

***Currency translation and other reserve***

The currency translation and other reserve mainly comprise of foreign currency differences arising from the translation of the financial statements of foreign operations.

***Legal and special reserve***

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 has 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.

## 13 RESERVES AND ACCUMULATED LOSSES (CONT'D)

***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 were 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.

***Treasury share reserve***

Pursuant to the general mandate obtained in the Annual General Meeting held on 23 April 2024 and 17 April 2023, the number of shares purchased by way of market acquisition during 2024 was 40,900, for an aggregated consideration of NT$1,533,000. During the year 31 December 2023, there is no share purchased by way of market acquisition. Pursuant to the Bye-laws of the Company, the shares purchased are treated as treasury shares.

As at 31 December 2024, the total number of shares that remain in issuance excluding treasury shares amounted to 94,838,282 (2023: 94,879,182).

***Accumulated losses***

The accumulated losses of the Group and the Company arouse as a result of the dividends distribution throughout the years exceeding the earnings reserves of the Group and the Company. Under existing Bermuda law, distributions can be made out of this reserve as long as certain solvency and capital requirements are fulfilled.

## 14 NON-CONTROLLING INTERESTS

The following summarises the financial information of the Group's significant subsidiary with material non-controlling interests, based on its financial statements prepared in accordance with IFRS Accounting Standards, modified for fair value adjustments on acquisition and differences in the Group's accounting policies, and excluding inter-company eliminations with other companies in the Group. As at the reporting date, the Group only had one subsidiary with significant non-controlling interest, HIC, which is incorporated in and operates in Taiwan.

Although the Group owns less than half of the ownership interest of HIC, management has determined that the Group has control over HIC as the Group is exposed to variable returns from its involvement with HIC and has the ability to affect those returns through its power over HIC.

## 14 NON-CONTROLLING INTERESTS (CONT'D)

| | HIC | |
|---|---|---|
| | 2024 | 2023 |
| | NT$'000 | NT$'000 |
| **Percentage shareholdings by non-controlling interests** | 58.65% | 58.65% |
| Revenue | 153,067 | 112,065 |
| Profit | 57,004 | 28,952 |
| Other comprehensive income | – | – |
| **Total comprehensive income** | 57,004 | 28,952 |
| Attributable to NCI: | | |
| - Profit | 33,431 | 16,979 |
| - Other comprehensive income | – | – |
| **Total comprehensive income** | 33,431 | 16,979 |
| Non-current assets | 13,895 | 18,015 |
| Current assets | 265,768 | 242,267 |
| Non-current liabilities | (9,273) | (13,317) |
| Current liabilities | (93,971) | (97,550) |
| **Net assets** | 176,419 | 149,415 |
| **Net assets attributable to NCI** | 103,470 | 87,632 |
| Cash flows from operating activities | 20,075 | 45,351 |
| Cash flows used in investing activities | (676) | – |
| Cash flows used in financing activities | (33,833) | (53,397) |
| **Net decrease in cash and cash equivalents** | (14,434) | (8,046) |

## 15 DIVIDENDS

| | Group and Company | |
|---|---|---|
| | **2024** | **2023** |
| | **NT$'000** | **NT$'000** |
| *Ordinary dividends paid* | | |
| NT$2.55 per ordinary share (2023: NT$2.55) | 241,838 | 241,942 |

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 | |
|---|---|---|
| | **2024** | **2023** |
| | **NT$'000** | **NT$'000** |
| NT$2.55 per ordinary share (2023: NT$2.55) | 241,838 | 241,942 |

## 16 DEFERRED TAX LIABILITIES

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **NT$'000** | **NT$'000** |
| Deferred tax liability of which: | | |
| - Investments at fair value through profit or loss | 77,211 | 51,800 |
| - Withholding tax associated with undistributed earnings | 145,385 | 103,934 |
| | 222,596 | 155,734 |

# NOTES TO THE
# FINANCIAL STATEMENTS

## 16 DEFERRED TAX LIABILITIES (CONT'D)

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

| | Balance as at 1 January 2023 | Recognized in profit or loss | Recognized in other comprehensive income | Effect of exchange rate | Balance as at 31 December 2023 and 1 January 2024 | Recognized in profit or loss | Recognized in other comprehensive income | Effect of exchange rate | Balance as at 31 December 2024 |
|---|---|---|---|---|---|---|---|---|---|
| | NT$'000 | NT$'000 | NT$'000 | NT$'000 | NT$'000 | NT$'000 | NT$'000 | NT$'000 | NT$'000 |
| Investments at fair value through profit or loss | 40,532 | 11,268 | – | – | 51,800 | 25,411 | – | – | 77,211 |
| Withholding tax associated with undistributed earnings | 68,128 | 35,806 | – | – | 103,934 | 41,451 | – | – | 145,385 |
| | 108,660 | 47,074 | – | – | 155,734 | 66,862 | – | – | 222,596 |

## 17 TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | NT$'000 | NT$'000 | NT$'000 | NT$'000 |
| **Non-current** | | | | |
| Lease liabilities | 18,546 | 26,000 | – | – |
| **Current** | | | | |
| Lease liabilities | 7,454 | 8,008 | – | – |
| Accrued expenses | 114,539 | 118,613 | 28,271 | 24,080 |
| | 121,993 | 126,621 | 28,271 | 24,080 |

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

The following table shows a reconciliation of movements of lease liabilities to cash flows arising from financing activities.

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | NT'000 | NT'000 |
| **Balance as at 1 January** | 34,008 | 7,844 |
| **Changes from operating cash flows:** | | |
| Finance costs paid | (322) | (121) |
| **Changes from financing cash flows:** | | |
| Payment of lease liabilities | (8,008) | (8,210) |
| **Other changes** | | |
| Finance costs | 322 | 121 |
| Acquisition | – | 34,374 |
| **Balance as at 31 December** | 26,000 | 34,008 |

## 18 REVENUE

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | NT$'000 | NT$'000 |
| Interest income | 30,560 | 39,118 |
| Dividend/distribution income | 81,560 | 91,157 |
| Net gains on financial assets at fair value through profit or loss | 301,134 | 193,312 |
| Foreign exchange gains/(losses) | 16,468 | (400) |
| Others | 2,108 | 2,455 |
| | 431,830 | 325,642 |

## 19 OPERATING EXPENSES

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | NT$'000 | NT$'000 |
| Staff cost | 94,053 | 81,469 |
| Audit fees | | |
| - auditors of the Company and other firms affiliated with KPMG International Limited | 5,898 | 5,538 |
| Non-audit fees | | |
| - auditors of the Company and other firms affiliated with KPMG International Limited | 570 | 570 |
| Operating lease expense | 426 | 395 |
| Other administrative expenses | 48,974 | 39,334 |
| | 149,921 | 127,306 |

## 20 TAX EXPENSE

| | Group 2024 NT$'000 | Group 2023 NT$'000 |
|---|---|---|
| **Current tax expense** | | |
| Current year | 23,095 | 36,757 |
| Adjustment for prior years | – | 598 |
| | 23,095 | 37,355 |
| **Deferred tax expense** | | |
| Origination and reversal of temporary difference | 66,862 | 47,074 |
| Tax expense | 89,957 | 84,429 |
| ***Reconciliation of effective tax rate*** | | |
| Profit before tax | 281,587 | 198,215 |
| Tax at the statutory rate of respective jurisdictions | 75,401 | 55,148 |
| Difference in tax rates applicable to capital gains on securities | 2,441 | (15,514) |
| Change in unrecognized temporary differences | 66,862 | 47,074 |
| Non-taxable income | (64,825) | (21,974) |
| Non-deductible expenses | 3,073 | 4,537 |
| Deductible losses from investees | (12,343) | (10,877) |
| Adjustment for prior years | – | 598 |
| Current year losses for which no deferred tax asset was recognized | 6,514 | 3,608 |
| Tax on undistributed profits of subsidiaries | 10,251 | 1,553 |
| Foreign investors' withholding tax | 2,583 | 20,276 |
| | 89,957 | 84,429 |

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 20% (2023: 20%).

***Subsidiaries: deductible losses***

The Taiwan subsidiaries' taxable incomes are subject to deductible losses from investee, which are losses recognized arising from capital reduction at investee companies and previously non-deductible losses of investments realized through disposal.

## 20 TAX EXPENSE (CONT'D)

***Subsidiaries: capital gains tax***

The Taiwan subsidiaries are also subject to capital gains tax, computed as the higher of 20% 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.

***Subsidiaries: withholding tax***

Dividends paid by Taiwanese companies are subjected to foreign investors' withholding tax of 21% (2023: 21%). 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) is NT$3,555 million (2023: NT$3,281 million). As the Company was able to control the timing and amount of distributions, withholding tax for the year was determined on the amount of current year distributions to be made by the subsidiaries. As at the reporting date, the withholding tax that would be incurred should all the earnings be distributed was estimated to be NT$747 million (2023: NT$689 million).

***Unrecognized deferred tax assets***

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

| | Group | | | |
|---|---|---|---|---|
| | **Gross amount** | **Tax effect** | **Gross amount** | **Tax effect** |
| | **2024** | **2024** | **2023** | **2023** |
| | **NT$'000** | **NT$'000** | **NT$'000** | **NT$'000** |
| Tax losses | 496,428 | 99,286 | 601,006 | 120,201 |

## 20 TAX EXPENSE (CONT'D)

***Unrecognized deferred tax assets (cont'd)***

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

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **NT$'000** | **NT$'000** |
| 2024 | – | 137,146 |
| 2026 | 199,814 | 199,814 |
| 2027 | 68,670 | 68,670 |
| 2028 | 44,242 | 44,242 |
| 2029 | 108,896 | 108,896 |
| 2030 | 22,458 | 22,458 |
| 2032 | 1,739 | 1,739 |
| 2033 | 18,041 | 18,041 |
| 2034 | 32,568 | – |
| | 496,428 | 601,006 |

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

## 21 EARNINGS PER SHARE

For the financial year ended 31 December 2024, basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company of NT$158,188,000 (2023: NT$96,796,000) by the weighted average number of ordinary shares outstanding of 94,844,488 (2023: 94,879,182).

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

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **'000** | **'000** |
| Issued ordinary shares at beginning of the year | 94,879 | 94,879 |
| Effect of repurchase of shares | (35) | – |
| Weighted average number of shares at end of the year | 94,844 | 94,879 |

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.

## 22 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 | |
|---|---|---|
| | 2024 | 2023 |
| | NT$'000 | NT$'000 |
| Directors' fees | 9,823 | 9,932 |
| Incentive bonus to director | 2,409 | 1,474 |
| Remuneration and other short term employee benefits | 33,141 | 29,417 |
| | 45,373 | 40,823 |

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 1.5% (2023:1.5%) of the Group's audited profit after tax and non-controlling interests. This amounted to NT$2.4 million (2023: NT$1.5 million) for the year.

*Other related parties transactions*

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | NT$'000 | NT$'000 |
| Rental expenses to a corporate shareholder in which directors have interests | 300 | 300 |
| Lease liabilities paid to a corporate shareholder in which directors have interests | 6,746 | 6,957 |
| Finance cost in relation to lease liabilities paid to a corporate shareholder in which directors have interests | 313 | 102 |

## 23 OPERATING SEGMENTS

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.

| | Investments | Fund Management | Eliminations | Consolidated |
|---|---|---|---|---|
| | NT$'000 | NT$'000 | NT$'000 | NT$'000 |
| **2024** | | | | |
| Revenue | | | | |
| External revenue | 423,607 | 8,223 | – | 431,830 |
| Inter-segmental revenue | – | 144,844 | (144,844) | – |
| Total revenue | 423,607 | 153,067 | (144,844) | 431,830 |
| Interest income | 26,541 | 4,019 | – | 30,560 |
| Depreciation | (3,438) | (4,797) | – | (8,235) |
| Finance costs | (156) | (166) | – | (322) |
| Profit before tax | 214,670 | 66,917 | – | 281,587 |
| Tax expenses | (80,044) | (9,913) | – | (89,957) |
| Profit after tax but before non-controlling interests | 134,626 | 57,004 | – | 191,630 |
| Non-controlling interests | (11) | (33,431) | – | (33,442) |
| Profit attributable to owners of the Company | 134,615 | 23,573 | – | 158,188 |

## 23 OPERATING SEGMENTS (CONT'D)

| | Investments NT$'000 | Fund Management NT$'000 | Eliminations NT$'000 | Consolidated NT$'000 |
|---|---|---|---|---|
| **2024** | | | | |
| Other information | | | | |
| Segment assets | 6,382,118 | 279,663 | (39,395) | 6,622,386 |
| Segment assets includes: | | | | |
| Additions to property, plant and equipment | – | 676 | – | 676 |
| Segment liabilities | 83,543 | 96,391 | (39,395) | 140,539 |
| Current income tax liability | 19,554 | 6,853 | – | 26,407 |
| Deferred tax liability | 222,596 | – | – | 222,596 |
| Total liabilities | 325,693 | 103,244 | (39,395) | 389,542 |
| **2023** | | | | |
| Revenue | | | | |
| External revenue | 322,713 | 2,929 | – | 325,642 |
| Inter-segmental revenue | – | 109,136 | (109,136) | – |
| Total revenue | 322,713 | 112,065 | (109,136) | 325,642 |
| Interest income | 36,868 | 2,250 | – | 39,118 |
| Depreciation | (3,459) | (4,906) | – | (8,365) |
| Finance costs | (51) | (70) | – | (121) |
| Profit before tax | 163,333 | 34,882 | – | 198,215 |
| Tax expenses | (78,499) | (5,930) | – | (84,429) |
| Profit after tax but before non-controlling interests | 84,834 | 28,952 | – | 113,786 |
| Non-controlling interests | (11) | (16,979) | – | (16,990) |
| Profit attributable to owners of the Company | 84,823 | 11,973 | – | 96,796 |
| Other information | | | | |
| Segment assets | 6,207,901 | 260,282 | (5,978) | 6,462,205 |
| Segment assets includes: | | | | |
| Additions to right-of-use assets | 17,187 | 17,187 | – | 34,374 |
| Segment liabilities | 47,405 | 111,194 | (5,978) | 152,621 |
| Current income tax liability/(assets) | 22,563 | (327) | – | 22,236 |
| Deferred tax liability | 155,734 | – | – | 155,734 |
| Total liabilities | 225,702 | 110,867 | (5,978) | 330,591 |

## 23 OPERATING SEGMENTS (CONT'D)

***Geographical information***

The Group's activities are conducted predominantly in Taiwan, China, Israel, United States and United Kingdom. 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' and/or fund managers' principal places of business.

| | Revenue | |
|---|---|---|
| | **2024** | **2023** |
| | **NT$'000** | **NT$'000** |
| Taiwan | 440,062 | 354,332 |
| China | 35,103 | 92,340 |
| Israel | (20,594) | (172,052) |
| United States and United Kingdom | (14,014) | 41,855 |
| Other countries | (8,727) | 9,167 |
| | 431,830 | 325,642 |

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

| | Investments at fair value through profit or loss | |
|---|---|---|
| | **2024** | **2023** |
| | **NT$'000** | **NT$'000** |
| Taiwan | 2,237,467 | 2,210,932 |
| China | 1,083,042 | 1,027,205 |
| Israel | 998,457 | 967,453 |
| United States and United Kingdom | 323,337 | 303,079 |
| Other countries | 56,730 | 71,097 |
| | 4,699,033 | 4,579,766 |

As the Group is engaged principally in investment activities in Taiwan, China, Israel, United States and United Kingdom, no further geographical information relating to the location of other non-current assets is presented.

## 24 COMMITMENTS

The Group has uncalled capital commitments of NT$2 million (2023: NT$28 million) for the capital contribution in certain investments as at the end of the reporting period.

# SHAREHOLDING **STATISTICS**

as at 14 March 2025

| | |
|---|---|
| Authorised Share Capital | : NT$10,000,000,000 |
| No. of Issued Shares | : 104,660,662 |
| Issued and fully paid-up Capital | : NT$5,233,033,100 |
| No. of Issued Shares (excluding treasury shares) | : 94,838,282 |
| No. of Treasury Shares Held | : 9,822,380 |
| No. of Subsidiary Holdings Held | : 0 |
| Percentage of Treasury Shares Held | : 10.36% of issued shares (excluding treasury shares) |
| Class of shares | : Ordinary shares of NT$50 each |
| Voting rights | : One vote per share (no vote for treasury shares) |

## ANALYSIS OF SHAREHOLDINGS

| Range of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 - 99 | 38 | 0.40 | 1,546 | 0.00 |
| 100 - 1,000 | 6,117 | 65.11 | 2,708,452 | 2.59 |
| 1,001 - 10,000 | 2,582 | 27.48 | 9,788,144 | 9.35 |
| 10,001 - 1,000,000 | 646 | 6.88 | 33,707,883 | 32.21 |
| 1,000,001 and above | 12 | 0.13 | 58,454,637 | 55.85 |
| | 9,395 | 100.00 | 104,660,662 | 100.00 |

### Shareholding Held in Hands of Public

Based on information available to the Company as at 14 March 2025, approximately 65.34% 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. | 17,415,100 | 18.36 |
| 2 | DAIWA CAPITAL MARKETS SINGAPORE LIMITED | 8,364,132 | 8.82 |
| 3 | MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. | 6,025,255 | 6.35 |
| 4 | DBS NOMINEES (PRIVATE) LIMITED | 4,421,330 | 4.66 |
| 5 | KGI SECURITIES (SINGAPORE) PTE. LTD. | 2,366,590 | 2.50 |
| 6 | CHUNG LUNG INVESTMENT CO., LTD. | 1,894,477 | 2.00 |
| 7 | PHILLIP SECURITIES PTE LTD | 1,757,112 | 1.85 |
| 8 | CITIBANK NOMINEES SINGAPORE PTE LTD | 1,553,604 | 1.64 |
| 9 | DB NOMINEES (SINGAPORE) PTE LTD | 1,368,585 | 1.44 |
| 10 | HSBC (SINGAPORE) NOMINEES PTE LTD | 1,271,441 | 1.34 |
| 11 | UOB KAY HIAN PRIVATE LIMITED | 1,184,530 | 1.25 |
| 12 | SOLOMON WONG SENG LOONG (SOLOMON WANG CHENGLONG) | 1,010,101 | 1.07 |
| 13 | LEW WING KIT | 896,500 | 0.95 |
| 14 | SEE BENG LIAN JANICE | 789,510 | 0.83 |
| 15 | LIU ZOU-HSIN | 748,000 | 0.79 |
| 16 | RAFFLES NOMINEES (PTE.) LIMITED | 672,484 | 0.71 |
| 17 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 609,800 | 0.64 |
| 18 | KIM SOO KOONG | 521,000 | 0.55 |
| 19 | JEN SHEK CHUEN | 500,000 | 0.53 |
| 20 | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 489,900 | 0.52 |
| | | 53,859,451 | 56.80 |

* The percentage of issued ordinary shares is calculated based on the total number of 94,838,282 issued ordinary shares of the Company (excluding treasury shares) as at 14 March 2025.

# SHAREHOLDING **STATISTICS**

as at 14 March 2025

## SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholder

| | Direct[1] Interest | % | Deemed[1] Interest | % |
|---|---|---|---|---|
| Tai Lung Capital Inc. | 17,415,100 | 18.36 | 1,894,477[2] | 2.00 |
| Mega International Commercial Bank Co., Ltd. | 6,025,255 | 6.35 | – | – |
| Daiwa Corporate Investment Co., Ltd. | – | – | 5,275,513[3] | 5.56 |
| Tsui-Hui Huang | – | – | 21,566,112[4] | 22.74 |
| Cheng-Wang Huang | – | – | 19,309,577[5] | 20.36 |

**Notes:**

(1) This represents the interests of Substantial Shareholders based on on-market trades conducted up to 12 March 2025 (where applicable), on account of the fact that trades on the Singapore Exchange Securities Trading Limited are settled on a "T+2" settlement cycle, that is, an acquisition or sale of shares on day T will be settled at T plus two (2) market days later, i.e. 14 March 2025.

(2) Tai Lung Capital Inc. has a deemed interest in 1,894,477 shares held by Chung Lung Investment Co., Ltd.

(3) The 5,275,513 shares held by Daiwa Corporate Investment Co., Ltd. are registered in the name of Daiwa Capital Markets Singapore Limited.

(4) Tsui-Hui Huang has deemed interests in the following: (i) 17,415,100 shares held by Tai Lung Capital Inc.; (ii) 1,894,477 shares held by Chung Lung Investment Co., Ltd.; (iii) 1,339,785 shares held by Alps International Co., Ltd., which are registered in the name of DB Nominees (Singapore) Pte Ltd.; and (iv) 916,750 shares registered in the name of Daiwa Capital Markets Singapore Limited.

(5) Cheng-Wang Huang has deemed interests in the following: (i) 17,415,100 shares held by Tai Lung Capital Inc.; and (ii) 1,894,477 shares held by Chung Lung Investment Co., Ltd.

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# CORPORATE **INFORMATION**

## HONORARY CHAIRMAN
Cheng-Wang Huang

## BOARD OF DIRECTORS
Tsui-Hui Huang (Chairman)
Andy C.W. Chen
Philip N. Pillai
Chang-Pang Chang
Kung-Wha Ding
Kenichi Shimomoto
Shih-Ping Chen
Lan Yuan
Hwai-Hsin Liang
David Chong, PBM

## AUDIT COMMITTEE
Lan Yuan (Chairman)
Philip N. Pillai
David Chong, PBM

## REMUNERATION COMMITTEE
Kung-Wha Ding (Chairman)
Chang-Pang Chang
Shih-Ping Chen

## NOMINATING COMMITTEE
Kung-Wha Ding (Chairman)
Tsui-Hui Huang
Lan Yuan

## COMPANY SECRETARY
Hsin-Chieh Chung
Yu-Chieh Chen (Joint Company Secretary)

## AUDITORS
**KPMG LLP**
Public Accountants and Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Partner in charge
Hong Cho Hor Ian
(appointed from the financial year ended
31 December 2023)

## BERMUDA SHARE REGISTRAR
**CONYERS CORPORATE SERVICES (BERMUDA) LIMITED**
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

## SINGAPORE SHARE TRANSFER AGENT
**BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.**
1 Harbourfront Avenue,
Keppel Bay Tower #14-07
Singapore 098632
Tel : 65-6536-5355
Fax: 65-6536-1360

## REGISTERED OFFICE
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

和通集團
HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED