



**Hotung Investment Holdings Limited
and its subsidiaries**

(Incorporated in Bermuda)

**Reporting for the six months ended 30 June 2022
(unaudited and unreviewed)**

**A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

		Group	
		6 months ended 30 June	
	Note	2022	2021
		NT\$'000	NT\$'000
Revenue	5	160,887	530,399
Operating expenses	5	(78,221)	(85,293)
Operating profit		82,666	445,106
Finance costs		(53)	(83)
Profit before tax		82,613	445,023
Tax expense	6	(50,338)	(100,057)
Profit for the period		32,275	344,966
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations and others		217,314	(69,337)
Other comprehensive income/(losses) for the period, net of tax		217,314	(69,337)
Total comprehensive income for the period		249,589	275,629
Profit for the period attributable to:			
Owners of the Company		12,185	315,096
Non-controlling interests		20,090	29,870
		32,275	344,966
Total comprehensive income for the period attributable to:			
Owners of the Company		229,499	245,759
Non-controlling interests		20,090	29,870
		249,589	275,629
Earnings per share (in NT\$):			
Basic		0.13	3.28
Diluted		0.13	3.28

B. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		Group		Company	
	Note	30 June 2022 NT\$'000	31 December 2021 NT\$'000	30 June 2022 NT\$'000	31 December 2021 NT\$'000
Assets					
Non-current assets					
Investments in subsidiaries		–	–	4,416,773	4,416,773
Financial assets at fair value through profit or loss	7	4,922,897	4,419,037	–	–
Financial assets at amortised cost		5,632	–	–	–
Property, plant and equipment		12,240	16,451	–	–
		<u>4,940,769</u>	<u>4,435,488</u>	<u>4,416,773</u>	<u>4,416,773</u>
Current assets					
Financial assets at fair value through profit or loss	7	129,057	73,732	–	–
Trade and other receivables		3,653	5,206	–	1,454
Cash and cash equivalents		1,397,104	2,271,020	242,539	21,378
		<u>1,529,814</u>	<u>2,349,958</u>	<u>242,539</u>	<u>22,832</u>
Total assets		<u>6,470,583</u>	<u>6,785,446</u>	<u>4,659,312</u>	<u>4,439,605</u>
Equity					
Share capital	9	5,233,033	5,233,033	5,233,033	5,233,033
Share premium		1,347,887	1,347,887	1,347,887	1,347,887
Reserves		565,641	327,264	48,573	61,830
Accumulated losses		(1,084,829)	(588,299)	(1,985,993)	(2,231,945)
Equity attributable to owners of the Company		<u>6,061,732</u>	<u>6,319,885</u>	<u>4,643,500</u>	<u>4,410,805</u>
Non-controlling interests		<u>93,851</u>	<u>132,407</u>	<u>–</u>	<u>–</u>
Total equity		<u>6,155,583</u>	<u>6,452,292</u>	<u>4,643,500</u>	<u>4,410,805</u>
Non-current liabilities					
Deferred tax liabilities		127,692	110,330	–	–
Trade and other payables		3,700	7,842	–	–
		<u>131,392</u>	<u>118,172</u>	<u>–</u>	<u>–</u>
Current liabilities					
Trade and other payables		148,316	159,616	15,812	28,800
Income tax payables		35,292	55,366	–	–
		<u>183,608</u>	<u>214,982</u>	<u>15,812</u>	<u>28,800</u>
Total liabilities		<u>315,000</u>	<u>333,154</u>	<u>15,812</u>	<u>28,800</u>
Total equity and liabilities		<u>6,470,583</u>	<u>6,785,446</u>	<u>4,659,312</u>	<u>4,439,605</u>

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022

Group	Note	Attributable to owners of the Company											Total NT\$'000
		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	
At 1 January 2022		5,233,033	1,347,887	406,116	(426,044)	545,010	19,801	126,667	(344,286)	(588,299)	6,319,885	132,407	6,452,292
Total comprehensive income for the period													
Profit for the period		–	–	–	–	–	–	–	–	12,185	12,185	20,090	32,275
Exchange differences on translation of foreign operations and others		–	–	–	217,314	–	–	–	–	–	217,314	–	217,314
Total other comprehensive income		–	–	–	217,314	–	–	–	–	–	217,314	–	217,314
Total comprehensive income for the period		–	–	–	217,314	–	–	–	–	12,185	229,499	20,090	249,589
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Transfer to legal reserve of certain subsidiaries		–	–	–	–	34,320	–	–	–	(34,320)	–	–	–
Shares bought back as treasury shares	9	–	–	–	–	–	–	–	(13,257)	–	(13,257)	–	(13,257)
Dividends paid to shareholders of the Company	10	–	–	–	–	–	–	–	–	(474,395)	(474,395)	(58,646)	(533,041)
Total transactions with owner		–	–	–	–	34,320	–	–	(13,257)	(508,715)	(487,652)	(58,646)	(546,298)
At 30 June 2022		5,233,033	1,347,887	406,116	(208,730)	579,330	19,801	126,667	(357,543)	(1,084,829)	6,061,732	93,851	6,155,583

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2021

Group	Note	Attributable to owners of the Company											Total NTS'000
		Share capital NTS'000	Share premium NTS'000	Contributed surplus reserve NTS'000	Currency translation and other reserve NTS'000	Legal reserve NTS'000	Special reserve NTS'000	Capital surplus – net assets from merger NTS'000	Treasury share reserve NTS'000	Accumulated losses NTS'000	Sub-total NTS'000	Non-controlling interests NTS'000	
At 1 January 2021		5,233,033	1,347,887	406,116	(335,959)	520,694	19,801	126,667	(306,519)	(802,012)	6,209,708	118,013	6,327,721
Total comprehensive income/(losses) for the period													
Profit for the period		–	–	–	–	–	–	–	–	315,096	315,096	29,870	344,966
Exchange differences on translation of foreign operations and others		–	–	–	(69,337)	–	–	–	–	–	(69,337)	–	(69,337)
Total other comprehensive losses		–	–	–	(69,337)	–	–	–	–	–	(69,337)	–	(69,337)
Total comprehensive income/(losses) for the period		–	–	–	(69,337)	–	–	–	–	315,096	245,759	29,870	275,629
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Transfer to legal reserve of certain subsidiaries		–	–	–	–	24,316	–	–	–	(24,316)	–	–	–
Shares bought back as treasury shares	9	–	–	–	–	–	–	–	(5,885)	–	(5,885)	–	(5,885)
Dividends paid to shareholders of the Company	10	–	–	–	–	–	–	–	–	(386,188)	(386,188)	(46,922)	(433,110)
Total transactions with owner		–	–	–	–	24,316	–	–	(5,885)	(410,504)	(392,073)	(46,922)	(438,995)
At 30 June 2021		5,233,033	1,347,887	406,116	(405,296)	545,010	19,801	126,667	(312,404)	(897,420)	6,063,394	100,961	6,164,355

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2022 AND 30 JUNE 2021

	Note	Share capital NT\$'000	Share premium NT\$'000	Contributed surplus reserve NT\$'000	Treasury share reserve NT\$'000	Accumulated losses NT\$'000	Total NT\$'000
The Company							
At 1 January 2022		5,233,033	1,347,887	406,116	(344,286)	(2,231,945)	4,410,805
Total comprehensive income for the period							
Profit for the period		—	—	—	—	720,347	720,347
Total other comprehensive income		—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	720,347	720,347
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Shares bought back as treasury shares	9	—	—	—	(13,257)	—	(13,257)
Dividends paid to shareholders of the Company	10	—	—	—	—	(474,395)	(474,395)
Total transactions with owner		—	—	—	(13,257)	(474,395)	(487,652)
At 30 June 2022		5,233,033	1,347,887	406,116	(357,543)	(1,985,993)	4,643,500
At 1 January 2021		5,233,033	1,347,887	406,116	(306,519)	(2,256,011)	4,424,506
Total comprehensive income for the period							
Profit for the period		—	—	—	—	426,332	426,332
Total other comprehensive income		—	—	—	—	—	—
Total comprehensive income for the period		—	—	—	—	426,332	426,332
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Shares bought back as treasury shares	9	—	—	—	(5,885)	—	(5,885)
Dividends paid to shareholders of the Company	10	—	—	—	—	(386,188)	(386,188)
Total transactions with owner		—	—	—	(5,885)	(386,188)	(392,073)
At 30 June 2021		5,233,033	1,347,887	406,116	(312,404)	(2,215,867)	4,458,765

**D. CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Group	
	6 months ended 30 June	
	2022	2021
	NT\$'000	NT\$'000
Cash flows from operating activities		
Profit after tax	32,275	344,966
Adjustments for:		
Net gains on financial assets at fair value through profit or loss	(132,229)	(467,221)
Dividend/distribution income	(15,611)	(66,061)
Depreciation expense	4,211	4,235
Finance costs	53	83
Interest income	(726)	(941)
Tax expenses	50,338	100,057
	<u>(61,689)</u>	<u>(84,882)</u>
Changes to:		
Financial assets at fair value through profit or loss	(284,505)	1,462,221
Financial assets at amortised cost	(5,443)	–
Trade and other receivables	1,663	(1,410)
Trade and other payables	(14,001)	62,286
Cash (used in)/from operations	<u>(363,975)</u>	<u>1,438,215</u>
Interest received	616	948
Finance costs paid	(53)	(83)
Dividend/distribution income received	15,611	66,061
Tax paid	(53,051)	(169,591)
Net cash (used in)/from operating activities	<u>(400,852)</u>	<u>1,335,550</u>
Cash flows from financing activities		
Payment of lease liabilities	(4,111)	(4,082)
Dividend paid to non-controlling shareholders in subsidiaries	(55,976)	(44,786)
Dividends paid to shareholders of the Company	(474,395)	(386,188)
Purchase of treasury shares	(13,257)	(12,118)
Net cash used in financing activities	<u>(547,739)</u>	<u>(447,174)</u>
Net (decrease)/increase in cash and cash equivalents	(948,591)	888,376
Cash and cash equivalents at beginning of the period	2,271,020	1,024,644
Effect of exchange rate on cash and cash equivalents	74,675	(12,707)
Cash and cash equivalents at end of the period	<u>1,397,104</u>	<u>1,900,313</u>

E. Notes to the condensed interim consolidated financial statements

1 Corporate information

Hotung Investment Holdings Limited (the “Company”) is incorporated in Bermuda and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements (referred to as the “condensed interim financial statements”) as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (referred to as the “Group”). The principal activity of the Company is investment holding and its investment management operations are performed by its subsidiary, Hotung International Co., Ltd., which has its principal place of business at 10F, 261, Sung-Chiang Road, Taipei, Taiwan, Republic of China.

2 Basis of preparation

The condensed interim financial statements ended 30 June 2022 have been prepared in accordance with *IAS 34 Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with *International Financial Reporting Standards* (“IFRSs”), except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in New Taiwan dollars (“NT\$”), which is the Company’s functional currency. All financial information presented in New Taiwan dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

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

2.2 Use of estimates and judgements

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

The preparation of the condensed interim financial statements ended 30 June 2022 in conformity with IFRSs requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

3 Seasonal operations

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

4 Segment and revenue information

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

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

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

4.1 Reportable segments

	Fund			
	Investments	Management	Eliminations	Consolidated
	NTS'000	NTS'000	NTS'000	NTS'000
1 January 2022 to 30 June 2022				
Revenue				
External revenue	158,796	2,091	–	160,887
Inter-segmental revenue	–	90,985	(90,985)	–
Total revenue	158,796	93,076	(90,985)	160,887
Interest income	632	94	–	726
Depreciation	(1,735)	(2,476)	–	(4,211)
Finance costs	(19)	(34)	–	(53)
Profit before tax	40,229	42,384	–	82,613
Tax expenses	(42,200)	(8,138)	–	(50,338)
Profit/(loss) after tax but before non-controlling interests	(1,971)	34,246	–	32,275
Non-controlling interests	(6)	(20,084)	–	(20,090)
Profit/(loss) attributable to owners of the Company	(1,977)	14,162	–	12,185
Other information				
Segment assets	6,204,107	298,664	(32,188)	6,470,583
Segment liabilities	53,186	131,018	(32,188)	152,016
Current income tax liability	27,033	8,259	–	35,292
Deferred tax liability	127,692	–	–	127,692
Total liabilities	207,911	139,277	(32,188)	315,000

4.1 Reportable segments (cont'd)

	Fund			
	Investments	Management	Eliminations	Consolidated
	NTS'000	NTS'000	NTS'000	NTS'000
1 January 2021 to 30 June 2021				
Revenue				
External revenue	528,688	1,711	–	530,399
Inter-segmental revenue	451	115,627	(116,078)	–
Total revenue	529,139	117,338	(116,078)	530,399
Interest income	874	67	–	941
Depreciation	(1,736)	(2,499)	–	(4,235)
Finance costs	(32)	(51)	–	(83)
Profit before tax	385,254	59,769	–	445,023
Tax expenses	(91,197)	(8,860)	–	(100,057)
Profit after tax but before non-controlling interests	294,057	50,909	–	344,966
Non-controlling interests	(14)	(29,856)	–	(29,870)
Profit attributable to owners of the Company	294,043	21,053	–	315,096
Other information				
Segment assets	6,296,496	316,048	(66,620)	6,545,924
Segment liabilities	150,906	131,740	(66,620)	216,026
Current income tax liability	37,562	12,776	–	50,338
Deferred tax liability	115,205	–	–	115,205
Total liabilities	303,673	144,516	(66,620)	381,569

4.2 Disaggregation of Revenue

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

	Revenue	
	6 months ended 30 June	
	2022	2021
	NTS'000	NTS'000
Taiwan	(119,648)	338,173
China	(52,973)	203,179
Other countries	333,508	(10,953)
	160,887	530,399

5 Profit before taxation

5.1 Significant items

	Group	
	6 months ended 30 June	
	2022	2021
	NT\$'000	NT\$'000
Income		
Dividend/distribution income	15,611	66,061
Net gains on financial assets at fair value through profit or loss ("FVTPL")	132,229	467,221
	<hr/>	<hr/>
Expense		
Staff cost	48,235	54,245
Other administrative expenses	26,954	27,948
	<hr/>	<hr/>

5.2 Related parties transactions

Other than the remuneration paid to the key management personnel, there are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

6 Taxation

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

	Group	
	6 months ended 30 June	
	2022	2021
	NT\$'000	NT\$'000
Current tax expense		
Current period	33,099	177,235
Adjustment for prior years	(122)	(10,340)
	<hr/>	<hr/>
	32,977	166,895
Deferred tax expense		
Origination of temporary difference	17,361	(66,838)
	<hr/>	<hr/>
Tax expense	50,338	100,057
	<hr/>	<hr/>

7 Investments at fair value through profit or loss

	Group	
	30 June	31 December
Investments at fair value through profit or loss	2022	2021
	NT\$'000	NT\$'000
Non-current		
Quoted equity investments – mandatorily at FVTPL	685,150	533,577
Unquoted equity investments – mandatorily at FVTPL	4,211,208	3,858,921
	<u>4,896,358</u>	<u>4,392,498</u>
Investment in associate – mandatorily at FVTPL ⁽¹⁾	26,539	26,539
	<u>4,922,897</u>	<u>4,419,037</u>
Current		
Quoted equity investments – mandatorily at FVTPL	<u>129,057</u>	<u>73,732</u>

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

7.1 Fair value measurement

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

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

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

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

7.1 Fair value measurement (con't)

Fair value hierarchy

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

	Level 1 NTS'000	Level 2 NTS'000	Level 3 NTS'000	Total NTS'000
30 June 2022				
Investments at FVTPL				
Quoted equity investments – at FVTPL	814,207	–	–	814,207
Unquoted equity investments – at FVTPL	–	825,214	3,385,994	4,211,208
Associate, at fair value – at FVTPL	–	–	26,539	26,539
	<u>814,207</u>	<u>825,214</u>	<u>3,412,533</u>	<u>5,051,954</u>
31 December 2021				
Investments at FVTPL				
Quoted equity investments – at FVTPL	607,309	–	–	607,309
Unquoted equity investments – at FVTPL	–	959,839	2,899,082	3,858,921
Associate, at fair value – at FVTPL	–	–	26,539	26,539
	<u>607,309</u>	<u>959,839</u>	<u>2,925,621</u>	<u>4,492,769</u>

At 30 June 2022, there were no transfer from Level 1 to Level 2 and Level 2 to Level 1 for financial assets at FVTPL investments during the period.

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

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

7.1 Fair value measurement (con't)

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:

Fair value hierarchy (cont't)

	Financial assets at FVTPL	
	30 June 2022 NT\$'000	31 December 2021 NT\$'000
At beginning of period/year	2,925,621	3,169,589
Total gain/(loss) recognised in profit or loss		
- net gain/(loss) on investments at fair value through profit or loss	163,844	(341,408)
Disposals	(13,382)	(101,123)
Purchases	14,003	301,115
Transfers to Level 3		
- from Level 1 ^(a)	9,165	63,363
- from Level 2 ^(b)	613,269	317,648
Transfers out of Level 3		
- to Level 1 ^(c)	(299,987)	—
- to Level 2 ^(d)	—	(483,563)
At end of period/year	<u>3,412,533</u>	<u>2,925,621</u>
Total realised gain for the period included in profit or loss for investments held as at	10,922	271,942
Total unrealised gain/(loss) for the period included in profit or loss for investments held as at	<u>152,922</u>	<u>(613,350)</u>
Total net gain/(loss) on investments at fair value through profit or loss	<u>163,844</u>	<u>(341,408)</u>

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

8 Classification of financial assets and liabilities

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

Group	Note	Mandatorily at FVTPL (non-current) NTS'000	Mandatorily at FVTPL (current) NTS'000	Amortised cost (non-current) NTS'000	Amortised cost (current) NTS'000	Total carrying amount NTS'000
30 June 2022						
Financial assets designated at fair value through profit or loss	7	4,922,897	129,057	—	—	5,051,954
Financial assets at amortised cost		—	—	5,632	—	5,632
Trade and other receivables*		—	—	—	3,557	3,557
Cash and cash equivalents		—	—	—	1,397,104	1,397,104
		<u>4,922,897</u>	<u>129,057</u>	<u>5,632</u>	<u>1,400,661</u>	<u>6,458,247</u>
Trade and other payables		<u>—</u>	<u>—</u>	<u>(3,700)</u>	<u>(148,316)</u>	<u>(152,016)</u>
31 December 2021						
Financial assets designated at fair value through profit or loss	7	4,419,037	73,732	—	—	4,492,769
Trade and other receivables*		—	—	—	3,600	3,600
Cash and cash equivalents		—	—	—	2,271,020	2,271,020
		<u>4,419,037</u>	<u>73,732</u>	<u>—</u>	<u>2,274,620</u>	<u>6,767,389</u>
Trade and other payables		<u>—</u>	<u>—</u>	<u>(7,842)</u>	<u>(159,616)</u>	<u>(167,458)</u>

* Excludes prepayments

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

	Amortised cost (current) NT\$'000	Total carrying amount NT\$'000
Company		
30 June 2022		
Cash and cash equivalents	242,539	242,539
Trade and other payables	(15,812)	(15,812)
31 December 2021		
Cash and cash equivalents	21,378	21,378
Trade and other payables	(28,800)	(28,800)

9 Share capital

	Group and Company			
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Number of ordinary shares, including treasury shares '000	'000	'000	NT\$'000	NT\$'000
Authorised	200,000	200,000	10,000,000	10,000,000
Issued and fully paid: At the beginning and end of the period	104,661	104,661	5,233,033	5,233,033

The movement of treasury share is as follows:

	Group and Company Number of shares 6 months ended 30 June	
	2022	2021
Beginning of the period	9,487,180	8,548,580
Share bought back as treasury shares	294,300	161,000
End of the period	9,781,480	8,709,580

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

As at 30 June 2022, the total number of shares that remain in issuance excluding treasury shares amounted to 94,879,182 (31 December 2021: 95,173,482).

The Company has no subsidiary holdings as at 30 June 2022 and 30 June 2021.

10 Dividends

	Group and Company 6 months ended 30 June	
	2022	2021
	NT\$'000	NT\$'000
<i>Ordinary dividends paid</i>		
NT\$5.00 per ordinary share (2021:NT\$4.02484)	474,395	386,188

11 Net Asset Value

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per ordinary share				
-NT\$	63.89	66.40	48.94	46.34
-S\$**	2.99	3.25	2.29	2.26

**Exchange rate of S\$1: NT\$21.37 for 2022.6.30 and S\$1: NT\$20.46 for 2021.12.31.

12 Subsequent events

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

Other information required by Singapore Listing Rule Appendix 7.2

1. Review

The statement of financial position of Hotung Investment Holdings Limited and its subsidiaries as at 30 June 2022 and the related consolidated comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes (the “Condensed Interim Financial Statements”) have not been audited or reviewed.

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

Amount repayable in one year or less, or on demand

As at 30 June 2022		As at 31 December 2021	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Amount repayable after one year

As at 30 June 2022		As at 31 December 2021	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Details of any collateral

None

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

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

(a)

1. The Group’s revenue of NT\$160.9 million mainly resulted from the net gains of NT\$132.2 million (1H2021: NT\$467.2 million) on the financial assets at fair value through profit or loss and the distribution proceeds of NT\$15.0 million (1H2021: NT\$66.1 million) received from fund investments.
2. The Group’s tax expense of NT\$50.3 million (1H 2021: NT\$100.1 million) was mainly due to recognition of deferred tax liabilities and income tax for the Group’s Taiwan subsidiaries.

3. Gains on translation of foreign operations amounted to NT\$217.3 million (1H2021: losses of NT\$69.3 million) was a result of appreciation of US dollar against NT dollar during 1H2022.

(b)

1. The increase in the Group's financial assets at fair value through profit or loss (current) from NT\$73.7 million to NT\$129.1 million was mainly short term portfolios increased at the end of 30 June 2022.

2. The increase in the Group's financial assets at fair value through profit or loss (non-current) from NT\$4,419.0 million to NT\$4,922.9 million was mainly due to new acquisitions and favorable fair value change in fair value at the end of 30 June 2022.

3. The decrease of NT\$873.9 million in the Group's Cash balance from NT\$2,271.0 million to NT\$1,397.1 million was mainly due to new acquisitions of NT\$350.6 million financial assets and payment of NT\$474.3 million the 2021 dividend to Shareholders during first half year of 2022.

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

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

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

The global stock market has suffered a turbulent first half of 2022, with inflation rates reaching its highest levels in recent decades, prompting Central Banks across the world to follow the US Federal Bank's recalibration of its monetary policy with multiple rounds of interest rate hikes.

The tightening of the monetary policy has led to the deterioration of market liquidity and slower economic growth and the effects of such monetary policy recalibration is still expected to put pressure on the global stock markets in the near future.

Hotung is an investment holding company, which holds multiple investments. The recalibration of the monetary policies by the Central Banks are expected to impact the performance and valuation of Hotung's portfolio of investments. Hotung will continue to seek for long-term investments and manage short-term risk in light of recent economic developments.

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

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

None

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

None

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the current reporting period on the grounds of prudence.

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

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

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

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group, comprising the statements of financial position (Group and Company), consolidated statement of comprehensive income, consolidated statements of changes in equity (Group and Company) and consolidated statement of cash flows, together with the accompanying information required by Appendix 7.2 of Listing Manual of the Singapore Exchange Securities Trading Limited, for the first half year ended June 30, 2022, to be false or misleading in any material respect.

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

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

BY ORDER OF THE BOARD

Hsin-Chieh Chung
Company Secretary
August 12, 2022