



**Vertex Venture Holdings Ltd  
and its subsidiaries  
Registration Number: 199708173R**

**Annual Report  
Year ended 31 December 2021**

## Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS54 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 2021 and the financial performance, changes in equity and cash flows of the Group for the year then ended in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; 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 has, on the date of this statement, authorised these financial statements for issue.

## Directors

The directors in office at the date of this statement are as follows:

Teo Ming Kian  
Lee Kheng Nam  
Chua Kee Lock  
Chia Chee Ming Timothy  
Rohit Sipahimalani

## Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

| Name of director and corporation in which interests are held | Holdings at beginning of the year | Holdings at end of the year |
|--------------------------------------------------------------|-----------------------------------|-----------------------------|
| <b>Teo Ming Kian</b>                                         |                                   |                             |
| Altrium PE Fund I F&F LP                                     |                                   |                             |
| - Bonds                                                      | US\$300,000                       | US\$300,000                 |
| Altrium PE Fund II F&F LP                                    |                                   |                             |
| - Bonds                                                      | —                                 | US\$300,000                 |
| Astrea IV Pte. Ltd.                                          |                                   |                             |
| - Class A-1 4.35% Secured Fixed Rate Bonds                   | S\$7,000                          | S\$7,000                    |
| - Class A-2 5.5% Secured Fixed Rate Bonds                    | US\$200,000                       | US\$200,000                 |

| Name of director and corporation in which interests are held        | Holdings at beginning of the year | Holdings at end of the year |
|---------------------------------------------------------------------|-----------------------------------|-----------------------------|
| <b>Teo Ming Kian (cont'd)</b>                                       |                                   |                             |
| Astrea V Pte. Ltd.                                                  |                                   |                             |
| - Class A1 3.85% Secured Fixed Rate Bonds                           | S\$16,000                         | S\$16,000                   |
| Ascott Residence Trust Management Limited                           |                                   |                             |
| - Ascott Residence Trust Perpetual Bond                             | —                                 | S\$250,000                  |
| CapitaLand Limited                                                  |                                   |                             |
| - S\$ ordinary shares fully paid                                    | 7,000                             | —                           |
| CapitaLand Investment Limited                                       |                                   |                             |
| - S\$ ordinary shares fully paid                                    | —                                 | 7,000                       |
| CapitaLand Integrated Commercial Trust Management Limited           |                                   |                             |
| - S\$ ordinary shares fully paid                                    | 50,872                            | 40,954                      |
| Mapletree Treasury Services Ltd                                     |                                   |                             |
| - SGD625 million 4.5% Perpetual Securities issued in 2017           | S\$500,000                        | S\$500,000                  |
| Olam International Limited                                          |                                   |                             |
| - S\$ ordinary shares fully paid                                    | 10,000                            | 10,000                      |
| - S\$500m 6% Fixed Rate Notes due 2022                              | S\$250,000                        | S\$250,000                  |
| SembCorp Marine Ltd (become a subsidiary on 11.11.2021)             |                                   |                             |
| - S\$ ordinary shares fully paid                                    | —                                 | 178,000                     |
| Singapore Airlines Limited                                          |                                   |                             |
| - S\$ ordinary shares fully paid                                    | 24,000                            | 24,000                      |
| - 3.035% Notes                                                      | S\$250,000                        | S\$250,000                  |
| - S\$3.496 billion Mandatory convertible zero-coupon bonds due 2030 | S\$27,000                         | S\$27,000                   |
| - MCBZ 2021                                                         | 52,000                            | 52,000                      |
| Singapore Telecommunications Limited                                |                                   |                             |
| - S\$ ordinary shares fully paid                                    | 380                               | 380                         |
| The Lifesciences Innovation Fund Pte. Ltd.                          | 1,000                             | 1,000                       |
| - S\$ preference shares fully paid                                  |                                   |                             |
| VMII Affiliates Fund LP                                             |                                   |                             |
| - Subscription as limited partner (committed capital)               | US\$200,000                       | US\$200,000                 |
| Vertex Venture Holdings Ltd (the "Company")                         |                                   |                             |
| - 3.3% Bonds listed on SGX due 2028                                 | —                                 | S\$250,000                  |

| <b>Name of director and corporation in which interests are held</b> | <b>Holdings at beginning of the year</b> | <b>Holdings at end of the year</b> |
|---------------------------------------------------------------------|------------------------------------------|------------------------------------|
| <b>Lee Kheng Nam</b>                                                |                                          |                                    |
| Singapore Telecommunications Limited                                |                                          |                                    |
| - S\$ ordinary shares fully paid                                    | 3,230                                    | 3,230                              |
| The Lifesciences Innovation Fund Pte. Ltd.                          |                                          |                                    |
| - S\$ preference shares fully paid                                  | 1,000                                    | 1,000                              |
| VMII Affiliates Fund LP                                             |                                          |                                    |
| - Subscription as limited partner (committed capital)               | US\$200,000                              | US\$200,000                        |
| <b>Rohit Sipahimalani</b>                                           |                                          |                                    |
| Altrium Private Equity Fund I GP Limited                            |                                          |                                    |
| - Bonds                                                             | US\$1,000,000                            | US\$1,000,000                      |
| Altrium Private Equity Fund II GP Limited                           |                                          |                                    |
| - Bonds                                                             | –                                        | US\$1,500,000                      |
| Astrea III Pte. Ltd.                                                |                                          |                                    |
| - Class A-2 Notes                                                   | US\$800,000                              | –                                  |
| Astrea IV Pte. Ltd.                                                 |                                          |                                    |
| - Class A-1 Bonds                                                   | S\$750,000                               | S\$750,000                         |
| - Class A-2 Bonds                                                   | US\$200,000                              | US\$200,000                        |
| Astrea V Pte. Ltd.                                                  |                                          |                                    |
| - Class A-1 Bonds                                                   | S\$100,000                               | S\$100,000                         |
| - Class A-2 Bonds                                                   | S\$400,000                               | S\$400,000                         |
| Astrea VI Pte. Ltd.                                                 |                                          |                                    |
| - Class A-1 Bonds                                                   | –                                        | S\$250,000                         |
| Fullerton Optimized Alpha Fund                                      | –                                        | US\$500,000                        |
| Fullerton Short Term Interest Rate S\$ Fund                         | S\$500,000                               | S\$500,000                         |
| SeaTown Private Credit Feeder Fund LP                               | –                                        | US\$750,000                        |
| Singapore Technologies Telemedia Pte. Ltd.                          |                                          |                                    |
| - S\$250,000 par value of bonds at S\$100.93                        | –                                        | S\$250,000                         |
| VMII Affiliates Fund LP                                             |                                          |                                    |
| - Subscription as Limited Partner (committed capital)               | US\$500,000                              | US\$500,000                        |

| Name of director and corporation in which interests are held | Holdings<br>at beginning<br>of the year | Holdings<br>at end<br>of the year |
|--------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| <b>Chua Kee Lock</b>                                         |                                         |                                   |
| Vertex Venture Holdings Ltd (the "Company")                  |                                         |                                   |
| - 3.3% Bonds listed on SGX due 2028                          | –                                       | S\$250,000                        |
| Singapore Telecommunications Limited                         |                                         |                                   |
| - S\$ ordinary shares fully paid                             | 3,160                                   | 3,160                             |
| VMII Affiliates Fund LP                                      |                                         |                                   |
| - Subscription as Limited Partner<br>(committed capital)     | US\$100,000                             | US\$100,000                       |
| <b>Chia Chee Ming Timothy</b>                                |                                         |                                   |
| Vertex Venture Holdings Ltd (the "Company")                  |                                         |                                   |
| - 3.3% Bonds listed in SGX due 2028                          | –                                       | S\$250,000                        |
| Singapore Telecommunications Limited                         |                                         |                                   |
| - S\$ ordinary shares fully paid                             | 2,070                                   | 2,070                             |
| VMII Affiliates Fund LP                                      |                                         |                                   |
| - Subscription as Limited Partner                            | US\$250,000                             | US\$250,000                       |

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **Share options**

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company and its subsidiaries under options.

**Auditors**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



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**Teo Ming Kian**  
*Director*



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**Chua Kee Lock**  
*Director*

1 April 2022



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## **Independent auditors' report**

Member of the Company  
Vertex Venture Holdings Ltd

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Vertex Venture Holdings Ltd (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 2021, the consolidated statement of profit or loss, 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 a summary of significant accounting policies, as set out on pages FS1 to FS54.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”), Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”) so as to 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 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

#### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). 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 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. 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 judgement, 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.

## **Valuation of unquoted investments**

### ***Risk:***

The Group's investment portfolio of US\$440.4 million as at 31 December 2021 included unquoted investments of US\$322.8 million, measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (e.g. last round of financing and underlying net asset value of the investee companies) and hence, the valuation of these investments involves judgement.

### ***Our response:***

We evaluated the appropriateness of the valuation techniques and the key valuation inputs used to determine the fair value of these Level 3 investments. We also assessed the adequacy of disclosures on the fair value measurement basis.

### ***Our findings:***

The valuation methods are in line with generally accepted market practices and the valuations are supported by recent transacted prices or external net assets valuation reports. The disclosures in the financial statements are appropriate.

### ***Other information***

Management is responsible for the other information which accompanies the financial statements. This other information comprises the Directors' statement.

We have obtained the Directors' statement prior to the date of this auditors' report.

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 of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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' responsibilities include 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 auditors' 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 SSAs 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 SSAs, we exercise professional judgement 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 controls 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 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 the law or regulations preclude 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.

### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Low Gin Cheng Gerald.



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

**Singapore**  
1 April 2022

**Statements of financial position**  
**As at 31 December 2021**

|                                                     |             | <b>Group</b>     |                  | <b>Company</b>   |                 |
|-----------------------------------------------------|-------------|------------------|------------------|------------------|-----------------|
|                                                     | <b>Note</b> | <b>2021</b>      | <b>2020</b>      | <b>2021</b>      | <b>2020</b>     |
|                                                     |             | <b>US\$'000</b>  | <b>US\$'000</b>  | <b>US\$'000</b>  | <b>US\$'000</b> |
| <b>Non-current assets</b>                           |             |                  |                  |                  |                 |
| Property, plant and equipment                       | 4           | 331              | 412              | —                | —               |
| Right-of-use assets                                 | 17          | 1,256            | 2,344            | —                | —               |
| Subsidiaries                                        | 5           | —                | —                | 826,172          | 674,102         |
| Associates                                          | 6           | 1,571,964        | 738,519          | 154,487          | 33,597          |
| Investments                                         | 7           | 440,440          | 448,728          | 258              | 258             |
| Other receivables and advances                      | 8           | 1,303            | 1,301            | —                | —               |
|                                                     |             | <u>2,015,294</u> | <u>1,191,304</u> | <u>980,917</u>   | <u>707,957</u>  |
| <b>Current assets</b>                               |             |                  |                  |                  |                 |
| Trade and other receivables                         | 9           | 31,683           | 324,275          | 1,295            | 87,954          |
| Cash and cash equivalents                           | 10          | 249,659          | 128,621          | 109,667          | 83,266          |
|                                                     |             | <u>281,342</u>   | <u>452,896</u>   | <u>110,962</u>   | <u>171,220</u>  |
| <b>Total assets</b>                                 |             | <u>2,296,636</u> | <u>1,644,200</u> | <u>1,091,879</u> | <u>879,177</u>  |
| <b>Equity</b>                                       |             |                  |                  |                  |                 |
| Share capital                                       | 11          | 278,394          | 464,911          | 278,394          | 464,911         |
| Merger reserve                                      | 12          | 12,819           | 12,819           | 10,346           | 10,346          |
| Foreign currency translation reserve                | 12          | 5,598            | 6,965            | —                | —               |
| Retained earnings                                   |             | <u>1,324,591</u> | <u>865,157</u>   | <u>325,916</u>   | <u>214,960</u>  |
| <b>Equity attributable to owners of the Company</b> |             |                  |                  |                  |                 |
|                                                     |             | <u>1,621,402</u> | <u>1,349,852</u> | <u>614,656</u>   | <u>690,217</u>  |
| Non-controlling interests                           |             | <u>217,754</u>   | <u>90,343</u>    | <u>—</u>         | <u>—</u>        |
| <b>Total equity</b>                                 |             | <u>1,839,156</u> | <u>1,440,195</u> | <u>614,656</u>   | <u>690,217</u>  |
| <b>Non-current liabilities</b>                      |             |                  |                  |                  |                 |
| Redeemable preference shares                        | 13          | 51,951           | 40,700           | 51,951           | 40,700          |
| Borrowings                                          | 14          | 332,914          | —                | 332,914          | —               |
| Deferred tax liabilities                            | 15          | 317              | 317              | 317              | 317             |
| Other long-term liabilities                         | 16          | 26,297           | 1,146            | 31,261           | —               |
| Lease liabilities                                   | 17          | 163              | 1,289            | —                | —               |
| Provisions                                          | 18          | 156              | 156              | —                | —               |
|                                                     |             | <u>411,798</u>   | <u>43,608</u>    | <u>416,443</u>   | <u>41,017</u>   |
| <b>Current liabilities</b>                          |             |                  |                  |                  |                 |
| Trade and other payables                            | 19          | 40,523           | 51,220           | 60,250           | 48,229          |
| Lease liabilities                                   | 17          | 1,126            | 1,072            | —                | —               |
| Provisions                                          | 18          | 457              | 1,104            | —                | —               |
| Borrowings                                          | 14          | —                | 99,000           | —                | 99,000          |
| Current tax payable                                 |             | <u>3,576</u>     | <u>8,001</u>     | <u>530</u>       | <u>714</u>      |
|                                                     |             | <u>45,682</u>    | <u>160,397</u>   | <u>60,780</u>    | <u>147,943</u>  |
| <b>Total liabilities</b>                            |             | <u>457,480</u>   | <u>204,005</u>   | <u>477,223</u>   | <u>188,960</u>  |
| <b>Total equity and liabilities</b>                 |             | <u>2,296,636</u> | <u>1,644,200</u> | <u>1,091,879</u> | <u>879,177</u>  |

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

**Consolidated statement of profit or loss**  
**Year ended 31 December 2021**

|                                            |             | <b>Group</b>    |                  |
|--------------------------------------------|-------------|-----------------|------------------|
|                                            | <b>Note</b> | <b>2021</b>     | <b>2020</b>      |
|                                            |             | <b>US\$'000</b> | <b>US\$'000</b>  |
| Revenue                                    | 20          | 79,347          | 959              |
| Net gain/(loss) from investments at FVTPL  |             | 42,080          | (95,871)         |
| Other income                               |             | 271             | 918              |
| Staff costs                                |             | (9,028)         | (8,587)          |
| Other operating expenses                   |             | (24,034)        | (15,311)         |
| <b>Results from operating activities</b>   |             | <b>88,636</b>   | <b>(117,892)</b> |
| Other expenses                             |             | (2,140)         | (881)            |
| Finance costs                              | 21          | (9,876)         | (3,226)          |
| Share of results of associates, net of tax | 6           | 537,743         | 89,448           |
| <b>Profit/(Loss) before tax</b>            | 22          | <b>614,363</b>  | <b>(32,551)</b>  |
| Tax expense                                | 23          | (164)           | (93)             |
| <b>Profit/(Loss) for the year</b>          |             | <b>614,199</b>  | <b>(32,644)</b>  |
| <b>Profit/(Loss) attributable to:</b>      |             |                 |                  |
| Owners of the Company                      |             | 530,955         | (40,448)         |
| Non-controlling interests                  |             | 83,244          | 7,804            |
| <b>Profit/(Loss) for the year</b>          |             | <b>614,199</b>  | <b>(32,644)</b>  |

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

**Consolidated statement of comprehensive income**  
**Year ended 31 December 2021**

|                                                                              | <b>Group</b>    |                 |
|------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                              | <b>2021</b>     | <b>2020</b>     |
|                                                                              | <b>US\$'000</b> | <b>US\$'000</b> |
| <b>Profit/(Loss) for the year</b>                                            | 614,199         | (32,644)        |
| <b>Other comprehensive income</b>                                            |                 |                 |
| <b>Items that are or may be reclassified subsequently to profit or loss:</b> |                 |                 |
| Foreign currency translation differences – foreign operations                | (1,367)         | 1,511           |
| <b>Other comprehensive income for the year, net of tax</b>                   | (1,367)         | 1,511           |
| <b>Total comprehensive income for the year</b>                               | <u>612,832</u>  | <u>(31,133)</u> |
| <b>Total comprehensive income attributable to:</b>                           |                 |                 |
| Owners of the Company                                                        | 529,588         | (38,937)        |
| Non-controlling interests                                                    | 83,244          | 7,804           |
| <b>Total comprehensive income for the year</b>                               | <u>612,832</u>  | <u>(31,133)</u> |

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

**Consolidated statement of changes in equity**  
**Year ended 31 December 2021**

|                                                               | Attributable to owners of the Company |                            |                                                  |                                               |                                  |
|---------------------------------------------------------------|---------------------------------------|----------------------------|--------------------------------------------------|-----------------------------------------------|----------------------------------|
|                                                               | Share capital<br>US\$'000             | Merger reserve<br>US\$'000 | Foreign currency translation reserve<br>US\$'000 | Retained earnings<br>US\$'000                 | Total<br>US\$'000                |
| <b>Group</b>                                                  |                                       |                            |                                                  | <b>Non-controlling interests<br/>US\$'000</b> | <b>Total equity<br/>US\$'000</b> |
| At 1 January 2020                                             | 428,273                               | 12,819                     | 5,454                                            | 905,605                                       | 1,352,151                        |
|                                                               |                                       |                            |                                                  | 47,064                                        | 1,399,215                        |
| <b>Total comprehensive income for the year</b>                |                                       |                            |                                                  |                                               |                                  |
| (Loss)/Profit for the year                                    | –                                     | –                          | –                                                | (40,448)                                      | (40,448)                         |
| <b>Other comprehensive income</b>                             |                                       |                            |                                                  |                                               |                                  |
| Foreign currency translation differences – foreign operations | –                                     | –                          | 1,511                                            | –                                             | 1,511                            |
| <b>Total comprehensive income for the year</b>                | –                                     | –                          | 1,511                                            | (40,448)                                      | (38,937)                         |
|                                                               |                                       |                            |                                                  | 7,804                                         | (31,133)                         |
| Balance carried forward                                       | 428,273                               | 12,819                     | 6,965                                            | 865,157                                       | 1,313,214                        |
|                                                               |                                       |                            |                                                  | 54,868                                        | 1,368,082                        |

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2021**

|                                                                                                        | Attributable to owners of the Company |                            |                                                  |                               |                   | Non-controlling interests<br>US\$'000 | Total equity<br>US\$'000 |
|--------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------|--------------------------------------------------|-------------------------------|-------------------|---------------------------------------|--------------------------|
|                                                                                                        | Share capital<br>US\$'000             | Merger reserve<br>US\$'000 | Foreign currency translation reserve<br>US\$'000 | Retained earnings<br>US\$'000 | Total<br>US\$'000 |                                       |                          |
| <b>Group</b>                                                                                           |                                       |                            |                                                  |                               |                   |                                       |                          |
| Balance brought forward                                                                                | 428,273                               | 12,819                     | 6,965                                            | 865,157                       | 1,313,214         | 54,868                                | 1,368,082                |
| <b>Transactions with owners, recognised directly in equity</b>                                         |                                       |                            |                                                  |                               |                   |                                       |                          |
| <b>Contributions by and distributions to owners</b>                                                    |                                       |                            |                                                  |                               |                   |                                       |                          |
| Issue of 366,380 Class A USD redeemable preference shares @ US\$100 per share                          | 36,638                                | —                          | —                                                | —                             | 36,638            | —                                     | 36,638                   |
| Capital contribution by non-controlling interest of subsidiary                                         | —                                     | —                          | —                                                | —                             | —                 | 36,085                                | 36,085                   |
| Dilution by non-controlling interests                                                                  | —                                     | —                          | —                                                | —                             | —                 | (15)                                  | (15)                     |
| Distributions to non-controlling interests                                                             | —                                     | —                          | —                                                | —                             | —                 | (427)                                 | (427)                    |
| Dividends to non-controlling interests (Note 11)                                                       | —                                     | —                          | —                                                | —                             | —                 | (168)                                 | (168)                    |
| <b>Total contributions by and distributions to owners, representing total transactions with owners</b> | 36,638                                | —                          | —                                                | —                             | 36,638            | 35,475                                | 72,113                   |
| At 31 December 2020                                                                                    | 464,911                               | 12,819                     | 6,965                                            | 865,157                       | 1,349,852         | 90,343                                | 1,440,195                |

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2021**

| Group                                                            | Attributable to owners of the Company |                               |                                                           |                                  |                   | Non-<br>controlling<br>interests<br>US\$'000 | Total<br>equity<br>US\$'000 |
|------------------------------------------------------------------|---------------------------------------|-------------------------------|-----------------------------------------------------------|----------------------------------|-------------------|----------------------------------------------|-----------------------------|
|                                                                  | Share<br>capital<br>US\$'000          | Merger<br>reserve<br>US\$'000 | Foreign<br>currency<br>translation<br>reserve<br>US\$'000 | Retained<br>earnings<br>US\$'000 | Total<br>US\$'000 |                                              |                             |
| At 1 January 2021                                                | 464,911                               | 12,819                        | 6,965                                                     | 865,157                          | 1,349,852         | 90,343                                       | 1,440,195                   |
| <b>Total comprehensive income for the year</b>                   |                                       |                               |                                                           |                                  |                   |                                              |                             |
| Profit for the year                                              | –                                     | –                             | –                                                         | 530,955                          | 530,955           | 83,244                                       | 614,199                     |
| <b>Other comprehensive income</b>                                |                                       |                               |                                                           |                                  |                   |                                              |                             |
| Foreign currency translation differences – foreign<br>operations | –                                     | –                             | (1,367)                                                   | –                                | (1,367)           | –                                            | (1,367)                     |
| <b>Total comprehensive income for the year</b>                   | –                                     | –                             | (1,367)                                                   | 530,955                          | 529,588           | 83,244                                       | 612,832                     |
| Balance carried forward                                          | 464,911                               | 12,819                        | 5,598                                                     | 1,396,112                        | 1,879,440         | 173,587                                      | 2,053,027                   |

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

Consolidated statement of changes in equity (cont'd)  
Year ended 31 December 2021

|                                                                                                        | Attributable to owners of the Company |                            |                                                  |                               |                   | Non-controlling interests<br>US\$'000 | Total equity<br>US\$'000 |
|--------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------|--------------------------------------------------|-------------------------------|-------------------|---------------------------------------|--------------------------|
|                                                                                                        | Share capital<br>US\$'000             | Merger reserve<br>US\$'000 | Foreign currency translation reserve<br>US\$'000 | Retained earnings<br>US\$'000 | Total<br>US\$'000 |                                       |                          |
| <b>Group</b>                                                                                           |                                       |                            |                                                  |                               |                   |                                       |                          |
| Balance brought forward                                                                                | 464,911                               | 12,819                     | 5,598                                            | 1,396,112                     | 1,879,440         | 173,587                               | 2,053,027                |
| <b>Transactions with owners, recognised directly in equity</b>                                         |                                       |                            |                                                  |                               |                   |                                       |                          |
| <b>Contributions by and distributions to owners</b>                                                    |                                       |                            |                                                  |                               |                   |                                       |                          |
| Issue of 500,000 Class A USD redeemable preference shares @ US\$100 per share                          | 50,000                                | –                          | –                                                | –                             | 50,000            | –                                     | 50,000                   |
| Redemption of 750,000 Class A USD redeemable preference shares @ US\$100 per share                     | (75,000)                              | –                          | –                                                | –                             | (75,000)          | –                                     | (75,000)                 |
| Redemption of 2,210,000 Class A SGD redeemable preference shares @ S\$100 per share                    | (161,517)                             | –                          | –                                                | –                             | (161,517)         | –                                     | (161,517)                |
| Interim dividend declared (Note 11)                                                                    | –                                     | –                          | –                                                | (71,521)                      | (71,521)          | –                                     | (71,521)                 |
| Capital contribution by non-controlling interest of subsidiary                                         | –                                     | –                          | –                                                | –                             | –                 | 50,299                                | 50,299                   |
| Distributions to non-controlling interests                                                             | –                                     | –                          | –                                                | –                             | –                 | (6,034)                               | (6,034)                  |
| Dividends to non-controlling interests (Note 11)                                                       | –                                     | –                          | –                                                | –                             | –                 | (98)                                  | (98)                     |
| <b>Total contributions by and distributions to owners, representing total transactions with owners</b> | (186,517)                             | –                          | –                                                | (71,521)                      | (258,038)         | 44,167                                | (213,871)                |
| At 31 December 2021                                                                                    | 278,394                               | 12,819                     | 5,598                                            | 1,324,591                     | 1,621,402         | 217,754                               | 1,839,156                |

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

**Consolidated statement of cash flows**  
**Year ended 31 December 2021**

|                                                                     | <b>Group</b>    |                  |
|---------------------------------------------------------------------|-----------------|------------------|
|                                                                     | <b>2021</b>     | <b>2020</b>      |
|                                                                     | <b>US\$'000</b> | <b>US\$'000</b>  |
| Profit/(Loss) for the year                                          | 614,199         | (32,644)         |
| Adjustments for:                                                    |                 |                  |
| Depreciation of property, plant and equipment                       | 234             | 292              |
| Depreciation of right-of-use assets                                 | 1,088           | 1,063            |
| Distribution income from venture capital funds                      | (44,261)        | (5,241)          |
| Equalisation interest from associate                                | (29)            | (77)             |
| Gain on dilution of subsidiary                                      | —               | (15)             |
| Finance costs                                                       | 9,876           | 3,226            |
| Interest income                                                     | (191)           | (421)            |
| Net (gain)/loss on divestment of investments                        | (21,972)        | 11,613           |
| Net (gain)/loss from investments at FVTPL                           | (42,080)        | 95,871           |
| Provisions made/(reversed)                                          | 10,310          | (12,700)         |
| Share of results of associates, net of tax                          | (537,743)       | (89,448)         |
| Tax expense                                                         | 164             | 93               |
| Operating loss before working capital changes                       | (10,405)        | (28,388)         |
| Changes in working capital:                                         |                 |                  |
| Other receivables and advances                                      | (2)             | 1,620            |
| Trade and other receivables                                         | 293,706         | (319,030)        |
| Trade and other payables                                            | (18,488)        | 24,450           |
| Other long-term liabilities                                         | 118             | (119)            |
| Provisions                                                          | (10,279)        | (9,484)          |
| Cash generated from/(utilised in) operations                        | 254,650         | (330,951)        |
| Distributions received from associates                              | 62,508          | 16,709           |
| Distributions received from venture capital funds                   | 52,234          | 15,484           |
| Tax paid                                                            | (4,589)         | (10,285)         |
| Interest received                                                   | 191             | 469              |
| Proceeds from divestment of investments                             | 111,953         | 393,693          |
| Acquisition of interests in associates                              | (358,181)       | (180,847)        |
| Purchase of investments                                             | (47,586)        | (43,919)         |
| <b>Net cash from/(used in) operating activities carried forward</b> | <b>71,180</b>   | <b>(139,647)</b> |

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

**Consolidated statement of cash flows (cont'd)**  
**Year ended 31 December 2021**

|                                                                      | Note | Group<br>2021<br>US\$'000 | 2020<br>US\$'000 |
|----------------------------------------------------------------------|------|---------------------------|------------------|
| <b>Net cash from/(used in) operating activities brought forward</b>  |      | 71,180                    | (139,647)        |
| <b>Cash flows from investing activity</b>                            |      |                           |                  |
| Purchase of property, plant and equipment                            |      | (153)                     | (412)            |
| <b>Net cash used in investing activity</b>                           |      | (153)                     | (412)            |
| <b>Cash flows from financing activities</b>                          |      |                           |                  |
| Capital contribution by non-controlling interests                    |      | 50,299                    | 36,085           |
| Distributions to non-controlling interests                           |      | (6,034)                   | (427)            |
| Dividends paid to owner of the Company                               |      | (46,488)                  | —                |
| Dividends paid to non-controlling interests                          |      | (98)                      | (168)            |
| Proceeds from issuance of bonds                                      |      | 332,914                   | —                |
| (Repayment)/Proceeds from bank loans                                 |      | (99,000)                  | 99,000           |
| Payment of lease liabilities                                         |      | (1,125)                   | (1,046)          |
| Proceeds from issuance of Class A redeemable preference shares       |      | 50,000                    | 36,638           |
| Redemption of Class A redeemable preference shares                   |      | (236,517)                 | —                |
| Proceeds from issuance of Class B redeemable preference shares       |      | 15,000                    | 15,000           |
| Redemption of Class B redeemable preference shares                   |      | (3,749)                   | —                |
| Interest paid on borrowings                                          |      | (685)                     | (789)            |
| Interest paid on Class B redeemable preference shares                |      | (3,146)                   | (1,468)          |
| <b>Net cash from financing activities</b>                            |      | 51,371                    | 182,825          |
| <b>Net increase in cash and cash equivalents</b>                     |      | 122,398                   | 42,766           |
| Cash and cash equivalents at beginning of year                       |      | 128,621                   | 84,965           |
| Effect of exchange rate changes on balances held in foreign currency |      | (1,360)                   | 890              |
| <b>Cash and cash equivalents at end of year</b>                      | 10   | 249,659                   | 128,621          |

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 authorised for issue by the Board of Directors on 1 April 2022.

### **1 Domicile and activities**

Vertex Venture Holdings Ltd (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is 250 North Bridge Road #11-01 Raffles City Tower Singapore 179101.

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are those of investment holding and provision of investment management services to venture capital funds.

As at 31 December 2021, the immediate and ultimate holding companies are Ellensburg Holding Pte. Ltd. and Temasek Holdings (Private) Limited, respectively. Both companies are incorporated in Singapore.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”).

All references to SFRS(I)s and IFRSs are subsequently referred to as IFRS in this financial statements unless otherwise specified.

#### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

#### **2.3 Functional and presentation currency**

These financial statements are presented in United States (US) dollars, which is the Company’s functional currency. All financial information presented in US 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 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 recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in Note 26 – Financial instruments.

There are no critical judgements in the application of accounting policies that have a significant effect on the amounts recognised in the financial statements.

## 2.5 Changes in accounting policies

The Group has applied the following IFRSs and amendments to IFRS for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions (Amendments to IFRS 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 1-39 and IFRS 7, IFRS 4 and IFRS 16)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

# 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

## 3.1 Basis of consolidation

### ***Business combinations***

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

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 or group of similar identifiable assets.

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

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

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### ***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 these 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.

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

### ***Acquisitions from entities under common control***

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group entity and any gain or loss arising is recognised directly in equity.

### ***Loss of control***

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

### ***Investments in associates***

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

### ***Transactions eliminated on consolidation***

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

### ***Subsidiaries and associates in the separate financial statements***

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

## **3.2 Foreign currency**

### ***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 retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

### ***Foreign operations***

The assets and liabilities of foreign operations are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the functional currency at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve 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 or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

## **3.3 Property, plant and equipment**

### ***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. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant 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 plant and equipment is recognised net within other income/other expenses in profit or loss.

***Subsequent costs***

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

***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 recognised 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 recognised 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 for the current and comparative years are as follows:

|                                   |              |
|-----------------------------------|--------------|
| Leasehold improvements            | 2 to 5 years |
| Furniture, fittings and equipment | 2 to 5 years |
| Motor vehicles                    | 5 years      |

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

**3.4 Financial instruments****Non-derivative financial instruments****i. Recognition and initial measurement**

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

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

The Group recognises trade and other receivables (excluding prepayments), cash and cash equivalents and redeemable preference shares on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on trade date which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control and neither transfers nor retains substantially all the risks and rewards of ownership of the asset or the Group transfers substantially all the risks and rewards of ownership of the asset.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value plus, for instruments not at fair value through profit or loss ("FVTPL"), any directly attributable transaction costs. For instruments that are at FVTPL, at initial recognition, attributable transaction costs are recognised in profit or loss when incurred. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification, subsequent measurement and gains and losses – Financial assets

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

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

- |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Financial assets at FVTPL          | <p><b>Classification – mandatorily at FVTPL (non-trading)</b><br/>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 as described below are measured at FVTPL.</p> <p><b>Subsequent measurement and gains and losses</b><br/>These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.</p>                                                                                                                                                                                                                                                                                                                                                                 |
| (b) Financial assets at amortised cost | <p><b>Classification</b><br/>A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:<br/>the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and<br/>the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p><b>Subsequent measurement and gains and losses</b><br/>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 recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.</p> |

### ***Reclassifications***

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.

#### **iii. Classification, subsequent measurement and gains and losses – Financial liabilities**

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transactions costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on derecognition is also recognised in profit or loss.

Borrowings are carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Redeemable preference shares are classified as a financial liability if they are redeemable on a specific date at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

#### **iv. Offsetting**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

### **3.5 Impairment of financial assets**

The Group recognises loss allowance for expected credit losses (ECLs) in the following financial instruments that are not measured at FVTPL:

- trade receivables;
- other receivables; and
- cash and cash equivalents.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECLs that result from default events that are possible 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 ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

### ***General approach***

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve 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 ECLs.

The Group considers the outstanding balance to be in default and credit impaired when the borrower is in significant financial difficulties and remains outstanding for more the reasonable number of past due days.

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 asset have occurred.

### ***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);
- 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.
- loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

## **3.6 Share capital**

### ***Ordinary shares***

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

### ***Preference share capital***

Redeemable preference shares are classified as equity if they are non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

## **3.7 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

## **3.8 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## **3.9 Employee benefits**

### ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as staff costs in profit or loss in the periods during which related services are rendered by employees.

### ***Employee leave entitlement***

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

### ***Short-term benefits***

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

## **3.10 Revenue recognition**

Revenue is recognised in profit or loss as follows:

- (i) Proceeds from divestment, net of direct expenses in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring ownership of the investment to the buyer. The transaction price is the amount of consideration in which the Group expects to be entitled in exchange for transferring the ownership of investments. Revenue is recognised at the point in time where ownership of the investment is transferred over to the buyer. Direct expenses comprise carrying amounts of divestments and related cost directly attributed to divestments;
- (ii) Fund management fees for the provision of investment management services are recognised when the Group satisfies its performance obligation (PO) by providing management services to customers. Performance fees are recognised when earned. Fund management fee rates are applied to the committed capital or committed capital less expenses incurred by its related company to compute the related revenue;
- (iii) Changes in fair value of financial assets measured at FVTPL;
- (iv) Interest income is recognised on an accrual basis except where the collection is contingent upon certain conditions being met, then such income is recognised when received;
- (v) Dividend income is recognised when the right to receive payment is established; and
- (vi) Distribution income from venture capital fund is recognised when right to receive payment is established.

## **3.11 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.

### ***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 recognises 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 right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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.

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 and lease liabilities in the statement of financial position.

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

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

## **3.12 Finance costs**

Finance costs comprise of interest expenses and dividend expense on preference shares issued classified as financial liabilities.

Interest expense recognised based on the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

## **3.13 Tax**

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates 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 reporting date, 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, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

### 3.14 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier applications is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following new amendments to IFRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*
- *Reference to the Conceptual Framework (Amendments to IFRS 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to IAS 16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*
- *Annual Improvements to IFRSs 2018-2020*
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to IAS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*

Management anticipates that the adoption of the new standards and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

## 4 Property, plant and equipment

| Group                           | Leasehold<br>improvements<br>US\$'000 | Furniture,<br>fittings and<br>equipment<br>US\$'000 | Motor<br>vehicles<br>US\$'000 | Total<br>US\$'000 |
|---------------------------------|---------------------------------------|-----------------------------------------------------|-------------------------------|-------------------|
| <b>Cost</b>                     |                                       |                                                     |                               |                   |
| At 1 January 2020               | 1,053                                 | 1,259                                               | 92                            | 2,404             |
| Additions                       | 362                                   | 50                                                  | —                             | 412               |
| At 31 December 2020             | 1,415                                 | 1,309                                               | 92                            | 2,816             |
| Additions                       | 106                                   | 47                                                  | —                             | 153               |
| At 31 December 2021             | 1,521                                 | 1,356                                               | 92                            | 2,969             |
| <b>Accumulated depreciation</b> |                                       |                                                     |                               |                   |
| At 1 January 2020               | 975                                   | 1,106                                               | 31                            | 2,112             |
| Depreciation for the year       | 147                                   | 126                                                 | 19                            | 292               |
| At 31 December 2020             | 1,122                                 | 1,232                                               | 50                            | 2,404             |
| Depreciation for the year       | 150                                   | 66                                                  | 18                            | 234               |
| At 31 December 2021             | 1,272                                 | 1,298                                               | 68                            | 2,638             |
| <b>Carrying amounts</b>         |                                       |                                                     |                               |                   |
| At 1 January 2020               | 78                                    | 153                                                 | 61                            | 292               |
| At 31 December 2020             | 293                                   | 77                                                  | 42                            | 412               |
| At 31 December 2021             | 249                                   | 58                                                  | 24                            | 331               |

## 5 Subsidiaries

|                            | Company          |                  |
|----------------------------|------------------|------------------|
|                            | 2021<br>US\$'000 | 2020<br>US\$'000 |
| Equity investments at cost | 865,283          | 713,175          |
| Impairment losses          | (39,111)         | (39,073)         |
|                            | 826,172          | 674,102          |

Details of the subsidiaries are as follows:

| Name of subsidiaries                                    | Principal place<br>of business | Ownership interests |           |
|---------------------------------------------------------|--------------------------------|---------------------|-----------|
|                                                         |                                | 2021<br>%           | 2020<br>% |
| Crescendo Investments Limited                           | Mauritius                      | 64.6                | 64.6      |
| Vertex Master Fund I Pte. Ltd. and its<br>subsidiaries: | Singapore                      | 100                 | 100       |
| - Vertex Co-Investment Fund Pte. Ltd.                   | Singapore                      | 100                 | 100       |

| Name of subsidiaries                                            | Principal place of business | Ownership interests |           |
|-----------------------------------------------------------------|-----------------------------|---------------------|-----------|
|                                                                 |                             | 2021<br>%           | 2020<br>% |
| - Vertex Fund of Funds Pte. Ltd. and its subsidiary:            | Singapore                   | 100                 | 100       |
| - Vertex Equity Pte. Ltd.                                       | Singapore                   | 100                 | 100       |
| - Vertex Global HC Fund (C.I.) Ltd                              | Cayman Islands              | 51.6                | 51.6      |
| - Vertex Global HC Fund I Pte. Ltd.                             | Singapore                   | 89.9                | 89.9      |
| - Vertex Global HC Management Pte. Ltd.                         | Singapore                   | 100                 | 100       |
| - Vertex Asia Fund (Singapore) Pte. Ltd.                        | Singapore                   | 100                 | 100       |
| - Vertex SEA Fund I Pte. Ltd.                                   | Singapore                   | 100                 | 100       |
| - Global HC GP Ltd                                              | Cayman Islands              | 100                 | 100       |
| Vertex Master Fund (SG) II LP and its subsidiary:               | Singapore                   | 74.7                | 74.7      |
| - Vertex Master Fund II Pte. Ltd. and its subsidiary:           | Singapore                   | 74.7                | 74.7      |
| - Vertex Global HC Fund II Pte. Ltd.                            | Singapore                   | 74.7                | 74.7      |
| Vertex Master Fund (SG) III LP <sup>1</sup> and its subsidiary: | Singapore                   | 100                 | —         |
| - Vertex Master Fund III Pte. Ltd. <sup>2</sup>                 | Singapore                   | 100                 | —         |
| Vertex Fund of Funds (II) Pte. Ltd.                             | Singapore                   | 100                 | 100       |
| Vertex Exploratory Fund Pte. Ltd.                               | Singapore                   | 100                 | 100       |
| VAF 2 Pte. Ltd. <sup>3</sup>                                    | Singapore                   | 100                 | —         |
| Vertex Asia Fund Pte. Ltd.                                      | Singapore                   | 100                 | 100       |
| Vertex Investment International (III) Inc and its subsidiary:   | British Virgin Islands      | 100                 | 100       |
| - Vertex International Partners Inc.                            | British Virgin Islands      | 100                 | 100       |
| Vertex Technology Fund (III) Ltd                                | Singapore                   | 100                 | 100       |
| Vertex Asia Investments Pte. Ltd.                               | Singapore                   | 100                 | 100       |
| Vertex Asia Growth Ltd and its subsidiaries:                    | Cayman Islands              | 100                 | 100       |
| - Vertex Asia Growth (Fund I) Ltd                               | Cayman Islands              | 100                 | 100       |
| Vertex Venture Management Pte. Ltd. and its subsidiary:         | Singapore                   | 100                 | 100       |
| - Vertex India Venture Advisory Private Limited                 | India                       | 100                 | 100       |
| Vickers Capital Pte. Ltd. and its subsidiaries:                 | Singapore                   | 100                 | 100       |
| - Vertex Management (II) Pte Ltd                                | Singapore                   | 100                 | 100       |
| - Vertex Management Inc.                                        | United States of America    | 100                 | 100       |
| - Vertex Israel II Management Ltd and its subsidiaries:         | Israel                      | 51                  | 51        |
| - Novadent Ltd.                                                 | Israel                      | 51                  | 51        |
| - Vertex III Management (C.I.) Ltd                              | Cayman Islands              | 51                  | 51        |

<sup>1</sup> Vertex Master Fund (SG) III LP was registered on 14 January 2021.

<sup>2</sup> Vertex Master Fund III Pte. Ltd. was registered on 6 January 2021.

<sup>3</sup> VAF 2 Pte. Ltd. was incorporated on 6 January 2021.

### **Impairment loss**

The carrying value of investment in subsidiaries is tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments, the Company evaluates, amongst other factors, the future profitability of the subsidiaries, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

The estimates of the recoverable amount of the investment in subsidiaries were based on their fair value less cost to sell of the underlying net assets. Based on management's assessment, impairment loss of US\$38,000 (2020: US\$184,000) was recognised in the Company's profit or loss to reflect the carrying amount of the underlying net assets.

## **6 Associates**

|                          | <b>Group</b>    |                 | <b>Company</b>  |                 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
|                          | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|                          | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| Investment in associates | 1,571,964       | 738,519         | 154,487         | 33,597          |

At the reporting date, the Group assessed the recoverable amount of its investment in associates with continued operating losses. Based on management's assessment, no impairment was recognised in the profit or loss of the Group in 2021 and 2020. The estimates of the recoverable amount of the relevant investment in associates were based on their fair values less cost to sell as recommended by its fund manager, Vertex Management (II) Pte Ltd and Vertex Venture Management Pte. Ltd.

Details of the associates are as follows:

| <b>Name of associates</b>                                 | <b>Principal activities</b> | <b>Principal place of business</b> | <b>Ownership interests</b> |                   |
|-----------------------------------------------------------|-----------------------------|------------------------------------|----------------------------|-------------------|
|                                                           |                             |                                    | <b>2021</b>                | <b>2020</b>       |
|                                                           |                             |                                    | <b>%</b>                   | <b>%</b>          |
| Vertex Legacy Fund (SG) LP                                | Investment holding          | Singapore                          | 43.8                       | 43.8              |
| - Vertex Legacy Continuation Fund Pte. Ltd.               | Investment holding          | Singapore                          | 43.8                       | 43.8              |
| <b>Held by Vertex Investment International (III) Inc.</b> |                             |                                    |                            |                   |
| Vertex III (C.I.) Fund L.P. <sup>1</sup>                  | Investment holding          | Cayman Islands                     | 23.7                       | 23.7              |
| <b>Held by Vertex Master Fund I Pte. Ltd.</b>             |                             |                                    |                            |                   |
| Vertex IV (C.I.) Fund L.P.                                | Investment holding          | Cayman Islands                     | 41.6                       | 41.6              |
| Vertex Ventures US Fund I L.P. <sup>#</sup>               | Investment holding          | USA                                | 71.1 <sup>#</sup>          | 71.1 <sup>#</sup> |
| Vertex Ventures China III, L.P.                           | Investment holding          | Cayman Islands                     | 49.0                       | 49.0              |

| Name of associates                                     | Principal activities | Principal place of business | Ownership interests |           |
|--------------------------------------------------------|----------------------|-----------------------------|---------------------|-----------|
|                                                        |                      |                             | 2021<br>%           | 2020<br>% |
| Vertex Ventures SEA III, L.P. and its subsidiary:      | Investment holding   | Cayman Islands              | 38.1                | 38.1      |
| - Vertex Ventures SEA Fund III Pte. Ltd.               | Investment holding   | Singapore                   | 38.1                | 38.1      |
| <b><i>Held by Vertex Master Fund II Pte. Ltd.</i></b>  |                      |                             |                     |           |
| Vertex Growth (SG) L.P. and its subsidiary             | Investment holding   | Singapore                   | 49.3                | 49.3      |
| - Vertex Growth Fund Pte. Ltd.                         | Investment holding   | Singapore                   | 49.3                | 49.3      |
| Vertex Israel Opportunity Fund L.P.                    | Investment holding   | Cayman Islands              | 23.5                | 23.5      |
| Vertex V (C.I.) Fund L.P.                              | Investment holding   | Cayman Islands              | 41.5                | 41.5      |
| Vertex Ventures US Fund II L.P.*                       | Investment holding   | USA                         | 71.0*               | 71.0*     |
| Vertex Ventures China IV L.P.                          | Investment holding   | Cayman Islands              | 40.0                | 40.0      |
| Vertex Ventures (SG) SEA IV LP and its subsidiary      | Investment holding   | Singapore                   | 27.3                | 27.3      |
| - Vertex Ventures SEA Fund IV Pte. Ltd.                | Investment holding   | Singapore                   | 27.3                | 27.3      |
| ChongQing Vertex RuiZhi Equity                         | Investment holding   | China                       | 34.7                | 34.7      |
| <b><i>Held by Vertex Master Fund III Pte. Ltd.</i></b> |                      |                             |                     |           |
| Vertex Israel Opportunity II Fund L.P. <sup>2</sup>    | Investment holding   | Cayman Islands              | 18.4 <sup>2</sup>   | —         |
| Vertex VI Fund L.P. <sup>3</sup>                       | Investment holding   | Cayman Islands              | 45.1                | —         |
| Vertex Ventures US Fund III L.P. <sup>4</sup>          | Investment holding   | USA                         | 46.7                | —         |

1 Vertex III (C.I.) Fund L.P. was placed under liquidation on 12 May 2020.

2 Vertex Israel Opportunity II Fund L.P. commenced operations on 11 January 2021. Vertex Israel Opportunity II Fund L.P. is considered an associate despite an interest of less than 20% as the Group has significant influence over the investee.

3 Vertex VI Fund L.P. commenced operations on 15 January 2021.

4 Vertex Ventures US Fund III L.P. commenced operations on 1 September 2021.

# Vertex Ventures US Fund I L.P. ("VVUS Fund") is managed by the General Partner ("GP") of VVUS Fund, per the management agreement between the GP and VVUS Fund. The Group does not have control via voting rights in VVUS Fund and the GP.

\* Vertex Ventures US Fund II L.P. ("VVUS Fund II") is managed by the General Partner ("GP") of VVUS Fund II, per the management agreement between the GP and VVUS Fund II. The Group does not have control via voting rights in VVUS Fund II and the GP.

The following summarises the financial information of each of the Group's associates based on their respective (consolidated) financial statements prepared in accordance with IFRS and modified for differences in the Group's accounting policies.

**31 December 2021**

|                                                                            |      |          |         |          |          |         |         |         |          |
|----------------------------------------------------------------------------|------|----------|---------|----------|----------|---------|---------|---------|----------|
| Revenue                                                                    | –    | 154,805  | 24      | 22,050   | 51,217   | 16,134  | 3,310   | 1,485   |          |
| Profit from continuing operations                                          | –    | 270,517  | 77,498  | 45,030   | 141,464  | 127,177 | 64,188  | 138,522 |          |
| OCI                                                                        | –    | –        | –       | –        | –        | –       | –       | –       |          |
| <b>Total comprehensive income</b>                                          | –    | 270,517  | 77,498  | 45,030   | 141,464  | 127,177 | 64,188  | 138,522 |          |
| Attributable to investee's shareholders                                    | –    | 270,517  | 77,498  | 45,030   | 141,464  | 127,177 | 64,188  | 138,522 |          |
| Non-current assets                                                         | –    | 406,248  | 251,139 | 339,955  | 316,157  | 339,200 | 123,309 | 318,601 |          |
| Non-current liabilities                                                    | –    | –        | –       | –        | –        | –       | –       | –       |          |
| Current assets                                                             | –    | 161,378  | 3,693   | 6,597    | 1        | 1       | 6,046   | 2,767   |          |
| Current liabilities                                                        | –    | (2,986)  | (6)     | (6,286)  | (130)    | (3)     | (577)   | (54)    |          |
| <b>Net assets</b>                                                          | –    | 564,640  | 254,826 | 340,266  | 316,028  | 339,218 | 128,778 | 321,314 |          |
| Attributable to investee's shareholders                                    | –    | 564,640  | 254,826 | 340,266  | 316,028  | 339,218 | 128,778 | 321,314 |          |
| <b>Group's interest in net assets of investee at beginning of the year</b> | 312  | 109,253  | 115,042 | 136,531  | 73,510   | 59,881  | 10,909  | 59,502  | 564,940  |
| Group's share of:                                                          |      |          |         |          |          |         |         |         |          |
| - (loss)/profit from continuing operations                                 | (24) | 90,086   | 44,010  | 17,771   | 43,113   | 53,331  | 11,295  | 45,974  | 305,556  |
| - OCI                                                                      | –    | –        | –       | –        | –        | –       | –       | –       | –        |
| - total comprehensive income                                               | (24) | 90,086   | 44,010  | 17,771   | 43,113   | 53,331  | 11,295  | 45,974  | 305,556  |
| Group's contribution during the year                                       | –    | 3,000    | –       | –        | 6,800    | 49,335  | 2,700   | 12,000  | 73,835   |
| Group's distribution during the year                                       | –    | (14,522) | –       | (10,132) | (18,692) | (5,022) | –       | –       | (48,368) |
| <b>Carrying amount of interest in investee at end of the year</b>          | 288  | 187,817  | 159,052 | 144,170  | 104,731  | 157,525 | 24,904  | 117,476 | 895,963  |

*Vertex Venture Holdings Ltd and its subsidiaries*  
*Financial statements*  
*Year ended 31 December 2021*

|                                                                            | Vertex<br>Ventures<br>US Fund II<br>L.P.<br>US\$'000 | Vertex<br>Ventures<br>China IV<br>L.P.<br>US\$'000 | Vertex<br>(SG) SEA<br>IV LP and<br>its<br>subsidiary<br>US\$'000 | ChongQing<br>Vertex<br>RuiZhi<br>Equity<br>US\$'000 | Vertex<br>(SG) LP and<br>its<br>subsidiary<br>US\$'000 | Vertex Israel<br>Opportunity<br>II Fund L.P.<br>US\$'000 | Vertex VI<br>Fund L.P.<br>US\$'000 | Vertex US<br>Fund III L.P.<br>US\$'000 | Total<br>US\$'000 |
|----------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|------------------------------------|----------------------------------------|-------------------|
| <b>31 December 2021</b>                                                    |                                                      |                                                    |                                                                  |                                                     |                                                        |                                                          |                                    |                                        |                   |
| Revenue                                                                    | —                                                    | 146                                                | 48                                                               | 176                                                 | 108,061                                                | 1,040                                                    | —                                  | —                                      | —                 |
| Profit/(Loss) from continuing operations                                   | 230,242                                              | 173,726                                            | 30,859                                                           | 7,176                                               | 221,733                                                | 26,816                                                   | 485                                | (766)                                  | —                 |
| OCI                                                                        | —                                                    | —                                                  | —                                                                | —                                                   | —                                                      | —                                                        | —                                  | —                                      | —                 |
| <b>Total comprehensive income</b>                                          | 230,242                                              | 173,726                                            | 30,859                                                           | 7,176                                               | 221,733                                                | 26,816                                                   | 485                                | (766)                                  | —                 |
| Attributable to investee's shareholders                                    | 230,242                                              | 173,726                                            | 30,859                                                           | 7,176                                               | 221,733                                                | 26,816                                                   | 485                                | (766)                                  | —                 |
| Non-current assets                                                         | 346,517                                              | 407,434                                            | 152,451                                                          | —                                                   | 508,846                                                | 79,078                                                   | 75,994                             | 10,800                                 | —                 |
| Non-current liabilities                                                    | —                                                    | (109)                                              | —                                                                | —                                                   | —                                                      | —                                                        | —                                  | —                                      | —                 |
| Current assets                                                             | 8,552                                                | 9,352                                              | 278                                                              | 52,637                                              | 61                                                     | 15,154                                                   | 3,305                              | 4,643                                  | —                 |
| Current liabilities                                                        | (80)                                                 | (2,830)                                            | (3)                                                              | (10)                                                | (4)                                                    | (960)                                                    | (67)                               | —                                      | —                 |
| <b>Net assets</b>                                                          | 354,989                                              | 413,847                                            | 152,726                                                          | 52,627                                              | 508,903                                                | 93,272                                                   | 79,232                             | 15,443                                 | —                 |
| Attributable to investee's shareholders                                    | 354,989                                              | 413,847                                            | 152,726                                                          | 52,627                                              | 508,903                                                | 93,272                                                   | 79,232                             | 15,443                                 | —                 |
| <b>Group's interest in net assets of investee at beginning of the year</b> | 564,940                                              | 58,231                                             | 12,093                                                           | 10,656                                              | 33,598                                                 | —                                                        | —                                  | —                                      | 738,519           |
| Group's share of:                                                          |                                                      |                                                    |                                                                  |                                                     |                                                        |                                                          |                                    |                                        |                   |
| - profit/(loss) from continuing operations                                 | 305,556                                              | 130,796                                            | 55,943                                                           | 7,082                                               | 32,006                                                 | 3,713                                                    | 184                                | (382)                                  | 537,743           |
| - OCI                                                                      | —                                                    | —                                                  | —                                                                | —                                                   | —                                                      | —                                                        | —                                  | —                                      | —                 |
| - total comprehensive income                                               | 305,556                                              | 130,796                                            | 55,943                                                           | 7,082                                               | 32,006                                                 | 3,713                                                    | 184                                | (382)                                  | 537,743           |
| Group's contribution during the year                                       | 73,835                                               | 27,500                                             | 35,611                                                           | 10,961                                              | 135,529                                                | 12,200                                                   | 33,600                             | 7,800                                  | 358,181           |
| Group's distribution during the year                                       | (48,368)                                             | —                                                  | —                                                                | —                                                   | (14,111)                                               | —                                                        | —                                  | —                                      | (62,479)          |
| <b>Carrying amount of interest in investee at end of the year</b>          | 895,963                                              | 216,527                                            | 150,555                                                          | 40,320                                              | 187,022                                                | 15,913                                                   | 33,784                             | 7,418                                  | 1,571,964         |

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|                                                                            | Vertex III (C.I.) Fund L.P. US\$'000 | Vertex IV (C.I.) Fund L.P. US\$'000 | Vertex Ventures US Fund I L.P. US\$'000 | Vertex Ventures China III, L.P. US\$'000 | Vertex Ventures SEA III, L.P. and its subsidiary US\$'000 | Vertex Growth (SG) L.P. and its subsidiary US\$'000 | Vertex Israel Opportunity Fund L.P. US\$'000 | Vertex V (C.I.) Fund L.P. US\$'000 | Vertex Ventures US Fund II L.P. US\$'000 | Vertex Ventures China IV L.P. US\$'000 | Vertex Ventures (SG) SEA IV LP and its subsidiary US\$'000 | ChongQing Vertex RuiZhi Equity US\$'000 | Vertex Legacy Fund (SG) LP US\$'000 | Total US\$'000 |
|----------------------------------------------------------------------------|--------------------------------------|-------------------------------------|-----------------------------------------|------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|----------------------------------------------|------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------------|-----------------------------------------|-------------------------------------|----------------|
| <b>31 December 2020</b>                                                    |                                      |                                     |                                         |                                          |                                                           |                                                     |                                              |                                    |                                          |                                        |                                                            |                                         |                                     |                |
| Revenue                                                                    | —                                    | 27,443                              | 18                                      | 3,424                                    | 6,329                                                     | 7                                                   | 1,617                                        | —                                  | 129                                      | 221                                    | —                                                          | —                                       | —                                   | —              |
| Profit/(Loss) from continuing operations                                   | —                                    | 189,757                             | 29,804                                  | 10,002                                   | 9,505                                                     | 12,185                                              | 25,911                                       | 30,016                             | 13,401                                   | 21,519                                 | (5,869)                                                    | —                                       | —                                   | 6,411          |
| OCI                                                                        | —                                    | —                                   | —                                       | —                                        | —                                                         | —                                                   | —                                            | —                                  | —                                        | —                                      | —                                                          | —                                       | —                                   | —              |
| <b>Total comprehensive income</b>                                          | —                                    | 189,757                             | 29,804                                  | 10,002                                   | 9,505                                                     | 12,185                                              | 25,911                                       | 30,016                             | 13,401                                   | 21,519                                 | (5,869)                                                    | —                                       | —                                   | 6,411          |
| Attributable to investee's shareholders                                    | —                                    | 189,757                             | 29,804                                  | 10,002                                   | 9,505                                                     | 12,185                                              | 25,911                                       | 30,016                             | 13,401                                   | 21,519                                 | (5,869)                                                    | —                                       | —                                   | 6,411          |
| Non-current assets                                                         | —                                    | 313,440                             | 168,580                                 | 330,844                                  | 205,866                                                   | 122,125                                             | 51,747                                       | 147,234                            | 85,157                                   | 149,583                                | 44,321                                                     | —                                       | —                                   | 81,896         |
| Non-current liabilities                                                    | —                                    | —                                   | —                                       | (16,629)                                 | —                                                         | —                                                   | —                                            | —                                  | —                                        | (3,036)                                | —                                                          | —                                       | —                                   | —              |
| Current assets                                                             | —                                    | 11,255                              | 11,563                                  | 6,192                                    | 1                                                         | 1                                                   | 1,358                                        | 6,677                              | 816                                      | 6,662                                  | 211                                                        | 22,442                                  | 19                                  | 19             |
| Current liabilities                                                        | —                                    | (60)                                | —                                       | (4,504)                                  | (87)                                                      | (3)                                                 | (24)                                         | (52)                               | —                                        | (2,989)                                | (220)                                                      | —                                       | (4)                                 | (4)            |
| <b>Net assets</b>                                                          | —                                    | 324,635                             | 180,143                                 | 315,903                                  | 205,780                                                   | 122,123                                             | 53,081                                       | 153,859                            | 85,973                                   | 150,220                                | 44,312                                                     | 22,442                                  | 81,911                              | 81,911         |
| Attributable to investee's shareholders                                    | —                                    | 324,635                             | 180,143                                 | 315,903                                  | 205,780                                                   | 122,123                                             | 53,081                                       | 153,859                            | 85,973                                   | 150,220                                | 44,312                                                     | 22,442                                  | 81,911                              | 81,911         |
| <b>Group's interest in net assets of investee at beginning of the year</b> | 154                                  | 56,273                              | 90,771                                  | 153,988                                  | 63,982                                                    | 25,657                                              | 4,326                                        | 32,134                             | 32,620                                   | 24,951                                 | —                                                          | —                                       | —                                   | 484,856        |
| Group's share of:                                                          |                                      |                                     |                                         |                                          |                                                           |                                                     |                                              |                                    |                                          |                                        |                                                            |                                         |                                     |                |
| - profit/(loss) from continuing operations                                 | 158                                  | 63,212                              | 15,271                                  | (21,279)                                 | (1,261)                                                   | 5,695                                               | 4,572                                        | 9,968                              | 7,611                                    | 6,550                                  | (1,579)                                                    | —                                       | 530                                 | 89,448         |
| - OCI                                                                      | —                                    | —                                   | —                                       | —                                        | —                                                         | —                                                   | —                                            | —                                  | —                                        | —                                      | —                                                          | —                                       | —                                   | —              |
| - total comprehensive income                                               | 158                                  | 63,212                              | 15,271                                  | (21,279)                                 | (1,261)                                                   | 5,695                                               | 4,572                                        | 9,968                              | 7,611                                    | 6,550                                  | (1,579)                                                    | —                                       | 530                                 | 89,448         |
| Group's contribution during the year                                       | —                                    | 3,000                               | 9,000                                   | 3,822                                    | 13,200                                                    | 28,529                                              | 3,000                                        | 17,400                             | 18,000                                   | 27,500                                 | 13,672                                                     | 10,656                                  | 33,068                              | 180,847        |
| Group's distribution during the year                                       | —                                    | (13,232)                            | —                                       | —                                        | (2,411)                                                   | —                                                   | (989)                                        | —                                  | —                                        | —                                      | —                                                          | —                                       | —                                   | (16,632)       |
| <b>Carrying amount of interest in investee at end of the year</b>          | 312                                  | 109,253                             | 115,042                                 | 136,531                                  | 73,510                                                    | 59,881                                              | 10,909                                       | 59,502                             | 58,231                                   | 59,001                                 | 12,093                                                     | 10,656                                  | 33,598                              | 738,519        |

## 7 Investments

|                                                     | <b>Group</b>    |                 | <b>Company</b>  |                 |
|-----------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                     | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|                                                     | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| <b>Non-trading investments mandatorily at FVTPL</b> |                 |                 |                 |                 |
| Quoted equity securities                            | 117,602         | 184,048         | —               | —               |
| Unquoted equity securities                          | 166,123         | 112,091         | 258             | 258             |
| Unquoted debt securities                            | —               | 1,800           | —               | —               |
| Venture funds                                       | 156,715         | 150,789         | —               | —               |
|                                                     | <u>440,440</u>  | <u>448,728</u>  | <u>258</u>      | <u>258</u>      |

## 8 Other receivables and advances

|                       | <b>Group</b>    |                 |
|-----------------------|-----------------|-----------------|
|                       | <b>2021</b>     | <b>2020</b>     |
|                       | <b>US\$'000</b> | <b>US\$'000</b> |
| Advances to employees | 30              | —               |
| Other receivables     | 1,273           | 1,301           |
|                       | <u>1,303</u>    | <u>1,301</u>    |

Other receivables are unsecured, interest-free and repayable within 2 years (2020: 2 years).

## 9 Trade and other receivables

|                                           | <b>Group</b>    |                 | <b>Company</b>  |                 |
|-------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                           | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|                                           | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| Trade receivables                         | 27,176          | 320,398         | —               | —               |
| Deposits                                  | 499             | 499             | —               | —               |
| Tax recoverable                           | 2,261           | 2,123           | 36              | 2               |
| Amounts due from subsidiaries (non-trade) | —               | —               | 145             | 87,952          |
| Other receivables                         | 1,595           | 1,144           | 1,114           | —               |
|                                           | <u>31,531</u>   | <u>324,164</u>  | <u>1,295</u>    | <u>87,954</u>   |
| Prepayments                               | 152             | 111             | —               | —               |
|                                           | <u>31,683</u>   | <u>324,275</u>  | <u>1,295</u>    | <u>87,954</u>   |

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The Group's and the Company's exposure to credit and foreign currency risks, and impairment losses related to trade and other receivables are disclosed in Note 26.

## 10 Cash and cash equivalents

|                          | <b>Group</b>    |                 | <b>Company</b>  |                 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
|                          | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|                          | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| Cash at bank and in hand | 243,766         | 104,603         | 107,808         | 83,108          |
| Fixed deposits           | 5,893           | 24,018          | 1,859           | 158             |
|                          | <u>249,659</u>  | <u>128,621</u>  | <u>109,667</u>  | <u>83,266</u>   |

Cash and bank balances of approximately US\$731,000 (2020: US\$559,000) are held in countries which operate foreign exchange control. As at the reporting date, the weighted average effective interest rate per annum relating to fixed deposits for the Group and the Company ranges from 0.03% to 0.36% (2020: 0.08% to 0.26%). Fixed deposits are repriced every 1 to 3 months (2020: 1 to 3 months).

## 11 Share capital

|                                            | <b>Ordinary shares</b> | <b>Class A USD<br/>redeemable<br/>preference<br/>shares</b> | <b>Class A SGD<br/>redeemable<br/>preference<br/>shares</b> |
|--------------------------------------------|------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
|                                            | <b>No. of shares</b>   | <b>No. of shares</b>                                        | <b>No. of shares</b>                                        |
| <b>Company</b>                             |                        |                                                             |                                                             |
| In issue at 1 January 2020                 | 1,400,000,000          | 797,736                                                     | 2,410,715                                                   |
| Issue of redeemable preference shares      | —                      | 366,380                                                     | —                                                           |
| In issue at 31 December 2020               | <u>1,400,000,000</u>   | <u>1,164,116</u>                                            | <u>2,410,715</u>                                            |
| In issue at 1 January 2021                 | 1,400,000,000          | 1,164,116                                                   | 2,410,715                                                   |
| Issue of redeemable preference shares      | —                      | 500,000                                                     | —                                                           |
| Redemption of redeemable preference shares | —                      | (750,000)                                                   | (2,210,000)                                                 |
| In issue at 31 December 2021               | <u>1,400,000,000</u>   | <u>914,116</u>                                              | <u>200,715</u>                                              |

All issued shares are fully paid, with no par value.

### *Ordinary shares*

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

### *Redeemable preference shares*

The holder of Class A redeemable preferred shares (Class A RPS) is entitled to receive dividends and the RPS are redeemable, in full or part, at any time at the option of the Company. The RPS cannot be re-issued after redemption. The holders of RPS carry the right to vote *pari passu* with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class A RPS will receive dividends in accordance with the profit distribution structure set out in the Constitution.

In 2021, the Company issued 500,000 USD Class A RPS (2020: 366,380 USD Class A RPS) at the issue price of US\$100.00 per share.

In 2021, the Company redeemed 750,000 USD Class A RPS (2020: Nil) and 2,210,000 SGD Class A RPS (2020: Nil) at the redemption price of US\$100.00 per share and S\$100.00 per share respectively.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class A RPS will be redeemed in preference to holders of the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

### ***Capital management***

The Group defines capital as share capital and retained earnings.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholders value. The Group has determined that it is in a sound capital position given its capital and resources available. The Group monitors the capital requirements to ensure that it is able to support its existing business as well as new investment opportunities that may arise.

There were no changes in the Group's approach to capital management during the year. The Company and its subsidiaries are not subject to externally imposed capital requirements.

### ***Realised and unrealised gain/(loss) from non-trading investments designated at FVTPL***

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends. The following table presents changes to the Group's realised and unrealised retained earnings:

|                                                                         | <b>Unrealised<br/>US\$'000</b> | <b>Realised<br/>US\$'000</b> | <b>Total<br/>US\$'000</b> |
|-------------------------------------------------------------------------|--------------------------------|------------------------------|---------------------------|
| <b>At 1 January 2020</b>                                                | 649,692                        | 255,913                      | 905,605                   |
| Loss for the year excluding net gain/loss from investments at FVTPL     | –                              | (18,871)                     | (18,871)                  |
| Net loss/(gain) from subsidiaries' investments at FVTPL                 | (97,092)                       | (17,927)                     | (115,019)                 |
| Net gain from associates' investments at FVTPL                          | 93,442                         | –                            | 93,442                    |
| Realisation of net gain from subsidiaries' investments at FVTPL         | (184,473)                      | 184,473                      | –                         |
| Realisation of net gain from associates' investments at FVTPL           | (457)                          | 457                          | –                         |
| Provision of foreign tax on gain of subsidiaries' investments           | (7,603)                        | 7,603                        | –                         |
| Reversal of accrued carried interest on gain on subsidiary's investment | 9,590                          | (9,590)                      | –                         |
|                                                                         | (186,593)                      | 146,145                      | (40,448)                  |
| <b>At 31 December 2020</b>                                              | 463,099                        | 402,058                      | 865,157                   |

|                                                                     | Unrealised<br>US\$'000 | Realised<br>US\$'000 | Total<br>US\$'000 |
|---------------------------------------------------------------------|------------------------|----------------------|-------------------|
| <b>At 1 January 2021</b>                                            | 463,099                | 402,058              | 865,157           |
| Loss for the year excluding net gain/loss from investments at FVTPL | –                      | (7,379)              | (7,379)           |
| Net gain from subsidiaries' investments at FVTPL                    | 42,257                 | 21,293               | 63,550            |
| Net gain from associates' investments at FVTPL                      | 474,784                | –                    | 474,784           |
| Realisation of net gain from subsidiaries' investments at FVTPL     | (65,096)               | 65,096               | –                 |
| Realisation of net gain from associates' investments at FVTPL       | (11,374)               | 11,374               | –                 |
| Provision of foreign tax on gain of subsidiaries' investments       | 3,816                  | (3,816)              | –                 |
|                                                                     | 444,387                | 86,568               | 530,955           |
| Interim dividend declared                                           | –                      | (71,521)             | (71,521)          |
| <b>At 31 December 2021</b>                                          | <b>907,486</b>         | <b>417,105</b>       | <b>1,324,591</b>  |

The unrealised retained earnings relate to accumulated fair value changes of non-trading investments designated at FVTPL held at the reporting date. All other items of profits/(losses) for the year are categorised as realised.

## **Dividends**

The following exempt (one-tier) dividends were declared by the Group and Company:

### ***Payable by the Company to owner of the Company***

|                                                                                    | Group<br>2021<br>US\$'000 | 2020<br>US\$'000 |
|------------------------------------------------------------------------------------|---------------------------|------------------|
| US\$25.32 per share declared in 2021 for the year ended 31 December 2020           |                           |                  |
| (2020: There was no dividend declared in 2020 for the year ended 31 December 2019) | 71,521                    | –                |

### ***Paid by a subsidiary to non-controlling interests***

|                                                                              | Group<br>2021<br>US\$'000 | 2020<br>US\$'000 |
|------------------------------------------------------------------------------|---------------------------|------------------|
| Tax exempt (one-tier) dividend for 2021 of US\$200 (2020: US\$349) per share | 98                        | 168              |

## 12 Reserves

### *Merger reserve*

The merger reserve arises from acquisition of subsidiaries under common control and the amount represents the differences between the consideration paid and the capital of the respective acquirees.

### *Foreign currency translation reserve*

The foreign currency translation reserve comprises:

- (i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company; and
- (ii) the exchange differences on monetary items which form part of the Group's net investment in the foreign operation, provided certain conditions are met.

## 13 Redeemable preference shares

### *Redeemable preference shares*

|                              | 2021                           |                           | 2020                           |                           |
|------------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|                              | Carrying<br>amount<br>US\$'000 | Face<br>value<br>US\$'000 | Carrying<br>amount<br>US\$'000 | Face<br>value<br>US\$'000 |
| <b>Group and Company</b>     |                                |                           |                                |                           |
| Redeemable preference shares | 51,951                         | 51,951                    | 40,700                         | 40,700                    |

The holder of Class B redeemable preferred shares (Class B RPS) is entitled to receive preference dividend at a specified rate for that calendar year and the Class B RPS are redeemable, in full or part, at any time at the option of the Company or on 19 January 2026.

The RPS cannot be re-issued after redemption. The holders of Class B RPS carry the right to vote *pari passu* with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class B RPS will receive preference dividends payable annually out of profits of the Company as set out in the Constitution.

In 2021, the Company issued 150,000 (2020: 150,000 Class B RPS) at the issue price of US\$100.00 per share.

In 2021, the Company redeemed 37,490 (2020: Nil) at the redemption price of US\$100.00 per share.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class B RPS will be redeemed in preference to holders of the Class A RPS and the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

## 14 Borrowings

|                                | <b>Group and Company</b> |                 |
|--------------------------------|--------------------------|-----------------|
|                                | <b>2021</b>              | <b>2020</b>     |
|                                | <b>US\$'000</b>          | <b>US\$'000</b> |
| <b>Non-current liabilities</b> |                          |                 |
| Bonds                          | 332,914                  | —               |
| <b>Current liabilities</b>     |                          |                 |
| Unsecured bank loans           | —                        | 99,000          |

### Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

|                                    |          |          |          | 2021     |          | 2020     |          |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|
|                                    |          | Nominal  |          |          |          |          |          |
|                                    | Currency | interest | Year of  | Face     | Carrying | Face     | Carrying |
|                                    |          | rate     | maturity | value    | amount   | value    | amount   |
|                                    |          | %        |          | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Group and Company                  |          |          |          |          |          |          |          |
| Unsecured bonds                    | S\$      | 3.30%    | 2028     | 332,914  | 332,914  | —        | —        |
| Unsecured bank loan                | US\$     | 1.44%    | 2021     | —        | —        | 49,000   | 49,000   |
| Unsecured bank loan                | US\$     | 2.09%    | 2021     | —        | —        | 30,000   | 30,000   |
| Unsecured bank loan                | US\$     | 2.10%    | 2021     | —        | —        | 20,000   | 20,000   |
| Total interest-bearing liabilities |          |          |          | 332,914  | 332,914  | 99,000   | 99,000   |

The bonds, S\$450,000,000 3.30% Notes due 2028, issued on 28 July 2021 are issued under Vertex Venture Holdings Ltd's US\$2,000,000,000 Multicurrency Debt Issuance Programme (the "Programme") established on 12 July 2021.

The fair value of the borrowings at the reporting date is \$332,694,000.

Information about the Group and the Company's exposures to interest rate, foreign currency and liquidity risks is included in Note 26.

## Reconciliation of movements of liabilities to cash flows arising from financing activities

|                                                        | Liabilities            |                                             |                                  |                                                           | Total<br>US\$'000 |
|--------------------------------------------------------|------------------------|---------------------------------------------|----------------------------------|-----------------------------------------------------------|-------------------|
|                                                        | Borrowings<br>US\$'000 | Accrued<br>interest<br>payables<br>US\$'000 | Lease<br>liabilities<br>US\$'000 | Class B<br>redeemable<br>preference<br>shares<br>US\$'000 |                   |
| <b>Balance at 1 January 2020</b>                       | –                      | 1,199                                       | 2,305                            | 25,700                                                    | 29,204            |
| <b>Changes from financing cash flows</b>               |                        |                                             |                                  |                                                           |                   |
| Proceeds from borrowings from bank                     | 99,000                 | –                                           | –                                | –                                                         | 99,000            |
| Proceeds from issuance of redeemable preference shares | –                      | –                                           | –                                | 15,000                                                    | 15,000            |
| Payment of lease liabilities                           | –                      | –                                           | (1,046)                          | –                                                         | (1,046)           |
| Interest paid                                          | –                      | (2,257)                                     | –                                | –                                                         | (2,257)           |
| <b>Total changes from financing cash flows</b>         | 99,000                 | (2,257)                                     | (1,046)                          | 15,000                                                    | 110,697           |
| <b>Non-cash changes</b>                                |                        |                                             |                                  |                                                           |                   |
| Interest expense                                       | –                      | 3,146                                       | 80                               | –                                                         | 3,226             |
| Lease liabilities addition                             | –                      | –                                           | 1,022                            | –                                                         | 1,022             |
| <b>Total non-cash changes</b>                          | –                      | 3,146                                       | 1,102                            | –                                                         | 4,248             |
| <b>Balance at 31 December 2020</b>                     | 99,000                 | 2,088                                       | 2,361                            | 40,700                                                    | 144,149           |
| <b>Balance at 1 January 2021</b>                       | 99,000                 | 2,088                                       | 2,361                            | 40,700                                                    | 144,149           |
| <b>Changes from financing cash flows</b>               |                        |                                             |                                  |                                                           |                   |
| Proceeds from issuance of corporate bonds              | 332,914                | –                                           | –                                | –                                                         | 332,914           |
| Proceeds from issuance of redeemable preference shares | –                      | –                                           | –                                | 15,000                                                    | 15,000            |
| Redemption of redeemable preference shares             | –                      | –                                           | –                                | (3,749)                                                   | (3,749)           |
| Repayment of borrowings from bank                      | (99,000)               | –                                           | –                                | –                                                         | (99,000)          |
| Repayment of lease liabilities                         | –                      | –                                           | (1,125)                          | –                                                         | (1,125)           |
| Interest paid                                          | –                      | (3,831)                                     | –                                | –                                                         | (3,831)           |
| <b>Total changes from financing cash flows</b>         | 233,914                | (3,831)                                     | (1,125)                          | 11,251                                                    | 240,209           |
| <b>The effect of changes in foreign exchange rate</b>  | –                      | 5                                           | –                                | –                                                         | 5                 |
| <b>Non-cash changes</b>                                |                        |                                             |                                  |                                                           |                   |
| Interest expense                                       | –                      | 9,823                                       | 53                               | –                                                         | 9,876             |
| <b>Total non-cash changes</b>                          | –                      | 9,823                                       | 53                               | –                                                         | 9,876             |
| <b>Balance at 31 December 2021</b>                     | 332,914                | 8,085                                       | 1,289                            | 51,951                                                    | 394,239           |

## 15 Deferred tax

Deferred tax is attributable to the following:

|                                 | At<br>1/1/2020<br>US\$'000 | Recognised<br>in profit<br>or loss<br>(Note 23)<br>US\$'000 | At<br>31/12/2020<br>US\$'000 | Recognised<br>in profit<br>or loss<br>(Note 23)<br>US\$'000 | At<br>31/12/2021<br>US\$'000 |
|---------------------------------|----------------------------|-------------------------------------------------------------|------------------------------|-------------------------------------------------------------|------------------------------|
| <b>Group</b>                    |                            |                                                             |                              |                                                             |                              |
| <i>Deferred tax liabilities</i> |                            |                                                             |                              |                                                             |                              |
| Unremitted interest income      | (492)                      | 175                                                         | (317)                        | —                                                           | (317)                        |
| Other items                     | (751)                      | 751                                                         | —                            | —                                                           | —                            |
|                                 | <u>(1,243)</u>             | <u>926</u>                                                  | <u>(317)</u>                 | <u>—</u>                                                    | <u>(317)</u>                 |

### Company

#### *Deferred tax liability*

|                            |              |            |              |          |              |
|----------------------------|--------------|------------|--------------|----------|--------------|
| Unremitted interest income | <u>(492)</u> | <u>175</u> | <u>(317)</u> | <u>—</u> | <u>(317)</u> |
|----------------------------|--------------|------------|--------------|----------|--------------|

The following items have not been included in the computation of deferred tax assets recognised:

|                       | <b>Group</b>    |                 |
|-----------------------|-----------------|-----------------|
|                       | <b>2021</b>     | <b>2020</b>     |
|                       | <b>US\$'000</b> | <b>US\$'000</b> |
| Unutilised tax losses | <u>47,569</u>   | <u>56,218</u>   |

Deferred tax assets have not been recognised in respect of unutilised tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

## 16 Other long-term liabilities

|                                             | <b>Group</b>    |                 | <b>Company</b>  |                 |
|---------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                             | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|                                             | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| Deposit received in advance                 | 119             | —               | —               | —               |
| Dividend to immediate holding company       | 25,033          | —               | 25,033          | —               |
| Amount due to a related company (non-trade) | <u>1,145</u>    | <u>1,146</u>    | <u>6,228</u>    | <u>—</u>        |
|                                             | <u>26,297</u>   | <u>1,146</u>    | <u>31,261</u>   | <u>—</u>        |

Deposit received in advance relates to amount received in advance from an investee company prior to its liquidation. The receipt will be recognised as divestment proceeds upon completion of the liquidation which is expected to take more than a year.

Non-trade amount due to a related company is unsecured, interest-free and not repayable within the next 12 months.

## 17 Leases

The Group leases office premises. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Lease payments are renegotiated every 5 years to reflect market rentals.

The Group leases photocopiers and certain office premises with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

### Right-of-use assets

|                           | <b>Office premises</b> |                 |
|---------------------------|------------------------|-----------------|
|                           | <b>2021</b>            | <b>2020</b>     |
|                           | <b>US\$'000</b>        | <b>US\$'000</b> |
| Balance at 1 January      | 2,344                  | 2,336           |
| Additions                 | —                      | 1,071           |
| Depreciation for the year | (1,088)                | (1,063)         |
| Balance at 31 December    | <u>1,256</u>           | <u>2,344</u>    |

|                          | <b>2021</b>     | <b>2020</b>     |
|--------------------------|-----------------|-----------------|
|                          | <b>US\$'000</b> | <b>US\$'000</b> |
| <b>Lease liabilities</b> |                 |                 |
| Non-current              | 163             | 1,289           |
| Current                  | <u>1,126</u>    | <u>1,072</u>    |
|                          | <u>1,289</u>    | <u>2,361</u>    |

### Amounts recognised in profit or loss

|                                                                                                     | <b>2021</b>     | <b>2020</b>     |
|-----------------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                                     | <b>US\$'000</b> | <b>US\$'000</b> |
| Interest on lease liabilities                                                                       | 53              | 80              |
| Expenses relating to short-term leases                                                              | 449             | 491             |
| Expenses relating to leases of low-value assets,<br>excluding short-term leases of low-value assets | <u>8</u>        | <u>4</u>        |

### Amounts recognised in statement of cash flows

|                               | <b>2021</b>     | <b>2020</b>     |
|-------------------------------|-----------------|-----------------|
|                               | <b>US\$'000</b> | <b>US\$'000</b> |
| Total cash outflow for leases | <u>1,125</u>    | <u>1,046</u>    |

## 18 Provisions

|                    | Performance<br>incentives<br>US\$'000 | Restoration<br>costs<br>US\$'000 | Unutilised<br>leave balance<br>US\$'000 | Total<br>US\$'000 |
|--------------------|---------------------------------------|----------------------------------|-----------------------------------------|-------------------|
| <b>Group</b>       |                                       |                                  |                                         |                   |
| <b>2021</b>        |                                       |                                  |                                         |                   |
| At 1 January       | 710                                   | 156                              | 394                                     | 1,260             |
| Provision made     | 10,310                                | —                                | 55                                      | 10,365            |
| Provision utilised | (10,988)                              | —                                | (24)                                    | (11,012)          |
| At 31 December     | 32                                    | 156                              | 425                                     | 613               |
| Non-current        | —                                     | 156                              | —                                       | 156               |
| Current            | 32                                    | —                                | 425                                     | 457               |
|                    | 32                                    | 156                              | 425                                     | 613               |
| <b>2020</b>        |                                       |                                  |                                         |                   |
| At 1 January       | 22,989                                | 108                              | 298                                     | 23,395            |
| Provision made     | —                                     | 48                               | 96                                      | 144               |
| Provision reversed | (12,700)                              | —                                | —                                       | (12,700)          |
| Provision utilised | (9,579)                               | —                                | —                                       | (9,579)           |
| At 31 December     | 710                                   | 156                              | 394                                     | 1,260             |
| Non-current        | —                                     | 156                              | —                                       | 156               |
| Current            | 710                                   | —                                | 394                                     | 1,104             |
|                    | 710                                   | 156                              | 394                                     | 1,260             |

## 19 Trade and other payables

|                                            | <b>Group</b>            |                         | <b>Company</b>          |                         |
|--------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                            | <b>2021</b><br>US\$'000 | <b>2020</b><br>US\$'000 | <b>2021</b><br>US\$'000 | <b>2020</b><br>US\$'000 |
| Trade payables                             | 4,255                   | 5,092                   | —                       | 15                      |
| Accrued expenses                           | 15,098                  | 13,162                  | 4,527                   | 667                     |
| Accrued interest payables                  | 8,085                   | 2,088                   | 4,695                   | —                       |
| Accrued incentives                         | 4,115                   | 3,897                   | —                       | —                       |
| Amounts due to subsidiaries<br>(non-trade) | —                       | —                       | 50,199                  | 45,388                  |
| Other payables                             | 8,970                   | 26,981                  | 829                     | 2,159                   |
|                                            | 40,523                  | 51,220                  | 60,250                  | 48,229                  |

Accrued incentives relates to staff incentives which are computed based on an approved incentive plan.

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposure to liquidity and foreign currency risks related to trade and other payables are disclosed in Note 26.

## 20 Revenue

|                                                | Group    |           |
|------------------------------------------------|----------|-----------|
|                                                | 2021     | 2020      |
|                                                | US\$'000 | US\$'000  |
| Proceeds from divestments                      | 111,953  | 393,693   |
| Cost of divestments                            | (89,981) | (405,306) |
| Gain/(Loss) on divestment of investments       | 21,972   | (11,613)  |
| Direct expenses                                | (679)    | (6,314)   |
| Net gain/(loss) on divestment of investments   | 21,293   | (17,927)  |
| Distribution income from venture capital funds | 44,261   | 5,241     |
| Equalisation interest from associate           | 29       | 77        |
| Interest income from bank and other deposits   | 191      | 421       |
| Fund management and performance fees           | 13,573   | 13,147    |
|                                                | 79,347   | 959       |

### *Realised and unrealised gain/(loss) from non-trading investments designated at FVTPL*

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends (refer to Note 11).

The Group defines realised and unrealised net gains/losses from non-trading investments designated at FVTPL as follows:

- Realised net gain/(loss) represents the difference between the initial carrying amounts of investments disposed during the period and the disposal amount. The initial carrying amount of an investment is determined using the weighted-average method.
- Unrealised net gain/(loss) comprises current period changes in the fair value of investments held at the reporting date and from reversal of prior period's cumulative unrealised gain/loss realised through disposals in the current reporting period.

## 21 Finance costs

|                                                         | Group    |          |
|---------------------------------------------------------|----------|----------|
|                                                         | 2021     | 2020     |
|                                                         | US\$'000 | US\$'000 |
| <b>Financial liabilities measured at amortised cost</b> |          |          |
| - Dividend on redeemable preference shares              | 4,375    | 2,357    |
| - Interest expense on bonds                             | 4,763    | —        |
| - Interest expense on bank loans                        | 685      | 789      |
| - Interest expense on lease liabilities                 | 53       | 80       |
|                                                         | 9,876    | 3,226    |

## 22 Profit/(Loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

|                                               | <b>Group</b>    |                 |
|-----------------------------------------------|-----------------|-----------------|
|                                               | <b>2021</b>     | <b>2020</b>     |
|                                               | <b>US\$'000</b> | <b>US\$'000</b> |
| Included in other income:                     |                 |                 |
| Foreign exchange gain                         | 14              | —               |
| Gain on dilution of subsidiary                | —               | 15              |
|                                               | <hr/>           | <hr/>           |
| Included in staff costs:                      |                 |                 |
| Contributions to defined contribution plans   | (237)           | (241)           |
|                                               | <hr/>           | <hr/>           |
| Included in other operating expenses:         |                 |                 |
| Foreign exchange loss                         | —               | (655)           |
| Depreciation of property, plant and equipment | (234)           | (292)           |
| Depreciation of right-of-use assets           | (1,088)         | (1,063)         |
|                                               | <hr/>           | <hr/>           |

## 23 Tax expense

|                                    | <b>Note</b> | <b>2021</b>     | <b>2020</b>     |
|------------------------------------|-------------|-----------------|-----------------|
|                                    |             | <b>US\$'000</b> | <b>US\$'000</b> |
| <b>Current tax expense</b>         |             |                 |                 |
| Current year                       |             | 1,013           | 1,571           |
| Over provided in prior years       |             | (849)           | (552)           |
|                                    |             | <hr/>           | <hr/>           |
|                                    |             | 164             | 1,019           |
|                                    |             | <hr/>           | <hr/>           |
| <b>Deferred tax expense</b>        |             |                 |                 |
| Movements in temporary differences | 15          | —               | (926)           |
|                                    |             | <hr/>           | <hr/>           |
|                                    |             | 164             | 93              |
|                                    |             | <hr/>           | <hr/>           |

### *Reconciliation of effective tax rate*

|                                                                 |          |          |
|-----------------------------------------------------------------|----------|----------|
| Profit/(Loss) before tax                                        | 614,363  | (32,551) |
|                                                                 | <hr/>    | <hr/>    |
| Tax using the Singapore tax rate at 17% (2020: 17%)             | 104,442  | (5,534)  |
| Effect of different tax rates in foreign jurisdiction           | (1,472)  | 60       |
| Effects of results of associates presented net of tax           | (91,416) | (15,206) |
| Income not subject to tax                                       | (638)    | (911)    |
| Non-deductible expenses                                         | 2,791    | 9,023    |
| Recognition of tax effect of previously unrecognised tax losses | (1,470)  | —        |
| Effect of tax benefits not recognised                           | —        | 9,557    |
| Losses not available for carry forward                          | 6,190    | 23,228   |
| Tax incentives*                                                 | (17,414) | (19,572) |
| Over provided in prior years                                    | (849)    | (552)    |
|                                                                 | <hr/>    | <hr/>    |
|                                                                 | 164      | 93       |
|                                                                 | <hr/>    | <hr/>    |

\* Certain subsidiaries have been granted Enhanced – Tier Fund Tax Incentives scheme under Section 13X of the Income Tax Act. Subject to certain terms and conditions laid down under the Enhanced – Tier Fund Tax Incentives scheme, income from qualifying activities is exempt from income tax.

## 24 Commitments

At the reporting date, the Group had the following outstanding commitments:

|                               | <b>Group</b>    |                 |
|-------------------------------|-----------------|-----------------|
|                               | <b>2021</b>     | <b>2020</b>     |
|                               | <b>US\$'000</b> | <b>US\$'000</b> |
| <b>Investment commitments</b> |                 |                 |
| Associates                    | 583,954         | 486,888         |
| Unquoted equity investments   | 6,819           | 6,819           |
| Venture capital funds         | 52,582          | 114,516         |
|                               | <u>643,355</u>  | <u>608,223</u>  |

The Group has uncalled capital commitments for the acquisitions of investments from its immediate holding company of approximately US\$419,295,000 (2020: US\$229,827,000).

The Company has uncalled capital commitments to its subsidiaries of approximately US\$867,418,000 (2020: US\$563,497,000).

## 25 Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### *Related party transactions*

Other than the information disclosed elsewhere in the financial statements, there were no other significant transactions between the Group and its related parties in the year.

### *Key management personnel compensation*

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company.

The key management personnel compensation included in staff costs is as follows:

|                              | <b>Group</b>    |                 |
|------------------------------|-----------------|-----------------|
|                              | <b>2021</b>     | <b>2020</b>     |
|                              | <b>US\$'000</b> | <b>US\$'000</b> |
| Directors' fees              | 391             | 613             |
| Short-term employee benefits | 9,768           | 5,270           |
|                              | <u>10,159</u>   | <u>5,883</u>    |

## **26 Financial instruments**

### **Risk management objectives and policies**

#### ***Overview***

The Group's principal businesses are in venture capital fund investment and venture capital fund management. It operates in Asia Pacific, US, Europe and Israel where investments are made and revenues are generated in various currencies. The Group invests mainly in equity securities of private companies in various industries, sectors and geographical location. Exposure to investment, credit, liquidity, foreign exchange and interest rate risks arises in the normal course of the Group's business. The Group's risk management approach is to minimise the potential adverse effects of these risk factors on the Group's financial performance

The Group's major risks include but are not limited to the following:

#### ***Investment risk***

The Group's investments include start-up or early stage of growth companies which involves substantial risks. These companies have little or no operating history, track records and resources, and established products. A significant length of time is required for the Group to realise these investments.

The venture capital investments which includes companies in technology sectors, mainly in the Internet/Mobile/Media/Social Networking, Technology, Clean-technology, Manufacturing and Electronics, Health-care, Services and Others, which are subject to rapid changes and technological advances. In addition, these investments may be concentrated on a limited number of companies, specific regions or industry sectors.

As the Group's investments are in unlisted investee companies, there may be limited avenues available to the Group to divest such investments. Some of the possible avenues to realise these unlisted investments are by way of an initial public offering, acquisition by a listed company or trade sale. However, there is no assurance that the Group will be able to realise its investments by way of an initial public offering, acquisition by a listed company or trade sale.

The Group mitigates its investment risks through stringent selection of investment opportunities and proper structuring of the investment transaction. The fund managers play a lead role in the investment origination process, developing close working relationships with the investee companies and providing guidance and assistance on the strategic and operational matters of the investee companies. Investment committees are established to review and approve all investment proposals.

The Group has a portfolio of listed investments arising from its investments in unlisted companies having achieved liquidity either through an initial public offering or through acquisition by a listed company. Share prices of these companies are subject to fluctuations due to volatility in the stock markets, market reactions to reported financial results, outlook of technology sector and industries of these investee companies.

The Group monitors daily changes in the share prices and news reported on the listed investments for divestment decision-making. In the divestment decision-making process, the Group also takes into account the trading window (when applicable) and trading volume of each listed security as well as analyst recommendations.

**Credit risk**

Credit risk is the risk of financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's receivables from customers.

The carrying amounts of financial assets represent the Group's maximum exposure to credit risk. At the reporting date, there were no significant concentrations of credit risk due from third parties, other than the placement of excess cash with banks and financial institutions.

The maximum exposure to credit risk at the reporting date was as follows:

|                                | <b>Group</b>    |                 | <b>Company</b>  |                 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|                                | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| Other receivables and advances | 1,303           | 1,301           | —               | —               |
| Trade and other receivables    | 31,531          | 324,164         | 1,295           | 87,954          |
|                                | 32,834          | 325,465         | 1,295           | 87,954          |
| Cash and cash equivalents      | 249,659         | 128,621         | 109,667         | 83,266          |
|                                | 282,493         | 454,086         | 110,962         | 171,220         |

**Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The Group's review includes financial information and past trend of payments, where applicable. The Group considers all of its customers to have a low risk of default.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of three months for customers.

**Expected credit loss assessment**

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables.

**Other receivables**

The Group uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis; and the amount of the allowance is insignificant.

*Cash and cash equivalents*

The Group and the Company held cash and cash equivalents of US\$249,659,000 and US\$109,667,000 respectively at 31 December 2021 (2020: US\$128,621,000 and US\$83,266,000 respectively). The cash and cash equivalents are held with reputable banks and financial institution counterparties which are regulated.

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 Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents is negligible.

*Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's primary sources of funding are mainly capital injection from immediate holding company and proceeds from divestments/return of capital as well as dividends received. The Group also has uncommitted banking facilities that are mainly used for bridging purposes.

The Group manages the liquidity structure of its assets, liabilities and commitments so that cash flows are appropriately balanced and the Group will always have sufficient liquidity to finance its operations and meet all funding obligations when due. Liquidity is managed on a daily basis. The following are the contractual maturities of financial liabilities.

|                                             | Carrying<br>amount<br>US\$'000 | Contractual<br>cash flows<br>US\$'000 | Within<br>1 year<br>US\$'000 | 1 to 2<br>years<br>US\$'000 | 2 to 5<br>years<br>US\$'000 | More than<br>5 years<br>US\$'000 |
|---------------------------------------------|--------------------------------|---------------------------------------|------------------------------|-----------------------------|-----------------------------|----------------------------------|
| <b>Group</b>                                |                                |                                       |                              |                             |                             |                                  |
| <b>2021</b>                                 |                                |                                       |                              |                             |                             |                                  |
| <b>Non-derivative financial liabilities</b> |                                |                                       |                              |                             |                             |                                  |
| Trade and other payables                    | 40,523                         | (40,523)                              | (40,523)                     | —                           | —                           | —                                |
| Borrowings                                  | 332,914                        | (394,527)                             | (5,883)                      | (22,292)                    | (22,292)                    | (344,060)                        |
| Lease liabilities                           | 1,289                          | (1,296)                               | (1,145)                      | (151)                       | —                           | —                                |
| Redeemable preference shares                | 51,951                         | (68,161)                              | (3,316)                      | (4,298)                     | (60,547)                    | —                                |
| Other long-term liabilities                 | 26,297                         | (26,297)                              | —                            | (26,297)                    | —                           | —                                |
|                                             | <u>452,974</u>                 | <u>(530,804)</u>                      | <u>(50,867)</u>              | <u>(53,038)</u>             | <u>(82,839)</u>             | <u>(344,060)</u>                 |
| <b>2020</b>                                 |                                |                                       |                              |                             |                             |                                  |
| Trade and other payables                    | 51,220                         | (51,220)                              | (51,220)                     | —                           | —                           | —                                |
| Borrowings                                  | 99,000                         | (99,000)                              | (99,000)                     | —                           | —                           | —                                |
| Lease liabilities                           | 2,361                          | (2,516)                               | (1,045)                      | (1,471)                     | —                           | —                                |
| Redeemable preference shares                | 40,700                         | (54,836)                              | (2,088)                      | (6,024)                     | (46,724)                    | —                                |
| Other long-term liabilities                 | 1,146                          | (1,146)                               | —                            | (1,146)                     | —                           | —                                |
|                                             | <u>194,427</u>                 | <u>(208,718)</u>                      | <u>(153,353)</u>             | <u>(8,641)</u>              | <u>(46,724)</u>             | <u>—</u>                         |

| Company                         | Carrying<br>amount<br>US\$'000 | Contractual<br>cash flows<br>US\$'000 | Within<br>1 year<br>US\$'000 | 1 to 2<br>years<br>US\$'000 | 2 to 5<br>years<br>US\$'000 | More than 5<br>years<br>US\$'000 |
|---------------------------------|--------------------------------|---------------------------------------|------------------------------|-----------------------------|-----------------------------|----------------------------------|
| <b>2021</b>                     |                                |                                       |                              |                             |                             |                                  |
| Trade and other payables        | 60,250                         | (60,250)                              | (60,250)                     | —                           | —                           | —                                |
| Borrowings                      | 332,914                        | (394,527)                             | (5,883)                      | (22,292)                    | (22,292)                    | (344,060)                        |
| Redeemable preference<br>shares | 51,951                         | (68,161)                              | (3,316)                      | (4,298)                     | (60,547)                    | —                                |
| Other long-term liabilities     | 31,261                         | (31,261)                              | —                            | (31,261)                    | —                           | —                                |
|                                 | <u>476,376</u>                 | <u>(554,199)</u>                      | <u>(69,449)</u>              | <u>(57,851)</u>             | <u>(82,839)</u>             | <u>(344,060)</u>                 |
| <b>2020</b>                     |                                |                                       |                              |                             |                             |                                  |
| Trade and other payables        | 48,229                         | (48,229)                              | (48,229)                     | —                           | —                           | —                                |
| Borrowings                      | 99,000                         | (99,000)                              | (99,000)                     | —                           | —                           | —                                |
| Redeemable preference<br>shares | 40,700                         | (54,836)                              | (2,088)                      | (6,024)                     | (46,724)                    | —                                |
|                                 | <u>187,929</u>                 | <u>(202,065)</u>                      | <u>(149,317)</u>             | <u>(6,024)</u>              | <u>(46,724)</u>             | <u>—</u>                         |

**Foreign currency risk**

The Group is exposed to foreign currency risk on investments, operating expenses and borrowings that are denominated in a currency other than its global trading currency which is the US dollar. The Group's venture capital fund investment activities are exposed to foreign currency risk, where the investments made in various currencies are dependent on the currency of realisation of these investments. For investments which is subsequently listed, the currency in which the investment is realised depends on the location of the exchange and the currency in which the investment is listed.

The Group does not hedge its foreign currency exposure as the nature of its business makes it difficult to forecast the timing and quantum related to the realisation of the investments as well as the currency in which the realisation would be made. Foreign currency exposure is regarded as an integral part of its investment risks and any gain or loss forms part of its investment returns.

The Group is also exposed to foreign currency fluctuations as the source of capital funding includes Euro, Hong Kong dollar, Taiwan dollar, Singapore dollar, Chinese yuan, Indian rupee, Norwegian krone, Japanese yen and Israeli shekel. It is difficult for the Group to hedge against such foreign currency exposure as the timing and quantum of returns are not predictable.

At the reporting date, the Group's exposures to foreign currencies were primarily as follows based on notional amounts:

| Group                          | Euro<br>US\$'000 | Hong Kong<br>dollar<br>US\$'000 | Taiwan<br>dollar<br>US\$'000 | Singapore<br>dollar<br>US\$'000 | Chinese<br>yuan<br>US\$'000 | Indian<br>rupee<br>US\$'000 | Norwegian<br>krone<br>US\$'000 | Japanese<br>yen<br>US\$'000 | Israeli<br>shekel<br>US\$'000 |
|--------------------------------|------------------|---------------------------------|------------------------------|---------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|-------------------------------|
| <b>2021</b>                    |                  |                                 |                              |                                 |                             |                             |                                |                             |                               |
| <b>Financial assets</b>        |                  |                                 |                              |                                 |                             |                             |                                |                             |                               |
| Investments                    | 18,855           | —                               | —                            | 258                             | 91,087                      | —                           | 1,757                          | 2,172                       | —                             |
| Cash and cash equivalents      | —                | —                               | —                            | 45,034                          | 44                          | 517                         | —                              | —                           | 20                            |
| Trade and other receivables    | —                | 33                              | —                            | 4,290                           | 23,951                      | 31                          | —                              | —                           | —                             |
| Other receivables and advances | —                | —                               | —                            | —                               | 1,273                       | —                           | —                              | —                           | —                             |
| <b>Financial liabilities</b>   |                  |                                 |                              |                                 |                             |                             |                                |                             |                               |
| Trade and other payables       | —                | —                               | —                            | (24,587)                        | (641)                       | (28)                        | —                              | —                           | (193)                         |
| Lease liabilities              | —                | —                               | —                            | (1,289)                         | —                           | —                           | —                              | —                           | —                             |
| Borrowings                     | —                | —                               | —                            | (332,914)                       | —                           | —                           | —                              | —                           | —                             |
| Other long-term liabilities    | —                | —                               | —                            | (156)                           | (3,176)                     | —                           | —                              | —                           | —                             |
|                                | <u>18,855</u>    | <u>33</u>                       | <u>—</u>                     | <u>(309,364)</u>                | <u>112,538</u>              | <u>520</u>                  | <u>1,757</u>                   | <u>2,172</u>                | <u>(173)</u>                  |
| <b>2020</b>                    |                  |                                 |                              |                                 |                             |                             |                                |                             |                               |
| <b>Financial assets</b>        |                  |                                 |                              |                                 |                             |                             |                                |                             |                               |
| Investments                    | 18,402           | —                               | —                            | 258                             | 161,201                     | 3,445                       | —                              | —                           | —                             |
| Cash and cash equivalents      | —                | —                               | 11                           | 3,026                           | 8                           | 539                         | —                              | —                           | —                             |
| Trade and other receivables    | —                | 33                              | —                            | 3,583                           | 21,920                      | 31                          | —                              | —                           | —                             |
| Other receivables and advances | —                | —                               | —                            | —                               | 1,274                       | —                           | —                              | —                           | —                             |
| <b>Financial liabilities</b>   |                  |                                 |                              |                                 |                             |                             |                                |                             |                               |
| Trade and other payables       | —                | —                               | —                            | —                               | —                           | —                           | —                              | —                           | —                             |
| Lease liabilities              | —                | —                               | —                            | (26,245)                        | (15,666)                    | (29)                        | —                              | —                           | —                             |
| Other long-term liabilities    | —                | —                               | —                            | —                               | (1,146)                     | —                           | —                              | —                           | —                             |
|                                | <u>18,402</u>    | <u>33</u>                       | <u>11</u>                    | <u>(21,740)</u>                 | <u>167,591</u>              | <u>3,986</u>                | <u>—</u>                       | <u>—</u>                    | <u>—</u>                      |

At the reporting date, the Company's exposure to foreign currencies was as follows based on notional amounts:

| <b>Company</b>               | <b>Singapore dollar</b> |                 |
|------------------------------|-------------------------|-----------------|
|                              | <b>2021</b>             | <b>2020</b>     |
|                              | <b>US\$'000</b>         | <b>US\$'000</b> |
| <b>Financial assets</b>      |                         |                 |
| Investments                  | 258                     | 258             |
| Cash and cash equivalents    | 41,198                  | 1,439           |
| Trade and other receivables  | 1,150                   | 3               |
|                              |                         |                 |
| <b>Financial liabilities</b> |                         |                 |
| Trade and other payables     | (4,767)                 | (274)           |
| Borrowings                   | (332,914)               | —               |
|                              | (295,075)               | 1,426           |

*Sensitivity analysis*

A 10% strengthening of the US dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below assuming that all other variables remain constant.

|                  | <b>Group</b>          | <b>Company</b>        |
|------------------|-----------------------|-----------------------|
|                  | <b>Profit or loss</b> | <b>Profit or loss</b> |
|                  | <b>US\$'000</b>       | <b>US\$'000</b>       |
| <b>2021</b>      |                       |                       |
| Euro             | (1,886)               | —                     |
| Hong Kong dollar | (3)                   | —                     |
| Singapore dollar | 30,936                | 29,508                |
| Chinese yuan     | (11,254)              | —                     |
| Indian rupee     | (52)                  | —                     |
| Norwegian krone  | (176)                 | —                     |
| Japanese yen     | (217)                 | —                     |
| Israeli Shekel   | 17                    | —                     |
|                  |                       |                       |
| <b>2020</b>      |                       |                       |
| Euro             | (1,840)               | —                     |
| Hong Kong dollar | (3)                   | —                     |
| Taiwan dollar    | (1)                   | —                     |
| Singapore dollar | 2,174                 | (143)                 |
| Chinese yuan     | (16,759)              | —                     |
| Indian rupee     | (399)                 | —                     |

Similarly, a 10% weakening of the US dollar against the above currencies at the reporting date would have had the equal but opposite effect.

***Equity price risk***

As at 31 December 2021, the Group's total investments in quoted equity securities was US\$117,602,000 (2020: US\$184,048,000).

A 10% increase in the underlying quoted equity securities prices at the reporting date would increase equity by the amounts shown below assuming that all other variables remain constant.

|        | <b>Group</b>    |                 |
|--------|-----------------|-----------------|
|        | <b>2021</b>     | <b>2020</b>     |
|        | <b>US\$'000</b> | <b>US\$'000</b> |
| Equity | 11,760          | 18,405          |

Similarly, a 10% decrease in the underlying quoted equity securities prices at the reporting date would have had the equal but opposite effect.

At the reporting date, the Company is not exposed to any equity price risk.

***Exposure to interest rate risk***

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

|                                  | <b>Group and Company</b> |                 |
|----------------------------------|--------------------------|-----------------|
|                                  | <b>Nominal amount</b>    |                 |
|                                  | <b>2021</b>              | <b>2020</b>     |
|                                  | <b>US\$'000</b>          | <b>US\$'000</b> |
| <b>Variable rate instruments</b> |                          |                 |
| Financial liabilities            | –                        | (99,000)        |

***Cash flow sensitivity analysis for variable rate instruments***

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

|                             | <b>Profit or loss</b> |                 |
|-----------------------------|-----------------------|-----------------|
|                             | <b>100 bp</b>         | <b>100 bp</b>   |
|                             | <b>increase</b>       | <b>decrease</b> |
|                             | <b>US\$'000</b>       | <b>US\$'000</b> |
| <b>Group and Company</b>    |                       |                 |
| <b>2021</b>                 |                       |                 |
| Variable rate instruments   | –                     | –               |
| Cash flow sensitivity (net) | –                     | –               |
| <b>2020</b>                 |                       |                 |
| Variable rate instruments   | (990)                 | 990             |
| Cash flow sensitivity (net) | (990)                 | 990             |

### ***Valuation methodology applied by the Group***

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team to implement the investment valuation methodology approved by the investment committee. The valuation team also determines the valuation of investments and makes recommendation of impairment in the value of investments to be reviewed and approved by the Board of Directors of the respective investment companies.

The valuation team regularly reviews inputs and valuation adjustments and take into consideration the guidelines set out in the applicable investment valuation policy. If third party information, such as latest round of financing, is used to measure fair value then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that the valuations are appropriately classified in the fair value hierarchy.

### ***Fair value hierarchy***

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets 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).

|                                      | <b>Level 1</b>  | <b>Level 2</b>  | <b>Level 3</b>  | <b>Total</b>    |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                      | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| <b>Group</b>                         |                 |                 |                 |                 |
| <b>2021</b>                          |                 |                 |                 |                 |
| Financial assets designated at FVTPL | 117,602         | —               | 322,838         | 440,440         |
| <b>2020</b>                          |                 |                 |                 |                 |
| Financial assets designated at FVTPL | 184,048         | —               | 264,680         | 448,728         |
| <b>Company</b>                       |                 |                 |                 |                 |
| <b>2021</b>                          |                 |                 |                 |                 |
| Financial assets designated at FVTPL | —               | —               | 258             | 258             |
| <b>2020</b>                          |                 |                 |                 |                 |
| Financial assets designated at FVTPL | —               | —               | 258             | 258             |

### **Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

#### **Financial instruments measured at fair value**

| <b>Valuation technique</b> | <b>Significant unobservable inputs</b> | <b>Inter-relationship between key unobservable inputs and fair value measurement</b>                       |
|----------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------|
| Net asset value            | Net asset value                        | The estimated fair value would increase if net asset value is higher                                       |
| Last round of financing    | Last round of financing                | The estimated fair value would increase if the price per share in the latest round of financing is higher. |

#### **Sensitivity analysis**

For the fair values of investments held mandatorily at FVTPL, an increase in the significant unobservable input by 10% at the reporting date would have the following favourable impact by the amount shown below.

| <b>Group</b>            | <b>Favourable impact on profit before tax for the year<br/>US\$'000</b> |
|-------------------------|-------------------------------------------------------------------------|
| <b>2021</b>             |                                                                         |
| Net asset value         | 16,612                                                                  |
| Last round of financing | <u>15,672</u>                                                           |
| <b>2020</b>             |                                                                         |
| Net asset value         | 15,079                                                                  |
| Last round of financing | <u>11,389</u>                                                           |

The following table presents the changes in Level 3 instruments:

| <b>Group</b>                                                                  | <b>Investments mandatorily held<br/>at FVTPL – Non-trading</b> |                 |
|-------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------|
|                                                                               | <b>2021</b>                                                    | <b>2020</b>     |
|                                                                               | <b>US\$'000</b>                                                | <b>US\$'000</b> |
| At 1 January                                                                  | 264,680                                                        | 652,806         |
| Total unrealised gains or losses for the year recognised in<br>profit or loss | 92,250                                                         | (42,862)        |
| Purchases                                                                     | 42,095                                                         | 43,919          |
| Transfer from Level 3 to Level 1                                              | (16,601)                                                       | –               |
| Settlements                                                                   | (59,586)                                                       | (389,183)       |
| At 31 December                                                                | <u>322,838</u>                                                 | <u>264,680</u>  |

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

In 2021, the Group transferred investments at FVTPL with a carrying amount of \$16,601,000 from Level 3 to Level 1 because the investment became listed.

#### **Fair value of financial instruments**

Although management has employed its best judgement in the estimation of fair values, there is inevitably a significant element of subjectivity involved in the calculations. Therefore, the fair value estimates presented above are not necessarily indicative of the amounts the Group could have realised in a sale transaction.

The methodologies and assumptions used depend on the terms and risk characteristics of the various instruments and include the following:

#### **Financial assets**

##### ***Investments***

The fair values of all quoted investments are determined by reference to their last quoted bid market price at the reporting date.

The fair values of direct unquoted venture capital investments are based on various factors that are broadly categorised as follows:

- (a) Fair values of companies that are identified for Initial Public Offering or near term liquidity are based on various factors including investment bankers' estimated valuation, average revenue multiple of comparable companies and the latest round of financing within a certain period.
- (b) Fair values of companies that are performing to plan are estimated to be equivalent to their costs or previous round of financing unless there are indications to suggest a higher valuation.

- (c) Fair values of investments in companies that are not meeting revenue or profits forecast, running out of cash in the near term and where business model is in doubt, are based on various factors which affect the financial and operating position of the companies, taking into consideration their present value of estimated cash flows.
- (d) Fair values of companies that have failed or are no longer in operation or are under liquidation are estimated to be nil.
- (e) Fair value of investment in venture capital funds is determined by using the estimated realisable value based on its net asset values.

#### **Other financial assets**

After taking into account the present value of other receivables and advances, the fair value of other receivables and advances as at the reporting dates approximates their book value. The fair value of all other financial assets approximates their book value in the consolidated statement of financial position due to relatively short term maturity of these financial assets.

#### **Financial liabilities**

The fair value of borrowings, which is determined for disclosure purposes, is determined by reference to quoted prices that are observable for identical liabilities at the reporting date.

After taking into account the present value of other long-term liabilities, the fair value of other long-term liabilities as at the reporting dates approximates their book value. The fair value of all other financial liabilities approximates their book value in the consolidated statement of financial position due to relatively short term maturity of these financial liabilities.