



**Hotung Investment Holdings Limited
and its subsidiaries**

(Incorporated in Bermuda)

**Reporting for the six months and full year ended
31 December 2021
(unaudited and unreviewed)**

**A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER
2021**

	Note	Group			
		6 months ended 31 December		12 months ended 31 December	
		2021 NT\$'000	2020 NT\$'000	2021 NT\$'000	2020 NT\$'000
Revenue	5	493,304	851,712	1,023,703	1,009,607
Operating expenses	5	(90,184)	(117,655)	(175,477)	(184,866)
Operating profit		403,120	734,057	848,226	824,741
Finance costs		(69)	(95)	(152)	(184)
Profit before tax		403,051	733,962	848,074	824,557
Tax expense	6	(62,484)	(249,234)	(162,541)	(256,807)
Profit for the period		340,567	484,728	685,533	567,750
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations and others		(20,748)	(126,715)	(90,085)	(164,720)
Other comprehensive losses for the period, net of tax		(20,748)	(126,715)	(90,085)	(164,720)
Total comprehensive income for the period		319,819	358,013	595,448	403,030
Profit for the period attributable to:					
Owners of the Company		309,121	445,229	624,217	521,491
Non-controlling interests		31,446	39,499	61,316	46,259
		340,567	484,728	685,533	567,750
Total comprehensive income for the period attributable to:					
Owners of the Company		288,373	318,514	534,132	356,771
Non-controlling interests		31,446	39,499	61,316	46,259
		319,819	358,013	595,448	403,030
Earnings per share (in NT\$):					
Basic		3.24	4.63	6.52	5.42
Diluted		3.24	4.63	6.52	5.42

B. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021	2020	2021	2020
		NT\$'000	NT\$'000	NT\$'000	NT\$'000
Assets					
Non-current assets					
Investments in subsidiaries		—	—	4,416,773	4,416,773
Financial assets at fair value through profit or loss	7	4,419,037	5,599,409	—	—
Property, plant and equipment		16,451	24,914	—	—
		<u>4,435,488</u>	<u>5,624,323</u>	<u>4,416,773</u>	<u>4,416,773</u>
Current assets					
Financial assets at fair value through profit or loss	7	73,732	69,993	—	—
Trade and other receivables		5,206	7,402	1,454	654
Cash and cash equivalents		2,271,020	1,024,644	21,378	40,413
		<u>2,349,958</u>	<u>1,102,039</u>	<u>22,832</u>	<u>41,067</u>
Total assets		<u>6,785,446</u>	<u>6,726,362</u>	<u>4,439,605</u>	<u>4,457,840</u>
Equity					
Share capital	9	5,233,033	5,233,033	5,233,033	5,233,033
Share premium		1,347,887	1,347,887	1,347,887	1,347,887
Reserves		327,264	430,800	61,830	99,597
Accumulated losses		(588,299)	(802,012)	(2,231,945)	(2,256,011)
Equity attributable to owners of the Company		<u>6,319,885</u>	<u>6,209,708</u>	<u>4,410,805</u>	<u>4,424,506</u>
Non-controlling interests		<u>132,407</u>	<u>118,013</u>	<u>—</u>	<u>—</u>
Total equity		<u>6,452,292</u>	<u>6,327,721</u>	<u>4,410,805</u>	<u>4,424,506</u>
Non-current liabilities					
Deferred tax liabilities		110,330	183,670	—	—
Trade and other payables		7,842	16,082	—	—
		<u>118,172</u>	<u>199,752</u>	<u>—</u>	<u>—</u>
Current liabilities					
Trade and other payables		159,616	145,837	28,800	33,334
Income tax payables		55,366	53,052	—	—
		<u>214,982</u>	<u>198,889</u>	<u>28,800</u>	<u>33,334</u>
Total liabilities		<u>333,154</u>	<u>398,641</u>	<u>28,800</u>	<u>33,334</u>
Total equity and liabilities		<u>6,785,446</u>	<u>6,726,362</u>	<u>4,439,605</u>	<u>4,457,840</u>

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2021

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

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FULL YEAR ENDED 31 DECEMBER 2020

<----- Attributable to owners of the Company ----->													
Group	Note	Share capital NTS'000	Share premium NTS'000	Contributed surplus reserve NTS'000	Currency translation and other reserve NTS'000	Legal reserve NTS'000	Special reserve NTS'000	Capital surplus – net assets from merger NTS'000	Treasury share reserve NTS'000	Accumulated losses NTS'000	Sub-total NTS'000	Non-controlling interests NTS'000	Total NTS'000
At 1 January 2020		5,233,033	1,347,887	406,116	(171,239)	520,694	19,801	126,667	(300,234)	(1,077,203)	6,105,522	96,976	6,202,498
Total comprehensive income/(losses) for the year													
Profit for the year		–	–	–	–	–	–	–	–	521,491	521,491	46,259	567,750
Exchange differences on translation of foreign operations and others		–	–	–	(164,720)	–	–	–	–	–	(164,720)	–	(164,720)
Total other comprehensive losses		–	–	–	(164,720)	–	–	–	–	–	(164,720)	–	(164,720)
Total comprehensive income/(losses) for the year		–	–	–	(164,720)	–	–	–	–	521,491	356,771	46,259	403,030
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Shares bought back as treasury shares	9	–	–	–	–	–	–	–	(6,285)	–	(6,285)	–	(6,285)
Dividends payable to shareholders of the Company	10	–	–	–	–	–	–	–	–	(246,300)	(246,300)	(25,222)	(271,522)
Total transactions with owner		–	–	–	–	–	–	–	(6,285)	(246,300)	(252,585)	(25,222)	(277,807)
At December 31 2020		5,233,033	1,347,887	406,116	(335,959)	520,694	19,801	126,667	(306,519)	(802,012)	6,209,708	118,013	6,327,721

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FULL YEAR ENDED 31 DECEMBER 2021 AND DECEMBER 31 2020

	Note	Share capital NT\$'000	Share premium NT\$'000	Contributed surplus reserve NT\$'000	Treasury share reserve NT\$'000	Accumulated losses NT\$'000	Total NT\$'000
The Company							
At 1 January 2021		5,233,033	1,347,887	406,116	(306,519)	(2,256,011)	4,424,506
Total comprehensive income for the year							
Profit for the year		—	—	—	—	410,254	410,254
Total other comprehensive income		—	—	—	—	—	—
Total comprehensive income for the year		—	—	—	—	410,254	410,254
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Shares bought back as treasury shares	9	—	—	—	(37,767)	—	(37,767)
Dividends paid to shareholders of the Company	10	—	—	—	—	(386,188)	(386,188)
Total transactions with owner		—	—	—	(37,767)	(386,188)	(423,955)
At December 31 2021		5,233,033	1,347,887	406,116	(344,286)	(2,231,945)	4,410,805
At 1 January 2020		5,233,033	1,347,887	406,116	(300,234)	(2,234,372)	4,452,430
Total comprehensive income for the year							
Profit for the year		—	—	—	—	224,661	224,661
Total other comprehensive income		—	—	—	—	—	—
Total comprehensive income for the year		—	—	—	—	224,661	224,661
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Shares bought back as treasury shares	9	—	—	—	(6,285)	—	(6,285)
Dividends payable to shareholders of the Company	10	—	—	—	—	(246,300)	(246,300)
Total transactions with owner		—	—	—	(6,285)	(246,300)	(252,585)
At December 31 2020		5,233,033	1,347,887	406,116	(306,519)	(2,256,011)	4,424,506

**D. CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FULL YEAR ENDED 31 DECEMBER 2021**

	Group	
	2021	2020
	NT\$'000	NT\$'000
Cash flows from operating activities		
Profit after tax	685,533	567,750
Adjustments for:		
Net gains on financial assets at fair value through profit or loss	(863,548)	(712,037)
Dividend/distribution income	(159,374)	(293,856)
Depreciation expense	8,463	7,968
Finance costs	152	184
Interest income	(1,836)	(1,044)
Tax expenses	162,541	256,807
	<u>(168,069)</u>	<u>(174,228)</u>
Changes to:		
Financial assets at fair value through profit or loss	1,964,703	116,658
Trade and other receivables	2,186	(127)
Trade and other payables	17,816	44,465
Cash from/(used in) operations	1,816,636	(13,232)
Interest received	1,846	1,154
Finance costs paid	(152)	(184)
Dividend/distribution income received	159,374	293,856
Tax paid	(231,650)	(49,872)
Net cash from operating activities	<u>1,746,054</u>	<u>231,722</u>
Cash flows from financing activities		
Payment of lease liabilities	(8,180)	(7,510)
Dividend paid to non-controlling shareholders in subsidiaries	(44,786)	(24,142)
Dividends paid to shareholders of the Company	(386,188)	(246,300)
Purchase of treasury shares	(44,000)	(34)
Net cash used in financing activities	<u>(483,154)</u>	<u>(277,986)</u>
Net increase/(decrease) in cash and cash equivalents	1,262,900	(46,264)
Cash and cash equivalents at beginning of the year	1,024,644	1,073,674
Effect of exchange rate on cash and cash equivalents	(16,524)	(2,766)
Cash and cash equivalents at end of the year	<u>2,271,020</u>	<u>1,024,644</u>

E. Notes to the condensed interim consolidated financial statements

1 Corporate information

Hotung Investment Holdings Limited (the “Company”) is incorporated in Bermuda and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements (referred to as the “condensed interim financial statements”) as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (referred to as the “Group”). The principal activity of the Company is investment holding and its investment management operations are performed by its subsidiary, Hotung International Co., Ltd., which has its principal place of business at 10F, 261, Sung-Chiang Road, Taipei, Taiwan, Republic of China.

2 Basis of preparation

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

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of estimates and judgements

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement as at and for the year ended 31 December 2020.

The preparation of the condensed interim financial statements for the six months and full year ended 31 December 2021 in conformity with IFRSs requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

3 Seasonal operations

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

4 Segment and revenue information

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

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

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

4.1 Reportable segments

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

4.1 Reportable segments (cont'd)

		Fund		
	Investments	Management	Eliminations	Consolidated
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
6 months ended 31 December 2020				
Revenue				
External revenue	849,873	1,839	–	851,712
Inter-segmental revenue	674	172,787	(173,461)	–
Total revenue	850,547	174,626	(173,461)	851,712
Interest income	352	70	–	422
Depreciation	(1,735)	(2,539)	–	(4,274)
Finance costs	(39)	(56)	–	(95)
Profit before tax	642,460	91,502	–	733,962
Tax expenses	(225,064)	(24,170)	–	(249,234)
Profit after tax but before non-controlling interests	417,396	67,332	–	484,728
Non-controlling interests	(9)	(39,490)	–	(39,499)
Profit attributable to owners of the Company	417,387	27,842	–	445,229
Other information				
Segment assets	6,514,362	339,743	(127,743)	6,726,362
Segment assets includes:				
Recognition of right-of-use assets	–	6,246	–	6,246
Segment liabilities	171,945	117,717	(127,743)	161,919
Current income tax liability	31,648	21,404	–	53,052
Deferred tax liability	183,670	–	–	183,670
Total liabilities	387,263	139,121	(127,743)	398,641

4.1 Reportable segments (cont'd)

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

4.1 Reportable segments (cont'd)

		Fund		
	Investments	Management	Eliminations	Consolidated
	NTS'000	NTS'000	NTS'000	NTS'000
12 months ended 31 December 2020				
Revenue				
External revenue	1,005,750	3,857	—	1,009,607
Inter-segmental revenue	764	225,497	(226,261)	—
Total revenue	<u>1,006,514</u>	<u>229,354</u>	<u>(226,261)</u>	<u>1,009,607</u>
Interest income	906	138	—	1,044
Depreciation	(3,470)	(4,498)	—	(7,968)
Finance costs	<u>(83)</u>	<u>(101)</u>	<u>—</u>	<u>(184)</u>
Profit before tax	720,816	103,741	—	824,557
Tax expenses	<u>(231,923)</u>	<u>(24,884)</u>	<u>—</u>	<u>(256,807)</u>
Profit after tax but before non-controlling interests	488,893	78,857	—	567,750
Non-controlling interests	<u>(11)</u>	<u>(46,248)</u>	<u>—</u>	<u>(46,259)</u>
Profit attributable to owners of the Company	<u>488,882</u>	<u>32,609</u>	<u>—</u>	<u>521,491</u>
Other information				
Segment assets	<u>6,514,362</u>	<u>339,743</u>	<u>(127,743)</u>	<u>6,726,362</u>
Segment assets includes:				
Recognition of right-of-use assets	—	6,246	—	6,246
Segment liabilities	171,945	117,717	(127,743)	161,919
Current income tax liability	31,648	21,404	—	53,052
Deferred tax liability	<u>183,670</u>	<u>—</u>	<u>—</u>	<u>183,670</u>
Total liabilities	<u>387,263</u>	<u>139,121</u>	<u>(127,743)</u>	<u>398,641</u>

4.2 Disaggregation of Revenue

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

	Revenue 6 months ended 31 December		Revenue 12 months ended 31 December	
	2021 NT\$'000	2020 NT\$'000	2021 NT\$'000	2020 NT\$'000
Taiwan	151,973	425,458	490,146	475,737
China	115,436	485,223	318,615	569,753
Other countries	225,895	(58,969)	214,942	(35,883)
	493,304	851,712	1,023,703	1,009,607

A breakdown of sales:

	2021 NT\$'000	Group 2020 NT\$'000	Increase/ (Decrease) %
Revenue reported for first half year	530,399	157,895	235.9%
Operating profit after tax before non-controlling interests reported for first half year	344,966	83,022	315.5%
Revenue reported for second half year	493,304	851,712	(42.1%)
Operating profit after tax before non-controlling interests reported for second half year	340,567	484,728	(29.7%)

5 Profit before taxation

5.1 Significant items

	Group			
	6 months ended 31 December		12 months ended 31 December	
	2021	2020	2021	2020
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Income				
Dividend/distribution income	93,313	151,354	159,374	293,856
Net gains on financial assets at fair value through profit or loss ("FVTPL")	396,327	697,356	863,548	712,037
Expense				
Staff cost	59,990	65,948	114,235	105,057
Other administrative expenses	27,272	48,563	55,220	72,421

5.2 Related parties transactions

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

6 Taxation

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

	Group			
	6 months ended 31 December		12 months ended 31 Decemberr	
	2021	2020	2021	2020
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Current tax expense				
Current period	67,096	61,279	244,331	78,127
Adjustment for prior years	—	—	(10,340)	(9,275)
	67,096	61,279	233,991	68,852
Deferred tax expense				
Origination and reversal of temporary difference	(4,612)	187,955	(71,450)	187,955
Tax expense	62,484	249,234	162,541	256,807

7 Investments at fair value through profit or loss

	Group	
	2021	2020
	NT\$'000	NT\$'000
Non-current		
Quoted equity investments – mandatorily at FVTPL	533,577	1,815,837
Unquoted equity investments – mandatorily at FVTPL	3,858,921	3,636,998
	<u>4,392,498</u>	<u>5,452,835</u>
Investment in associate – mandatorily at FVTPL ⁽¹⁾	26,539	146,574
	<u>4,419,037</u>	<u>5,599,409</u>
Current		
Quoted equity investments – mandatorily at FVTPL	<u>73,732</u>	<u>69,993</u>

⁽¹⁾ The investment comprises of equity interest of 29.36% (2020: 29.36%) in a privately held portfolio company that is principally engaged in e-Commerce. In accordance with the Group's accounting policies, the investment in this associate was measured at FVTPL.

7.1 Fair value measurement

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

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

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

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

7.1 Fair value measurement(con't)

Fair value hierarchy

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

	Level 1 NT\$'000	Level 2 NT\$'000	Level 3 NT\$'000	Total NT\$'000
2021				
Investments at FVTPL				
Quoted equity investments – at FVTPL	607,309	–	–	607,309
Unquoted equity investments – at FVTPL	–	959,839	2,899,082	3,858,921
Associate, at fair value – at FVTPL	–	–	26,539	26,539
	<u>607,309</u>	<u>959,839</u>	<u>2,925,621</u>	<u>4,492,769</u>
2020				
Investments at FVTPL				
Quoted equity investments – at FVTPL	1,885,830	–	–	1,885,830
Unquoted equity investments – at FVTPL	–	613,983	3,023,015	3,636,998
Associate, at fair value – at FVTPL	–	–	146,574	146,574
	<u>1,885,830</u>	<u>613,983</u>	<u>3,169,589</u>	<u>5,669,402</u>

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

At 31 December 2020, financial assets at FVTPL investments with a carrying amount of NT\$9.6 million were transferred from Level 1 to Level 2 as those investments were delisted during the year and NT\$75.9 million were transferred from Level 2 to Level 1 because those investments were listed during the year.

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

7.1 Fair value measurement(con't)

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

Fair value hierarchy(cont't)

	Financial assets at FVTPL	
	2021	2020
	NT\$'000	NT\$'000
At beginning of year	3,169,589	3,628,303
Total loss recognised in profit or loss		
- net loss on investments at fair value through profit or loss	(341,408)	(551,341)
Disposals	(101,123)	(83,740)
Purchases	301,115	89,060
Transfers to Level 3		
- from Level 1 ^(a)	63,363	—
- from Level 2 ^(b)	317,648	438,215
Transfers out of Level 3		
- to Level 2 ^(c)	(483,563)	(350,908)
At end of year	<u>2,925,621</u>	<u>3,169,589</u>
Total realised gain for the year included in profit or loss for investments held as at 31 December	271,942	108,921
Total unrealised loss for the year included in profit or loss for investments held as at 31 December	<u>(613,350)</u>	<u>(660,262)</u>
Total net loss on investments at fair value through profit or loss	<u>(341,408)</u>	<u>(551,341)</u>

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

8 Classification of financial assets and liabilities

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

Group	Note	Mandatorily at FVTPL (non-current) NTS'000	Mandatorily at FVTPL (current) NTS'000	Amortised cost (non-current) NTS'000	Amortised cost (current) NTS'000	Total carrying amount NTS'000
2021						
Financial assets designated at fair value through profit or loss	7	4,419,037	73,732	—	—	4,492,769
Trade and other receivables*		—	—	—	3,600	3,600
Cash and cash equivalents		—	—	—	2,271,020	2,271,020
		<u>4,419,037</u>	<u>73,732</u>	<u>—</u>	<u>2,274,620</u>	<u>6,767,389</u>
Trade and other payables		<u>—</u>	<u>—</u>	<u>(7,842)</u>	<u>(159,616)</u>	<u>(167,458)</u>
2020						
Financial assets designated at fair value through profit or loss	7	5,599,409	69,993	—	—	5,669,402
Trade and other receivables*		—	—	—	6,687	6,687
Cash and cash equivalents		—	—	—	1,024,644	1,024,644
		<u>5,599,409</u>	<u>69,993</u>	<u>—</u>	<u>1,031,331</u>	<u>6,700,733</u>
Trade and other payables		<u>—</u>	<u>—</u>	<u>(16,082)</u>	<u>(145,837)</u>	<u>(161,919)</u>

* Excludes prepayments

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

Company	Amortised cost (current) NT\$'000	Total carrying amount NT\$'000
2021		
Cash and cash equivalents	21,378	21,378
Trade and other payables	(28,800)	(28,800)
2020		
Cash and cash equivalents	40,413	40,413
Trade and other payables	(33,334)	(33,334)

9 Share capital

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares, including treasury shares '000		NT\$'000	
Authorised	200,000	200,000	10,000,000	10,000,000
Issued and fully paid:				
At the beginning and end of the year	104,661	104,661	5,233,033	5,233,033

The movement of treasury share is as follows:

	Group and Company	
	Number of shares	
	2021	2020
Beginning of the year	8,548,580	8,374,580
Share bought back as treasury shares	938,600	174,000
End of the year	9,487,180	8,548,580

The number of shares purchased by way of market acquisition during the year was 938,600, for an aggregated consideration of NT\$37.8 million.

As at 31 December 2021, the total number of shares that remain in issuance excluding treasury shares amounted to 95,173,482 (31 December 2020: 96,112,082).

The Company has no subsidiary holdings as at 31 December 2021 and 31 December 2020.

10 Dividends

	Group and Company	
	2021	2020
	NT\$'000	NT\$'000
<i>Ordinary dividends paid</i>		
NT\$4.02484 per ordinary share (2020:NT\$2.558)	386,188	246,300

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

	Group and Company	
	2021	2020
	NT\$'000	NT\$'000
NT\$5 per ordinary share (2020:NT\$4.02484)	475,867	386,188

11 Net Asset Value

	Group		Company	
	2021	2020	2021	2020
Net asset value per ordinary share				
-NT\$	66.40	64.61	46.34	46.03
-S\$**	3.25	3.00	2.26	2.13

**Exchange rate of S\$1: NT\$20.46 for 2021.12.31 and S\$1: NT\$21.56 for 2020.12.31.

12 Subsequent events

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

Other information required by Singapore Listing Rule Appendix 7.2

1. Review

The statement of financial position of Hotung Investment Holdings Limited and its subsidiaries as at 31 December 2021 and the related consolidated comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months and full year then ended and certain explanatory notes (the “Condensed Interim Financial Statements”) have not been audited or reviewed.

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

Amount repayable in one year or less, or on demand

As at 31 December 2021		As at 31 December 2020	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Amount repayable after one year

As at 31 December 2021		As at 31 December 2020	
Secured	Unsecured	Secured	Unsecured
None	None	None	None

Details of any collateral

None

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

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

(a)

1. The Group’s revenue of NT\$1,023.7 million mainly resulted from the net gains of NT\$863.5 million (2020: NT\$712 million) on the financial assets at fair value through profit or loss and the distribution proceeds of NT\$136.1 million (2020: NT\$259 million) received from fund investments.
2. The decrease in the Group’s tax expense of NT\$94.3 million was mainly due to the decrease in deferred tax liability of NT\$71.5 million as a result of reversal of temporary differences during 2021.

3. Losses on translation of foreign operations amounted to NT\$90.1 million (2020: losses of NT\$164.7 million) was a result of depreciation of US dollar against NT dollar during 2021.

(b)

1. The decrease in the Group's financial assets at fair value through profit or loss (non-current) from NT\$5,599.4 million to NT\$4,419 million was mainly due to divestment during 2021.

2. The increase of NT\$1,246.4 million in the Group's cash balance from NT\$1,024.6 million to NT\$2,271 million was mainly due to proceeds from divestments.

3. The decrease of the Group's deferred tax liability of NT\$73.3 million was mainly due to the reversal of temporary differences of NT\$103.6 million previously recognized on the favorable change in fair value of FVTPL investments that have divested during 2021 and partially offset by potential withholding tax of NT\$30.3 million associated with undistributed earnings in the Taiwan subsidiaries.

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

No forecast was previously disclosed in relation to 2021 full year results.

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

The Group has achieved good performance in a difficult global economy in 2021.

Looking to the next year, it remains uncertain how the global economy and financial markets, supply chain and chip production disruptions will impact valuations and realisations.

We will remain cautious and continue to make new investments for the immediate and sustained performance of the Group.

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

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

Name of Dividend: Final

Dividend Type: Cash

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

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

Name of Dividend: Final

Dividend Type: Cash

Dividend Amount Per Share: NT\$4.02484 per share (tax not applicable)

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

The dividend is tax exempt.

- (d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

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

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

None.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year 2021
Ms. Tsui-Hui Huang	57	Wife of Mr. Andy C.W. Chen (non-executive Director)	<p>CEO – Hotung Investment Holdings Limited since July 1, 2010.</p> <p>Managing Director – Hotung Investment Holdings Limited since August 1, 2006.</p> <p>Executive Director – Hotung Investment Holdings Limited since June 20, 2005.</p>	nil

BY ORDER OF THE BOARD

Hsin-Chieh Chung
Company Secretary
February 17, 2022