



和通集團
HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED

2025 ANNUAL REPORT



GROUP PROFILE

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

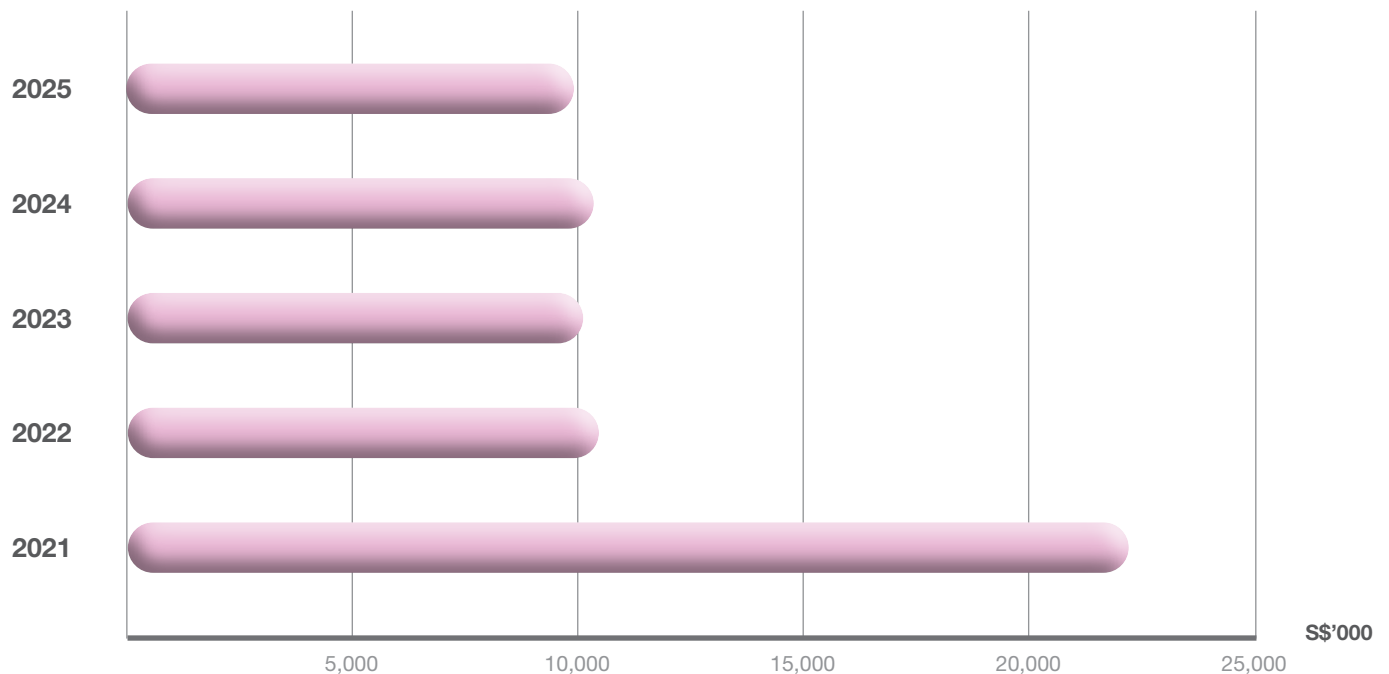
The Group has been listed on the Main Board of SGX-ST since 1997.

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FINANCIAL HIGHLIGHTS

Dividend amount



(S\$'000)	2025	2024	2023	2022	2021
Revenue	18,181	17,896	13,982	10,773	50,034
Profit attributable to owners of the Company	8,182	6,556	4,156	2,159	30,509
Dividend amount	9,891 ¹	10,299	10,066	10,406	22,107
Equity attributable to owners of the Company	244,835	254,000	259,493	270,469	308,890

(S\$)	2025	2024	2023	2022	2021
Earnings per share	0.086	0.069	0.044	0.023	0.319
Net Asset Value per share	2.582	2.678	2.735	2.851	3.245
Cash Dividend per share	0.1043 ¹	0.1086	0.10614	0.10968	0.233

Notes:

¹ The Proposed 2025 dividend amount based on the outstanding shares (excluding treasury shares) as of 31 December 2025 and converted by 2025 year end closing exchange rate.

The Board's 2025 final dividend recommendation of NT\$2.55 per share is subject to shareholders' approval at 2026 Annual General Meeting.

Distribution will base on the outstanding shares (excluding treasury shares) as of record date in 2026 and the exchange rate from NT\$ to S\$ will be announced within the cash dividend distribution announcement.

² All figures are converted by using the closing exchange rate of each year except for dividend amount and cash dividend per share from 2021 to 2024.

CHAIRMAN'S STATEMENT



In 2025, the net profit attributable to shareholders of our company amounted to NT\$200.1 million, an increase from NT\$158.2 million in 2024, attributable mainly to returns from divestments, and dividends received from portfolios in 2025. The Net Asset Value per share by the end of 2025 was NT\$63.12, compared to NT\$64.63 in 2024. Earnings per share was NT\$2.11 (2024: NT\$1.67) after the payout of 2024 cash dividends at NT\$2.55 per share. The Board has recommended a dividend of NT\$2.55 per share for the financial year ending 31 December 2025.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

In 2025, the net profit attributable to shareholders of our company amounted to NT\$200.1 million, an increase from NT\$158.2 million in 2024, attributable mainly to returns from divestments, and dividends received from portfolios in 2025. The Net Asset Value per share by the end of 2025 was NT\$63.12, compared to NT\$64.63 in 2024. Earnings per share was NT\$2.11 (2024: NT\$1.67) after the payout of 2024 cash dividends at NT\$2.55 per share. The Board has recommended a dividend of NT\$2.55 per share for the financial year ending 31 December 2025.

In 2025, the global economy entered a period of considerable volatility and structural transition. Trade policies, including tariffs imposed by the United States on multiple countries, compelled export-oriented companies and multinational corporations to reassess and reorganize their global supply chains.

Amid these changes, artificial intelligence and semiconductors emerged as the dominant focus of global capital markets. Whether in public equity markets or within the venture capital ecosystem in which we operate, capital has increasingly concentrated in these sectors. This shift reflects a broader technological transformation that continues to reshape industries worldwide.

By contrast, themes that previously received significant global attention – such as climate change and sustainability – did not attract the same level of focus in the venture investment landscape during 2025.

Within this environment, our firm remained committed to its long-standing strength in the semiconductor sector while gradually expanding our investment focus toward emerging opportunities in artificial intelligence. While the most visible advances in AI today are largely driven by the world's largest technology companies, the challenge for venture capital lies in identifying the sectors where artificial intelligence can truly be translated into sustainable commercial value and revenue generation.

Against this backdrop, we were pleased to successfully realize an exit in fourth quarter of 2025 from an investment we made in 2024 from a highly competitive field of AI. This outcome reflects our continued focus on disciplined selection and long-term value creation.

Geographically, approximately half of our investments continue to be concentrated in Taiwan. Taiwanese companies remain highly active across Southeast Asia, and we are witnessing a clear structural shift as manufacturing capacity and supply chains gradually diversify beyond China into rapidly growing economies such as Vietnam and Thailand. These countries offer strong economic growth prospects as well as favorable demographic advantages, creating new opportunities for technology-driven investment.

Looking ahead to 2026, our core investment philosophy remains unchanged. We seek opportunities that provide genuine necessity and meaningful convenience to society. We believe the most compelling investments are those capable of addressing fundamental human and industrial needs while generating sustainable long-term value.

Our firm enters this next stage with considerable strength. We maintain a healthy cash position, and over the past three years we have significantly refreshed our organization by bringing in energetic and capable professionals. Combined with more than two decades of experience and relationships built across multiple high-technology sectors, we believe our firm is uniquely positioned to identify and capture high-quality investment opportunities. We would like to thank you for your continuous support for the company.

TSUI-HUI HUANG

Chairman
Taipei, Taiwan
13 March 2026

HONORARY CHAIRMAN



CHENG-WANG HUANG

Mr. Cheng-Wang Huang was the founder of the Group. Mr. Huang retired from the position of Chairman since April 2006. Besides the Group, Mr. Huang has established various businesses ranging from motorcycles, car tires manufacturing, beverage and food to financial fields. His extensive knowledge in various industries has enhanced the Group's investment quality. Mr. Huang was the Chairman of Tai Lung Capital Inc., Tai Ling Motor Co., Ltd., Taiwan Tai Lung Trading Co., Ltd. and Yakult Taiwan Co., Ltd.. He was actively involved with industrial association which plays a prominent role in the business community. Mr. Huang majored in Economics at National Taiwan University and holds a Master of Arts degree in Economics from University of Washington in Seattle, U.S.A.

BOARD OF DIRECTORS



TSUI-HUI HUANG

Chairman, CEO and Executive Director

Member of Nominating Committee

Date of first appointment as a director: 26 July 1997

Date of last re-election as a director: 28 April 2025

Ms. Tsui-Hui Huang is the Chairman and CEO of the Company and Hotung International Company Ltd. (“HIC”). Ms. Huang started her career in mergers and acquisitions with Bankers Trust Company in 1988. Between 1998 and 2005, she was actively involved in the international securities industry while she was Chairman of the International Business Committee of Taiwan Securities Association. She was also appointed as the Board Director of Taipei Exchange during that period. In June 2005, Ms. Huang was elected as President of HIC, which is the management company of Hotung Group. Ms. Huang became Managing Director of the Company in August 2006 and was elected as Chairman of HIC in April 2009. She was elected as Chairman and CEO of HIHL in July 2010. Ms. Huang served as the Chairman of Taiwan Venture Capital Association from 2014 to 2020 and she has become the Honorary Chairman of the same since August 2020. Ms. Huang was the founding Vice Chairman of Children Charity Association in Taiwan. She was appointed as the Member of the President’s Council of Cornell Women, and is currently the director of Taiwan Women on Boards Association. She was elected as independent director of Global Unichip Corporation which is the subsidiary for IC design service of Taiwan Semiconductor Manufacturing Company (TSMC) since May 2022.

Ms. Huang obtained a B.A. degree in Business from National Taiwan University and an M.B.A. degree at Cornell University, U.S.A.



ANDY C.W. CHEN

Non-Executive Director

Date of first appointment as a director: 26 July 1997

Date of last re-election as a director: 23 April 2024

Mr. Andy C.W. Chen is a Non-Executive Director. In 1992, he joined China Securities Investment Trust and concentrated in Taiwan industrial research, including computer technology and petrochemical sectors. He was the co-founder/Senior Partner of Financial Management Solutions Taipei branch for six years. He provided financial risk consulting services to local financial institutions, and assisted them to measure financial risk factors in order to meet the new Basel Accords. Mr. Chen graduated from Chinese Culture University with Bachelor of Arts in Economics. He also obtained a Master of Science in Finance from University of Illinois.

BOARD OF DIRECTORS



DR. PHILIP N. PILLAI

Non-Executive Director

Member of Audit Committee

Date of first appointment as a director: 17 April 2018

Date of last re-election as a director: 17 April 2023

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

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



CHANG-PANG CHANG

Non-Executive Director

Member of Remuneration Committee

Date of first appointment as a director: 23 April 2012

Date of last re-election as a director: 17 April 2023

Mr. Chang-Pang Chang joined the Board in April 2012 and is member of the Remuneration Committee. He is currently the director of Formosa Petrochemical Corporation, Inventec Corporation, Asia Cement Corporation and Formosa Sumco Technology Corporation, and the chairman of Global Investment Holdings Co., Ltd ("GIH"). Prior to GIH, Mr. Chang has worked in government for more than 30 years, mostly in financial and economic sectors. Mr. Chang served as Political Vice Minister of Economic Affairs from 1996 to 2000. Before that, he served a year and half as Deputy Secretary General of the Executive Yuan, two years as Administrative Vice Minister of Finance and five years as chairman of the Securities and Exchange Commission. After retiring from the government in 2000, Mr. Chang served as the chairman of KMT Business Management Committee and was appointed as the chairman of Fuhwa Financial Holdings. Mr. Chang held an LL.B. degree from Fu-Jen Catholic University and an LL.M. degree from National Chengchi University. He completed advance legal researches at Harvard Law School as a visiting scholar in 1986. Mr. Chang won the Eisenhower Exchange Fellowship in 1992 and became the Eisenhower Fellow in 1993.

BOARD OF DIRECTORS



KUNG-WHA DING

Non-Executive Director

Chairman of Nominating Committee

Chairman of Remuneration Committee

Independent Director

Date of first appointment as a director: 13 April 2017

Date of last re-election as a director: 28 April 2025

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

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



KENICHI SHIMOMOTO

Non-Executive Director

Date of first appointment as a director: 13 August 2020

Date of last re-election as a director: 23 April 2024

Mr. Kenichi Shimomoto has served as a board member overseeing overseas investments within Daiwa's Investment division for more than six years. He is currently Senior Managing Director of Daiwa Corporate Investment (DCI), Daiwa's venture capital and private equity investment management subsidiary, where he manages and supervises international business activities and multiple investment teams.

He is a seasoned investment banking professional with over 20 years of experience, specializing in mergers and acquisitions. Throughout his career he has combined legal training with securities expertise to advise on a wide range of corporate matters and to execute numerous M&A transactions. Since joining Daiwa, he has originated and led numerous domestic and cross-border M&A deals, leveraging deep professional knowledge and an extensive network of clients and business partners built over more than 20 years with the firm.

Mr. Shimomoto holds an LL.B. from the University of Tokyo and an LL.M. from the University of Illinois College of Law. He is admitted to the New York State Bar and is a certified Member Analyst of the Securities Analysts Association of Japan.

BOARD OF DIRECTORS



SHIH-PING CHEN

Non-Executive Director

Member of Remuneration Committee

Independent Director

Date of first appointment as a director: 28 June 2019

Date of last re-election as a director: 28 April 2025

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

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



LAN YUAN

Non-Executive Director

Chairman of Audit Committee

Member of Nominating Committee

Lead Independent Director

Date of first appointment as a director: 17 April 2023

Date of last re-election as a director: 28 April 2025

Ms. Yuan is a highly respected veteran of the international banking industry and a pioneering figure in the development of private banking in Taiwan. With over four decades of experience across leading global financial institutions, she has played a formative role in shaping private banking and wealth management for the Greater China market.

She began her career as a corporate banker at Continental Bank, where she served for seven years prior to its acquisition by ABN AMRO Bank. In 1987, Ms. Yuan joined Bankers Trust as an investment banker and was instrumental in establishing and developing its private banking business in Taiwan—at a time when the sector was still in its infancy.

From 1991 to 1999, she was with Barclays Bank, where she led the expansion and institutionalization of its private banking platform in Taiwan, significantly strengthening the bank's market presence and client franchise.

During the final two decades of her career, before retiring in 2020, Ms. Yuan served as Group Market Area Head for Greater China at Credit Suisse Private Banking, based in Singapore. In this role, she oversaw more than 100 relationship managers and support professionals, and built one of the largest, most influential, and strategically important private banking teams serving Greater China clients from Singapore. Under her leadership, the platform became a cornerstone of Credit Suisse's regional private banking strategy.

Ms. Yuan holds a Bachelor of Arts in Accounting from Soochow University.

BOARD OF DIRECTORS



HWAI-HSIN LIANG

Non-Executive Director

Independent Director

Date of first appointment as a director: 9 November 2023

Date of last re-election as a director: 23 April 2024

Mr. Liang joined the Board in November 2023.

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

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

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



DAVID CHONG, PBM

Non-Executive Director

Member of Audit Committee

Independent Director

Date of first appointment as a director: 23 April 2024

Date of last re-election as a director: N/A

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

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



(Left to Right):

HSIN-CHIEH CHUNG	- COMPANY SECRETARY
TSUI-HUI HUANG	- CHAIRMAN AND CHIEF EXECUTIVE OFFICER
CHIEN-KUO FANG	- CHIEF FINANCIAL OFFICER

KEY MANAGEMENT

TSUI-HUI HUANG

Chairman and Chief Executive Officer

Ms. Tsui-Hui Huang is the Chairman and CEO of the Company and Hotung International Company Ltd. (“HIC”). Ms. Huang started her career in mergers and acquisitions with Bankers Trust Company in 1988. Between 1998 and 2005, she was actively involved in the international securities industry while she was Chairman of the International Business Committee of Taiwan Securities Association. She was also appointed as the Board Director of Taipei Exchange during that period. In June 2005, Ms. Huang was elected as President of HIC, which is the management company of Hotung Group. Ms. Huang became Managing Director of the Company in August 2006 and was elected as Chairman of HIC in April 2009. She was elected as Chairman and CEO of HIHL in July 2010. Ms. Huang served as the Chairman of Taiwan Venture Capital Association from 2014 to 2020 and she has become the Honorary Chairman of the same since August 2020. Ms. Huang was the founding Vice Chairman of Children Charity Association in Taiwan. She was appointed as the Member of the President’s Council of Cornell Women, and is currently the director of Taiwan Women on Boards Association. She was elected as independent director of Global Unichip Corporation which is the subsidiary for IC design service of Taiwan Semiconductor Manufacturing Company (TSMC) since May 2022.

Ms. Huang obtained a B.A. degree in Business from National Taiwan University and an M.B.A. degree at Cornell University, U.S.A.

CHIEN-KUO FANG

Chief Financial Officer

Mr. Chien-Kuo Fang is the Chief Financial Officer of the Company. Before this, he was the Internal Auditor of the Company over 7 years, holding CISA and CISM certifications. Prior to joining Hotung Group, Mr. Fang worked at Foxconn, leading continuous audit and fraud investigations. Before that, Mr. Fang was in Far Eastern Group and in charge of the group level audit of Retailing sector. In addition to this, Mr. Fang was also in the Telecomm sector of this group over 6 years. Additionally, Mr. Fang was also in KPMG CPA Firm as Assistant Manager, joining their first SOX project and leading many CAATs projects.

Mr. Fang hold an MBA degree in MIS from National Central University, Taiwan, and graduated from the National Cheng-Chi University of MIS and minored in Business Administration.

HSIN-CHIEH CHUNG

Company Secretary

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

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



(Left to Right):

ALVIN LIU

- VICE PRESIDENT

CHIEN-KUO FANG

- CHIEF FINANCIAL OFFICER

TSUI-HUI HUANG

- CHAIRMAN AND CHIEF EXECUTIVE OFFICER

HSIN-CHIEH CHUNG

- COMPANY SECRETARY

CARRIE CHEN

- VICE PRESIDENT

INVESTMENT MANAGERS

CARRIE CHEN

Vice President

Ms. Carrie Chen is the Vice President of HIC. She joined HIC in 2009 and brings extensive experience in high-tech industries, investment management, and corporate operations.

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

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

ALVIN LIU

Vice President

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

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

INVESTMENT ADVISOR



DR. RICK TSAI

Investment Advisor

Investment Committee Member

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

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

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

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

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

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

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

OPERATING AND FINANCIAL REVIEW

Ongoing geopolitical tensions and tariff uncertainties are leading to volatility in cross-border supply chains and complicating the investment landscape. With our capital strength and the portfolio diversity across geographies and industries, we continue to identify and seize investment opportunities with strong returns in both emerging and growing sectors.

Leveraging our robust capital structure and disciplined financial management, the Group maintains a strategic presence in resilient growth sectors, including precision manufacturing, materials, artificial intelligence, software, and electronic components. In 2025, the Group deployed NT\$512.4 million in new investments, representing a significant 130.5% increase from 2024.

As of 31 December 2025, the Group's total investment portfolio amounted to NT\$4,298.0 million (2024: NT\$4,699.0 million), comprising quoted investments of NT\$435.2 million, which represented 10.1% of the total investment portfolio. The remaining investment portfolio were unquoted investments of NT\$3,862.8 million that were valued by various valuation techniques including transaction price, market multiples of comparable trading companies and net asset value for fund investments. The Group's cash balance is NT\$2.1 billion (2024: NT\$1.9 billion), an increase of NT\$0.2 billion from 2024, attributable mainly to proceeds from divestments.

The net profit attributable to shareholders was NT\$200.1 million (2024: NT\$158.2 million). Total revenue was NT\$444.5 million, which increased by 2.9% from 2024 revenue, attributable mainly to gains on divestments and distribution proceeds from fund investments in 2025. Total operating expenses decreased by 1.2% from NT\$149.9 million to NT\$148.1 million in 2025. Net asset value per share was NT\$63.12 (2024: NT\$64.63) as at the end of 2025, which was with the contribution of earnings per share at NT\$2.11 (2024: NT\$1.67) and after the payout of 2024 cash dividends at NT\$2.55 per share.

The Group's other comprehensive losses of NT\$101.0 million arose mainly from exchange differences on translation of foreign operations due to the depreciation of US dollar against NT dollar.

INVESTMENT MANAGER REPORT

UBG HOLDING CO., LTD.

UBG Holding Co., Ltd. (“UBG”) originates from the Taiwan-Thailand Rubber Group, transforming its industrial-grade precision rubber technologies—previously applied in serving global brands such as Canon and Nespresso—into advanced golf ball manufacturing capabilities. The company’s core competencies lie in rubber compound formulation and stringent quality control. It has successfully passed the certification of an international leading brand, Callaway, and has subsequently received purchase orders from the company.

In addition to Callaway, multiple brand manufacturers have already entered into discussions with the company regarding the feasibility of contract manufacturing (OEM) cooperation. Amid the global trend of supply-chain diversification away from China, UBG’s manufacturing base in Thailand holds critical strategic importance.

LINKER VISION CO., LTD.

Linker Vision Co., Ltd. (“Linker Vision”) is a leading AI software platform company focused on Physical AI and Reasoning AI. Its self-developed visual-language models (VLMs) interpret complex physical environments, enabling real-time simulation, model training, and deployment. Strategically backed by NVIDIA, Linker Vision benefits from technological alignment and a long-term partnership within NVIDIA’s AI ecosystem, advancing its mission to enable large-scale AI deployment across smart cities and intelligent applications.

With cloud-native and hybrid deployment capabilities, Linker Vision is expanding across Asia and other international markets. By powering applications in smart cities, industrial operations, and telecom and energy infrastructure, the company delivers actionable insights to both government and enterprise sectors.

INVESTMENT MANAGER REPORT

ADVANCED MATERIAL SYSTEMS CORPORATION

Advanced Material Systems Corporation (“AMS”) was founded in 2006 and is a professional manufacturer of lightweight high pressure gas cylinders. AMS produces two types of products: aluminum alloy high-pressure gas cylinders and carbon fiber composite high-pressure gas cylinders, which are used in movable pressure vessels. The application fields of products include industrial gases, medical treatment, paint bombs, diving and fire-fighting oxygen and other fields.

AMS has maintained sustained profitability since 2022. In addition to the construction of its new Chiayi plant and the planned completion of the plant relocation by the end of this year, the company has initiated its IPO process and became a publicly reporting company on November 30, 2025.

RiVos INC.

RiVos Inc. (“RiVos”) is an emerging semiconductor company focused on next-generation computing platforms for AI-driven data centers. The company designs custom processors based on the RISC-V instruction set, targeting workloads where performance per watt, system scalability, and architectural flexibility are critical requirements. Rather than competing solely at the chip level, RiVos takes a system-oriented approach, co-optimizing silicon, interconnects, and software to support large-scale AI training and inference. Its technology roadmap emphasizes heterogeneous computing, combining general-purpose compute with domain-specific acceleration to improve efficiency compared with traditional x86-centric architectures.

As data-center operators increasingly explore alternatives to legacy compute platforms, RiVos’ architecture-driven approach positioned it as a strategically valuable technology platform, ultimately leading to its acquisition by Meta for strategic reasons. For Hotung Investment Holdings Limited, this transaction resulted in a successful exit within less than two years from initial investment, delivering an attractive realized return.

INVESTMENT MANAGER REPORT

TAHO PHARMACEUTICALS LTD.

TAHO Pharmaceuticals Ltd. (“TAHO”) is a specialty pharmaceutical company with expertise in drug delivery system. Current clinical stage pipeline includes anticoagulant, anti-addictive drug for opioid addiction, and anti-Alzheimer’s drug candidates via either oral or trans-dermal administration. With such special delivery system, TAHO can offer physicians and difficult patients easier route of drug administration without scarifying drug efficacy.

Due to the positive Phase III clinical trial results of TAHO’s TH3311, a new anti-thrombotic formulation drug, starting from the third quarter, the company’s stock price began to rise significantly, accompanied by a noticeable increase in trading volume. Considering that the investment has been held for over ten years and the market price has exceeded the authorized selling threshold, All TAHO holdings have been fully disposed of, with a total realized gain of NT\$157 million.

SYNAPTIC MEDICAL INTERNATIONAL

Synaptic Medical International (“Synaptic”) is an innovative international medical device company, founded in Minnesota in 2005 with a subsidiary in Beijing. The company focuses on developing products for the treatment of cardiac arrhythmias and other cardiovascular diseases, supporting real-time clinical interventions in arrhythmia diagnosis and treatment.

Synaptic has obtained regulatory approvals and markets its products in the United States, the European Union, and Japan, while actively seeking global clearance for its next-generation cryoablation systems. Emphasizing precision, safety, and operability, Synaptic’s commitment to technical excellence and social responsibility has enhanced patient outcomes and driven rapid growth in both China and international markets.

INVESTMENT MANAGER REPORT

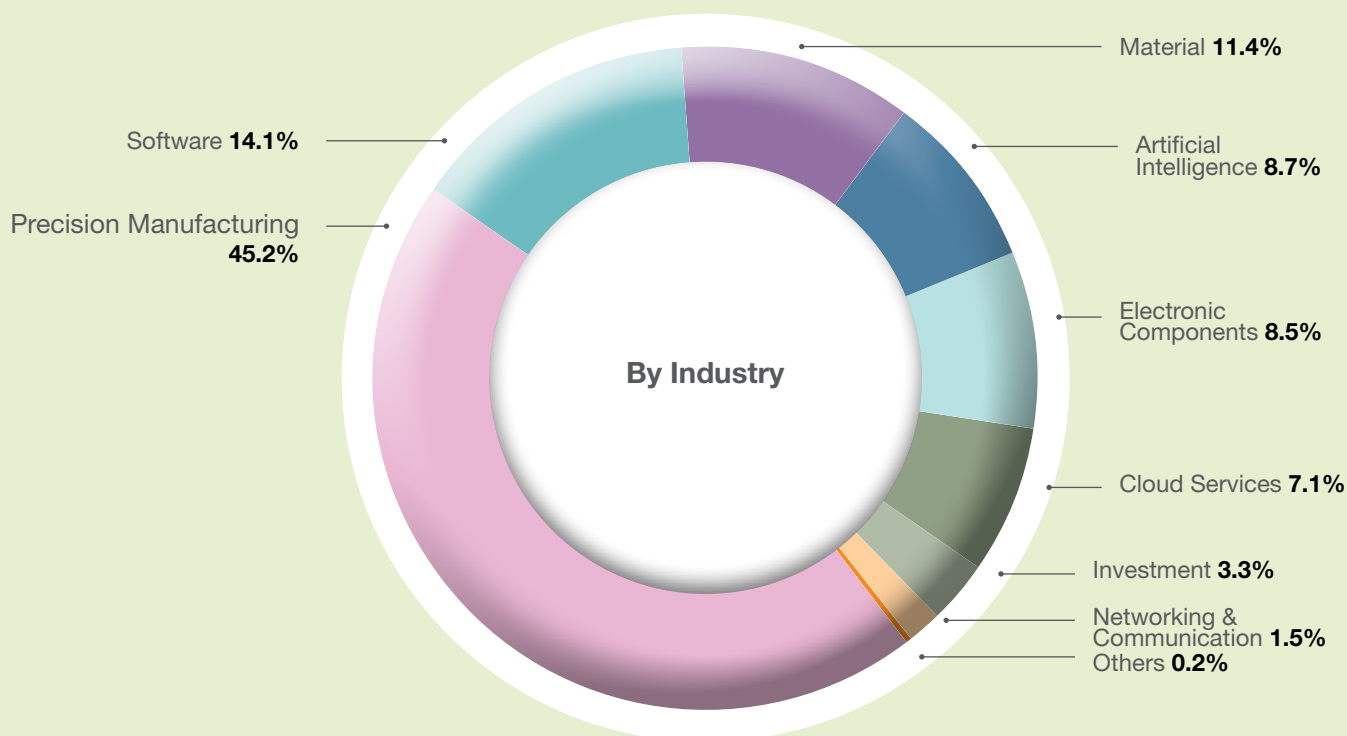
DriveNets LTD.

DriveNets Ltd. (“DriveNets”) was founded by Ido Susan and Hillel Kobrinsky, two successful Telco entrepreneurs in 2015. The Israeli company transforms network infrastructure with its cloud-native networking operating system (NOS), enabling telecom operators to construct distributed, scalable networks using white-box hardware. The technology is designed for large-scale deployments, helping to significantly reduce hardware costs, simplify operations, and boost network performance. It has been adopted by numerous major international carriers.

In a landmark move in March 2025, AT&T acquired a partial equity stake in DriveNets, solidifying its commitment to the Network Cloud platform, which was already widely deployed in the core of AT&T’s network. This was followed in Q3 2025 by AT&T’s purchase of an additional US\$650 million in shares from early investors and employees. DriveNets further expanded its capabilities by announcing a partnership with Broadcom focusing on routing and AI, utilizing Broadcom’s Jericho4 technology to enhance the performance of its unified AI fabric.

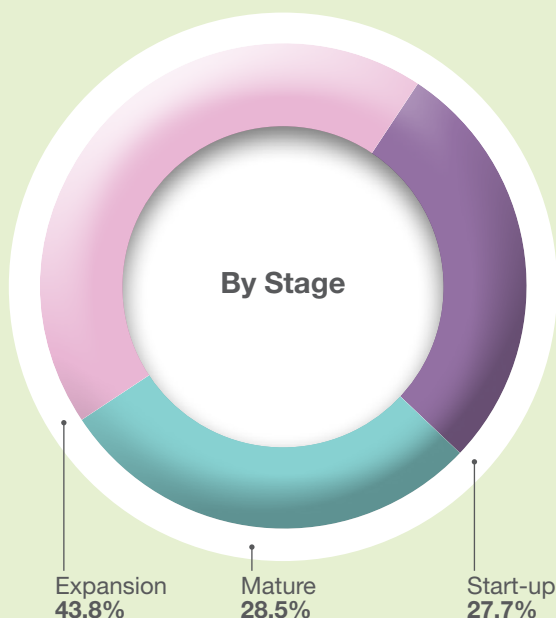
INVESTMENT MANAGER REPORT

2025 NEW INVESTMENT STATISTICS

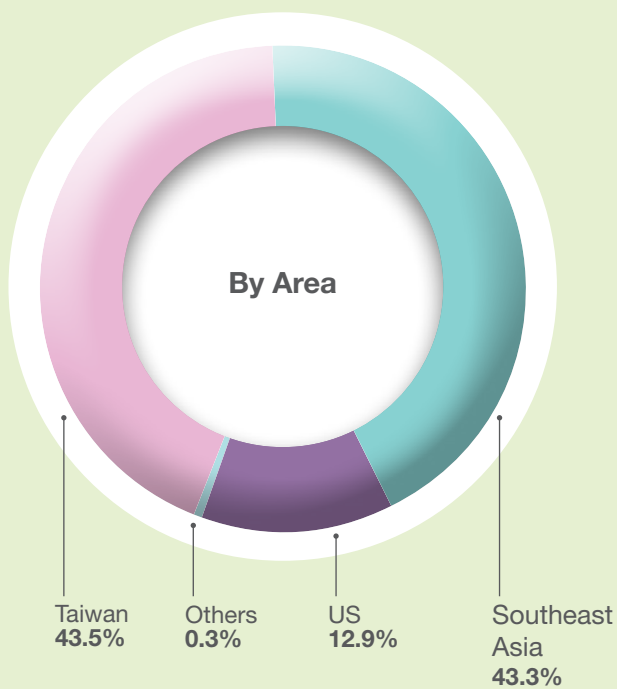


By Industry	INV. AMT. (NT\$ million)	%
Precision Manufacturing	231.7	45.2
Software	72.1	14.1
Material	58.5	11.4
Artificial Intelligence	45.0	8.7
Electronic Components	43.4	8.5
Cloud Services	36.2	7.1
Investment	16.7	3.3
Networking & Communication	7.8	1.5
Others	1.0	0.2
Total	512.4	100.0

INVESTMENT MANAGER REPORT



By Stage	INV. AMT. (NT\$ million)	%
Start-up	142.2	27.7
Expansion	224.3	43.8
Mature	145.9	28.5
Total	512.4	100.0



By Area	INV. AMT. (NT\$ million)	%
Taiwan	222.8	43.5
Southeast Asia	221.9	43.3
US	66.0	12.9
Others	1.7	0.3
Total	512.4	100.0

INVESTMENT MANAGER REPORT

INVESTMENTS OUTSTANDING AS OF 31 DECEMBER 2025

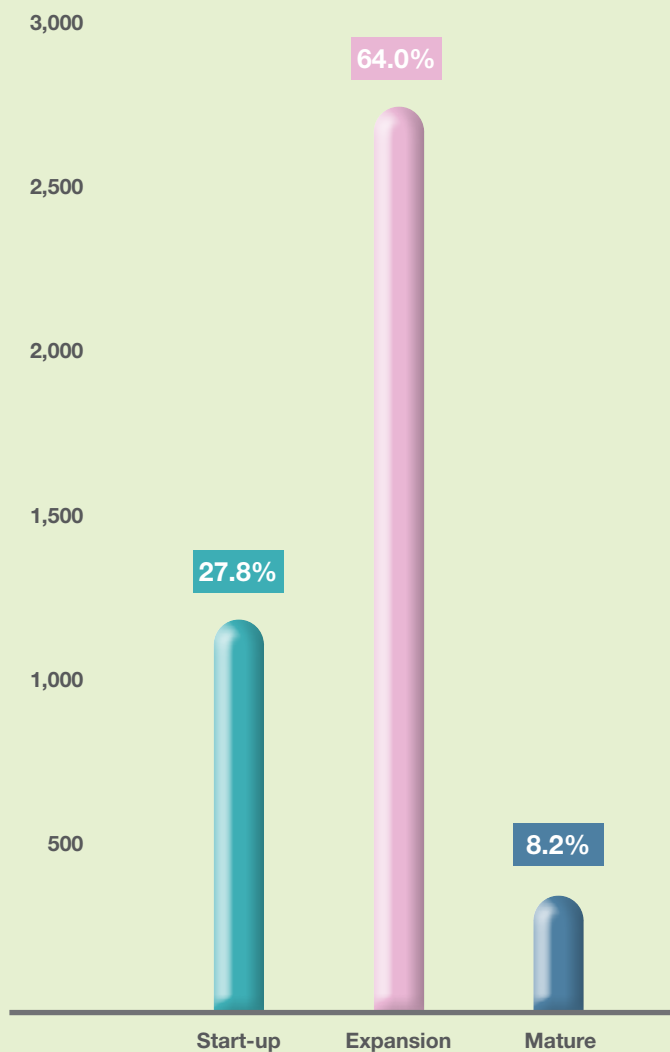
By Industry



INVESTMENT MANAGER REPORT

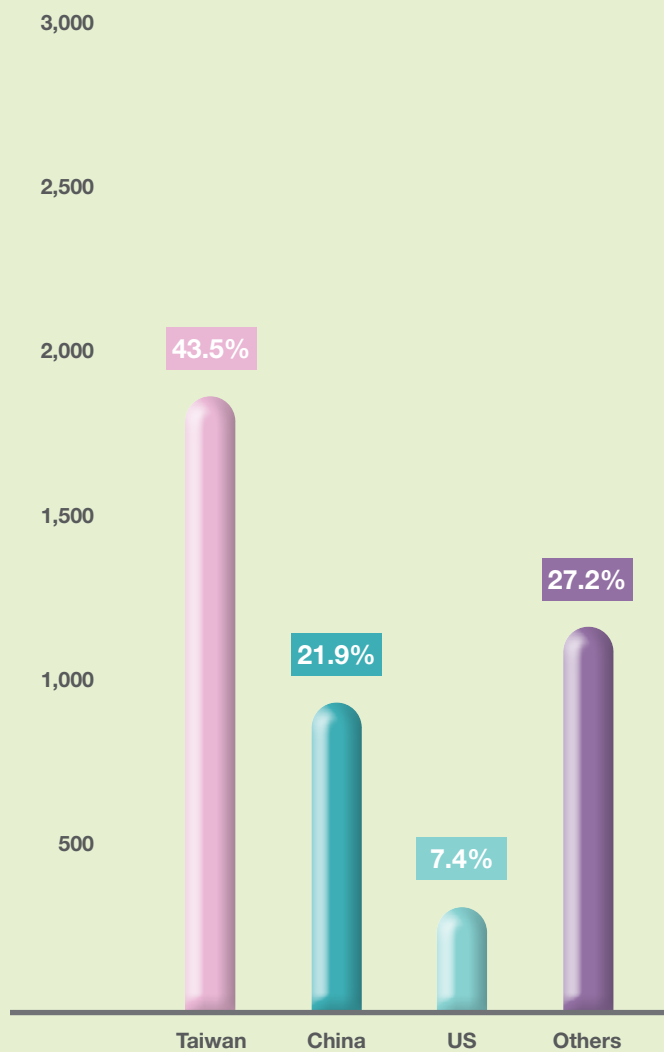
By Stage

Asset Value
(NT\$ million)



By Area

Asset Value
(NT\$ million)



CORPORATE GOVERNANCE REPORT

Hotung Investment Holdings Limited (“Company”) and its subsidiaries (together, “Group”) believe that good corporate governance practices are the foundation for a well-managed and efficient organization. The Board of Directors (“Board”) remains committed to the principles of good corporate governance and to achieving a high standard of business integrity in compliance with the Code of Corporate Governance of 6 August 2018 (“Code”) in managing the business and affairs of the Company, to protect shareholders’ interests and to improve shareholders’ value as well as corporate transparency. The Board will continue its efforts and invest further resources as would be appropriate to enhance its corporate governance. This report sets out the practices and activities of the Group during the financial year ended 31 December 2025 (“FY2025”), with specific references made to the Code.

1. BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:

Principal Duties of the Board

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

The Board’s principal functions are as follows:

- (a) guiding the Group’s business strategies;
- (b) approving annual budgets and targets;
- (c) monitoring the performance and proper conduct of the Group’s business;
- (d) establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Group’s performance;
- (e) identifying the key stakeholder groups and ensure transparency and accountability to key stakeholder groups;
- (f) setting the Group’s values and standards (including ethical standards);
- (g) overseeing the processes for evaluating the adequacy of internal control, risk management, financial reporting and compliance;
- (h) considering sustainability issues; and
- (i) appointing directors (“Directors”) to Nominating, Audit and Remuneration Committees and senior management and receiving reports of these Committees.

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

CORPORATE GOVERNANCE REPORT

Delegation of Duties by the Board

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

Board Members	Board Committee Membership		
	AC	NC	RC
Tsui-Hui Huang		M	
Andy C.W. Chen			
Philip N. Pillai	M		
Chang-Pang Chang			M
Kung-Wha Ding		C	C
Kenichi Shimomoto			
Shih-Ping Chen			M
Lan Yuan	C	M	
Hwai-Hsin Liang			
David Chong, PBM	M		

Note(s):

1. “C”: Chairman of the relevant Board Committee
2. “M”: Member of the relevant Board Committee

Further details of the activities of the AC, NC and RC are set out under the respective Principles disclosed below in this report:

1. Nominating Committee (Principle 4)
2. Remuneration Committee (Principle 6)
3. Audit Committee (Principle 10)

CORPORATE GOVERNANCE REPORT

Attendance at Board and Board Committee Meetings

The Board meets at least four (4) times a year. In accordance with the Bye-laws of the Company, Directors may participate in any meeting of the Board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The Board and Board Committees may also make decisions by way of written resolutions. Details of Directors' attendance at the Board and Board Committee meetings held in FY2025 are summarized as follows:

Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Tsui-Hui Huang	5	5	–	–	3	3	–	–
Andy C.W. Chen	5	5	–	–	–	–	–	–
Philip N. Pillai	5	5	4	4	–	–	–	–
Chang-Pang Chang	5	5	–	–	–	–	2	2
Kung-Wha Ding	5	5	–	–	3	3	2	2
Kenichi Shimomoto	5	5	–	–	–	–	–	–
Shih-Ping Chen	5	5	–	–	–	–	2	2
Lan Yuan	5	4	4	4	3	3	–	–
Hwai-Hsin Liang	5	4	–	–	–	–	–	–
David Chong, PBM	5	5	4	4	–	–	–	–

Note:

1. Number of meetings held does not include written resolutions.

Matters Requiring Board Approval

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

- (a) the half-year and full-year financial reports;
- (b) matters in relation to the share buy-backs undertaken by the Company;
- (c) matters in relation to the declaration of dividends;
- (d) matters in relation to the holding of the Company's annual general meeting ("AGM"), including its related agenda;
- (e) matters in relation to major corporate actions (e.g. share consolidation);
- (f) the annual budgets and targets of the Group;

CORPORATE GOVERNANCE REPORT

- (g) the appointment and re-appointment of Directors, including their remuneration packages;
- (h) the appointments of the members of Board Committees;
- (i) matters in relation to the Directors' and Officers' Insurance;
- (j) matters in relation to the appointment of Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Sustainability Officer ("CSO") and Company Secretary;
- (k) the appointment and re-appointment of external auditors and their remuneration;
- (l) matters in relation to the Group's approach to sustainability, including the monitoring of material sustainability-related risks;
- (m) matters in relation to the Board's opinion on the adequacy and effectiveness of the Group's risk management and internal controls; and
- (n) the receipt of the announcements released to the Singapore Exchange Securities Trading Limited ("SGX-ST").

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

Board Orientation and Training

A formal letter is sent to newly appointed Directors upon their appointments comprising director's roles and responsibilities.

In addition, new Directors who have no prior experience as a director of an issuer listed on the SGX-ST ("First-time Director") must undergo mandatory training in roles and responsibilities of a director of a listed issuer within one (1) year from the date of his/her appointment to the Board at the Company's expense as prescribed by the SGX-ST to ensure that they are familiar with the duties and roles as being a Director ("Mandatory Training"). To fulfil the Mandatory Training requirements, First-time Directors must attend one of the training programmes conducted by a training provider as prescribed by the SGX-ST. In this respect, all our First-time Directors have undergone the relevant Mandatory Training within one (1) year from the date of their respective appointments. During FY2025, no First-time Director was appointed by the Company.

Further, pursuant to Rule 720(7) of the Listing Manual of the SGX-ST ("Listing Manual"), all directors must undergo training on sustainability matters as prescribed by the SGX-ST. As at 31 December 2025, all Directors have attended the sustainability training.

CORPORATE GOVERNANCE REPORT

When there are significant and important changes to laws, regulations, policies and accounting standards in areas concerning director's duties and responsibilities, Directors are provided with briefings and updates from outside professionals. In the event of any major developments in areas of accounting and governance standards, relevant sessions are conducted by external auditors of the Company to assist Directors in performing their duties and responsibilities. During FY2025, the Company arranged an internal training session on IFRS 13 Fair Value Measurement, which was conducted by the Company's external auditors. In addition, Directors are encouraged to attend other appropriate courses, conferences and seminars at the Company's expense, such as programs run by the Singapore Institute of Directors.

Access to Complete, Adequate and Timely Information

To ensure that the Board would fulfil its responsibilities, the Directors are provided with complete, adequate and timely information on a quarterly basis, including the financial position and performance of the Company and the Group, prior to the Board meetings and as and when the need arises. Board papers are circulated to the Board as early as practicable so that members of the Board may better understand the matters to be discussed and focus discussions on the questions set out in the agenda. Draft agendas for Board and Board Committee meetings are circulated to the respective Chairmen of the Board and Board Committees, in advance, for their review. Any additional material or information requested by the Directors is promptly furnished. Information provided to the Board includes Board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and quarterly financial results. In respect of budgets, any material variances between the projections and actual results are disclosed and explained. The half-year and full-year financial statements of the Company are reviewed and discussed at the AC and thereafter recommended to the Board for its approval.

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

Independent Professional Advice

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

Company Secretary

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

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2:

Board Size and Board Composition

As at 31 December 2025, the Board comprised ten (10) Directors, of whom nine (9) were non-executive. Of these non-executive Directors, five (5) were considered by the NC to be independent of Management and the Company's substantial shareholders, in compliance with Rule 210(5)(c) of the Listing Manual which requires independent Directors to make up at least one third of the Board. Notwithstanding the requirement under Provision 2.2 of the Code that the independent Directors should make up a majority of the Board where the Chairman is not independent, the Board is of the view that as half of the Board comprises independent Directors, who demonstrate a strong level of independence and judgement in discharging their duties and responsibilities as independent Directors, and provide impartial and autonomous views, there is presently an appropriate level of independence and diversity of thought and background in the Board composition to enable the Board to make decisions in the best interests of the Company. In addition, nine (9) out of the total ten (10) Directors are non-executive, which serves to reinforce management accountability, and which is adequate to ensure that there is an appropriate balance of power within the Board even though independent Directors do not make up a majority.

The NC regularly examines the size of the Board and Board Committees, with a view to determine their impact of their size on their effectiveness, decided what it considers to be an appropriate size for the Board and Board Committees, which in turn facilitates effective decision-making and ensures a strong and independent element on the Board. The NC, in concurrence with the Board, is of the view that, given the scope and nature of the Group's operations, the current Board and Board Committees are of appropriate size; provided that the NC may make recommendations to the Board on the appointment of additional independent Directors as and when it deems necessary and appropriate, so as to fully comply with the requirement under Provision 2.2 of the Code that the independent Directors should make up a majority of the Board where the Chairman of the Board is not independent.

All Board Committees are chaired by independent Directors.

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

Board Independence

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

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

CORPORATE GOVERNANCE REPORT

Board Diversity

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

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

As at 31 December 2025, the Board comprised ten (10) members who are business leaders or professionals with varied backgrounds, expertise and experience including in management, business, investment, legal, governance, finance, accounting and risk management.

The Board is of the view that gender is an important aspect of diversity and will ensure that (a) there is female representation on the Board, and (b) there will be, as far as practicable, at least 30% of female representation on the Board. The Board has set a target to maintain at least one (1) suitably qualified female director on the Board since its listing on SGX-ST in 1997. As at 31 December 2025, the Board's target to have, as far as practicable, at least 30% of female representation, i.e., three (3) out of ten (10) Board members, on the Board has been met. One (1) of the female Directors, Ms. Tsui-Hui Huang, is the Chairman and CEO of the Company and a member of the NC.

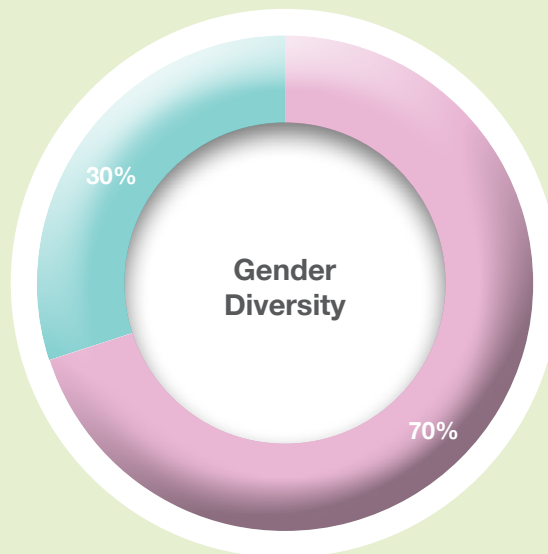
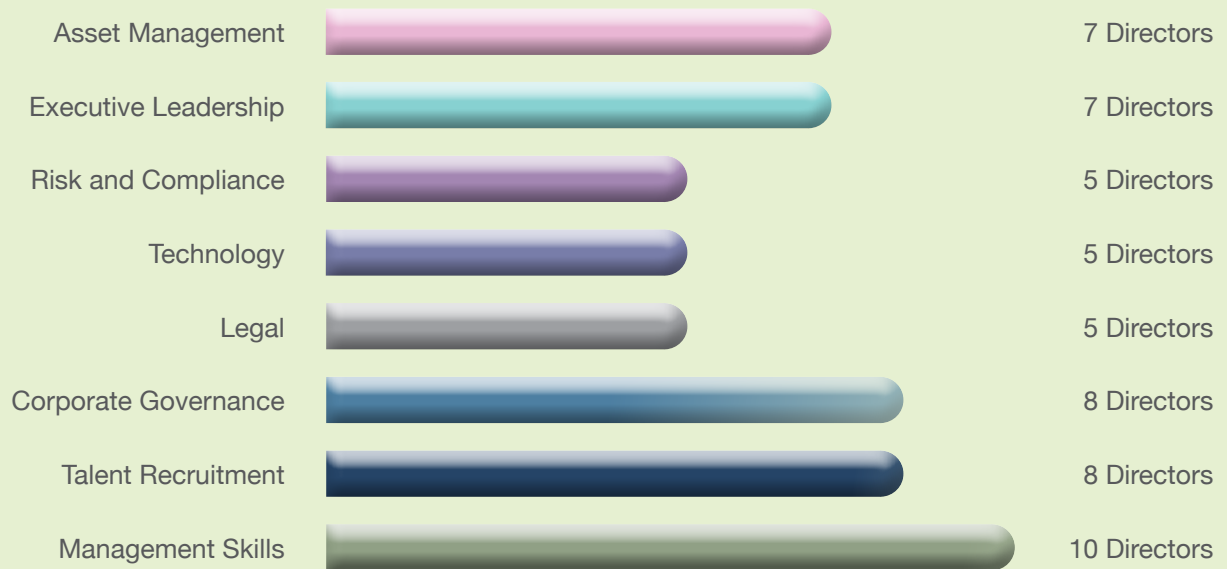
Considering that the current Board and Board Committees comprise Directors who have the appropriate mix of diversity in expertise, experience, background, and gender, and collectively possess necessary core competencies for effective functioning and informed decision-making, the Board, in concurrence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

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

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

CORPORATE GOVERNANCE REPORT

Expertise and Experience



● Male 7 Directors
● Female 3 Directors

CORPORATE GOVERNANCE REPORT

Chairman and CEO

Principle 3:

Chairman and CEO

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

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) ensuring that the Directors receive complete, adequate and timely information;
- (d) encouraging constructive relationships within the Board and between the Board and Management; and
- (e) promoting high standards of corporate governance.

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

- (a) as disclosed under Principle 2 on Page 29 of the Annual Report, all Board Committees are chaired by independent Directors, and the majority of the members of each Board Committee are independent Directors. The Lead Independent Director or other independent Director may, as and when he/she deems necessary and appropriate, call and lead meetings of the non-executive Directors and/or independent Directors without the presence of Management, and the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate;
- (b) all independent Directors are actively engaged in deliberating on Board agenda and debates and promoting a high level of corporate governance relating to all material corporate actions (including in relation to operational, financial or compliance matters);
- (c) as disclosed under Principle 1 on Page 26 of the Annual Report, the Board conducts regular scheduled meetings on a quarterly basis to keep the Board updated on the Group's financial position and business activities, and the overall business environment in which the Group engages. Where the Board or the Board Committees' approval is required for important and critical matters concerning the Group, the inputs and approval of all Directors or Board Committee members (as the case may be) would be sought, whether through meetings held by electronic means or the passing of Board resolutions. Management performs its duties diligently based on the decisions of and approvals obtained from the Board and Board Committees; and

CORPORATE GOVERNANCE REPORT

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

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

Lead Independent Director

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

Board Membership

Principle 4:

Nominating Committee

The NC was established in 2002. As at 31 December 2025, the majority of the NC members, including the Chairman, were independent Directors, with the Lead Independent Director being a member of the NC, as follows:

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

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

- (a) reviewing and making recommendations to the Board on the appointment, re-appointment, replacement and/or succession plans of Directors as well as members of Board Committees, the CEO and key management personnel;
- (b) determining annually, and as and when circumstances require, the independence of Directors;
- (c) developing the process and criteria for evaluation of the performance of the Board, Board Committees and Directors;
- (d) determining whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, taking into consideration, *inter alia*, the directorships in other companies held by such Director;

CORPORATE GOVERNANCE REPORT

- (e) reviewing and making recommendations to the Board on the training and professional development programmes for the Board and the Directors;
- (f) reviewing the Board composition and efficiency of the Board and Board Committee meetings; and
- (g) ensuring Board diversity by taking into account the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

The NC keeps under review whether the diversity of the Board members is sufficient and may, at the appropriate juncture, propose new members to the Board to enhance the competence of the Group. The NC is of the view that the current size of the Board is appropriate, given the current nature and scope of the Company's operations. The diverse entrepreneurial, professional, financial and technical background and profile of the Directors as a group ensures a balance of representative skills, experience, gender and views on the Board, as well as the necessary core competencies in areas relevant to the Group's business, such as management, finance, technology and international experience.

Board Renewal

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

Process for Selection and Nomination of New Directors

With respect to the process for the appointment of new Directors, the NC reviews and evaluates the profession, knowledge and experience of the candidates, and meets with the candidates to assess their suitability and to ensure that the candidates are aware of the expectations and the level of commitment required, after sourcing the candidates through an extensive network of contacts. If the NC is satisfied with the candidate's capability to serve as a Director, the NC will make recommendations accordingly to the Board for approval.

Continuous Review of Directors' Independence

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

CORPORATE GOVERNANCE REPORT

Multiple Directorships

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

Alternate Directors

The Board does not appoint alternate directors.

Key Information on Directors

Key information regarding Directors, such as academic and professional qualifications, Board Committees served on (as a member or chairman), date of first appointment and last appointment as a Director, directorships or chairmanships in other listed companies, and other principal commitments, are disclosed in the "Board of Directors" section in the Annual Report. Information on the candidates proposed for appointment or re-appointment at the forthcoming AGM for FY2025 ("2026 AGM"), as required in Appendix 7.4.1 of the Listing Manual, is set out in the notice of the 2026 AGM in accordance with Rule 720(6) of the Listing Manual, and any other information or details of such candidates will also be made available to shareholders during the AGM (where requested), to enable shareholders to make informed decisions.

Board Performance

Principle 5:

Board Evaluation Process

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that the Board comprises persons who represent the principal strategic shareholders of the Company as well as independent Directors who enhance governance in the interests of all shareholders and the Company. The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and each Board Committee separately. The process includes having Directors complete a questionnaire for their views on various aspects of Board and Board Committees' performance at the end of each financial year. The Company Secretary compiles the Directors' responses to the questionnaire into a consolidated report, which is reviewed and discussed during the NC meeting. The result of the Board assessment conducted by the NC is reported to the Board thereafter by the Chairman of the NC.

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

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

CORPORATE GOVERNANCE REPORT

For FY2025, the NC, having reviewed the overall performance of the Board and Board Committees in terms of their roles and responsibilities, is of the view that the Board and Board Committees continued to perform effectively to support the Company.

Individual Director Evaluation

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

2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6:

Remuneration Committee

The RC was established in 2002. As at 31 December 2025, the members of RC were entirely non-executive Directors, with the majority, including the Chairman of the RC, being independent Directors, as follows:

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

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

- (a) reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel, considering their contributions to the Board and taking into account comparability of standards within the industry and with other companies;
- (b) ensuring that remuneration policies are able to attract, retain and motivate Directors without being excessive, and thereby maximize the shareholders' value; and
- (c) reviewing the specific remuneration packages for each Director and key management personnel, including but not limited to Director's fees, basic salaries, allowances, bonuses, share options and benefits in kind.

In discharging their duties, the RC members may seek advice from external consultants, where necessary. Market practices and standards are taken into account to ensure that the remuneration packages remain competitive. The Company has not engaged any remuneration consultants to advise on the remuneration of the Directors or key management personnel for FY2025.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

Principle 7:

The RC, in determining the level and structure of remuneration of the Directors and key management personnel, will ensure that they are appropriate and proportionate to the sustained performance and value creation of the Group. Executive Director's remuneration is earned through base/fixed salary and variable or performance related income/bonuses. Directors' fees proposed to be paid to Directors are subject to approval of shareholders at the AGM. No Director decides his/her own fees. Non-executive Directors are not over-compensated to the extent that their independence may be compromised and their remuneration is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. The Company does not currently have any contractual provisions to allow the reclaiming of incentive components of remuneration from executive Director and key management personnel. Nonetheless, the RC, together with the Board, will monitor and re-assess at the appropriate juncture whether such contractual provisions should be implemented. The remuneration framework for Directors and key management personnel is aligned with the interest of shareholders and relevant stakeholders and appropriate to attract, retain and motivate them for the long-term success of the Group.

Disclosure on Remuneration

Principle 8:

Disclosure on Directors' Remuneration

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

CORPORATE GOVERNANCE REPORT

In compliance with Rule 1207(10D) of the Listing Manual, the breakdown of the remuneration paid to each individual Director of the Company for FY2025¹ is set out in the table below:

			(S\$)
Name of Directors	Salaries/Fees	Bonuses	Total ²
Tsui-Hui Huang	571,546 58%	409,036 42%	980,582
Andy C.W. Chen	25,767 100%		25,767
Philip N. Pillai	41,718 100%		41,718
Chang-Pang Chang	31,084 100%		31,084
Kung-Wha Ding	47,035 100%		47,035
Kenichi Shimomoto	25,767 100%		25,767
Shih-Ping Chen	31,084 100%		31,084
Lan Yuan	52,352 100%		52,352
Hwai-Hsin Liang	25,767 100%		25,767
David Chong, PBM	41,718 100%		41,718

Note(s):

- For the purposes of the calculation of the breakdown of the remuneration paid to each individual Director of the Company for FY2025, the foreign exchange rate between NT\$ and S\$ is based on a foreign exchange rate of S\$1: NT\$ 24.45 as at 31 December 2025.
- This includes base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives, if any.

CORPORATE GOVERNANCE REPORT

Disclosure on Key Management Personnel's Remuneration

The remuneration of the Company's top five (5) key management personnel (who are not Directors or the CEO of the Company) in bands of S\$250,000 and with a breakdown of salaries/fees and bonuses in percentage of each such key management personnel's remuneration for FY2025 is set out below. Notwithstanding the requirements in Provision 8.1(b) of the Code to also disclose in aggregate the total remuneration paid to the Company's top five (5) key management personnel (who are not Directors or the CEO), the Board believes that the disclosure below, which discloses the remuneration in bands and includes the percentage breakdown of remuneration based on salaries/fees and bonuses, provides a sufficient overview of the remuneration of the Company's key management personnel considering the confidentiality of remuneration matters, is made in the best interests of the Company given the highly competitive conditions in the venture capital business, and is substantively consistent with the intent of Principle 8 of the Code.

Remuneration Bands and Name of Key Management Personnel	Salaries/Fees %	Bonuses %	Total¹ %
S\$250,000 to S\$499,999			
<i>Hsieh-Ho Chen</i> ²	59%	41%	100
Below S\$250,000			
Hsin-Chieh Chung	62%	38%	100

Note(s):

1. This includes all forms of remuneration to the key management personnel, including base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share based incentives and awards, and other long-term incentives, if any.
2. Mr. Hsieh-Ho Chen was the CFO and CSO from 25 April 2024 and resigned as the CFO and CSO with effect from 7 January 2026.

Save as disclosed above, there are no other persons whom the Company considers to be key management personnel of the Company (who are not Directors or the CEO of the Company) for FY2025.

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

No employees of the Company or any of its principal subsidiaries are substantial shareholders of the Company or immediate family member of Directors, the CEO or substantial shareholders of the Company; thus, no disclosure is required for employee whose remuneration exceeds S\$100,000 per annum for FY2025.

Employee Share Schemes

As at 31 December 2025, the Company does not have any employee share option scheme.

Remuneration and Other Payments and Benefits from the Company and its Subsidiaries

Save as disclosed above, no other forms of remuneration or other payments and benefits were paid by the Company and its subsidiaries to the Directors and key management personnel of the Company during FY2025.

CORPORATE GOVERNANCE REPORT

3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9:

The Company believes that it is crucial to put in place a system of internal control over the Group's procedures and processes to safeguard the interests of the Group and shareholders, and to manage risks in the areas including, amongst others, financial, operational, legal and compliance. The Board is responsible for the overall governance of the Group's risk management and internal controls. It determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives and value creation.

The Group has established an integrated risk identification and management framework, which has already integrated climate and sustainability-related risks for better governance. Within the Group, risks are proactively identified and addressed. The responsibility for these risks lies with the respective business and corporate heads, with stewardship residing with the Board. The Board approves the framework and has oversight of compliance by Management. The AC reviews the compliance annually.

During FY2025, the Group, with the participation of the business and corporate heads, carried out an exercise to consolidate and review the Group's risk register, which identifies the key risks faced by the Group and the internal controls in place to manage those risks. The internal auditor was also involved in evaluating the effectiveness of current risk management and internal control systems. Material deficiencies (if any) and the consequent remedial actions were reviewed by the AC and reported to the Board. Management's corresponding remediation plans and control improvements were monitored by the internal auditor.

Based on the Company's risk identification and management framework described above, regular reviews performed by Management, and assurances from the CEO and the CFO that the risk management and internal control systems of the Group are adequate and effective, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls are adequate and effective in addressing the financial, operational, compliance, information technology and sustainability risks faced by the Group.

The Board notes that the systems of risk management and internal controls provide reasonable, but not absolute, assurance that the Group will not be adversely affected by events that might be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Financial Risk Management

The Group has documented a financial risk management policy, which is founded on the Group's overall business strategies and its risk management philosophy. The Group is exposed to a variety of financial risks, primarily changes in equity market prices and/or foreign currency exchange rates in relation to its investment portfolios.

CORPORATE GOVERNANCE REPORT

Market Risks

The changes in equity market prices and/or foreign currency exchange rates have a significant impact on the Group's investment portfolios. In general, the Group is exposed to relatively low interest rates risk on the deposits placed with banks and financial institutions. The Group manages market risks by close monitoring of the investment portfolios and regular reviews of the performance of each of the investments. The control procedures are in place to manage and control market risk exposures within acceptable parameters, while optimizing returns on investments.

Liquidity Risks

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Credit Risks

The Group places surplus funds in banks with reputable financial standing. The credit risk on liquid funds is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies.

Please refer to "Financial Risk Management" section in the Notes to Financial Statements in the Annual Report for more details.

Operational Risk Management

Each department's management team reviews its control procedure periodically and conducts risk self-assessment exercises on a regular basis. The internal auditor and external auditors are also involved in the evaluation of such self-assessment exercises. Any material deficiency together with remedial actions are reviewed by the AC and reported to the Board.

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

- (a) the maintenance of proper records and reliability of reporting used within or published by the Group;
- (b) the safeguarding and proper documentation of the Group's assets; and
- (c) the compliance with applicable laws, regulations and best practices.

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

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Company's risk management and internal control systems were adequate and effective.

CORPORATE GOVERNANCE REPORT

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

Audit Committee

Principle 10:

Audit Committee

The AC was established in 1997. As at 31 December 2025, the members of AC were entirely non-executive Directors, with the majority, including the Chairman of the AC, being independent Directors, as follows:

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

The NC is of the view that the members of the AC have sufficient financial, legal and management expertise and experience to discharge the AC's functions. To enable the AC to discharge its functions properly, the AC has the authority to invite the CEO, the CFO and Management to attend its meetings to respond to any questions that the AC may have.

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

- (a) reviewing with the external auditors their audit plan and evaluating and advising on accounting controls, audit reports and any matters which the external auditors may raise to the AC;
- (b) reviewing with the internal auditor the scope and the results of internal audit procedures and the internal auditor's evaluation of the overall internal control system;
- (c) commissioning an independent audit on internal control for assurance purposes, or where it is not satisfied with the system of internal control;
- (d) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the internal audit function;

CORPORATE GOVERNANCE REPORT

- (f) reviewing the adequacy, scope, results and effectiveness of the external audit, and the independence and objectivity of the external auditors annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain objectivity;
- (g) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (h) reviewing the half-year and full-year financial statements, including announcements to shareholders and the SGX-ST prior to submission to the Board;
- (i) reviewing the quarterly financial results, in particular, the financial results for the 1st or 3rd financial quarter for the relevant financial year, as the case may be;
- (j) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (k) reviewing any significant findings of internal investigations;
- (l) reviewing the Company's whistle-blowing policy, and ensuring that arrangements are in place for concerns about possible improprieties to be raised and independently investigated, and for appropriate follow-up actions to be taken;
- (m) making recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal;
- (n) reviewing and approving the appointment, replacement, reassignment or dismissal of the internal auditor;
- (o) reviewing the assistance given by the Company's officers to the external and internal auditors; and
- (p) reviewing interested person transactions to ensure that internal control procedures are adhered to.

The AC currently meets the external and internal auditors quarterly or half-yearly, as the case may be, in order to ensure that the external auditors and internal auditor have full and free opportunities to raise concerns with the AC and to have complete access to information that auditors may require. In addition, the AC has its own discretion to meet with the external and internal auditors, whenever the AC deems necessary, without the presence of Management.

External Auditors

The AC has undertaken an annual review of non-audit services provided by the external auditors and they would not, in the opinion of the AC, affect the independence of the external auditors. Details of the aggregate amount of fees paid to the external auditors for FY2025, and a breakdown of the fees paid in total for audit and non-audit services, respectively, can be found on Page 130 of the Annual Report. The Company has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors.

CORPORATE GOVERNANCE REPORT

Whistle-blowing Policy

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

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

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

Summary of AC's Activities During FY2025

During FY2025, the AC reviewed the half-year and full-year financial reports before submitting the same to the Board for its approval, reviewed the 1st and 3rd quarter financial results, reviewed the annual audit plans of the external and internal auditors and assessed the results of audits performed by them, recommended the re-appointment of external auditors for shareholders' approval at the AGM, reviewed the adequacy, effectiveness, independence, scope and results of the internal audit and external audit functions, and confirmed the adequacy and effectiveness of the Group's risk management and internal controls in addressing financial, operational, compliance, information technology and sustainability risks faced by the Group.

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

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

CORPORATE GOVERNANCE REPORT

Internal Audit

The internal auditor reports directly to the AC on audit matters. The AC reviews the internal auditor's report and its activities on a quarterly basis. The AC also reviews and approves the annual internal audit plans and resources to ensure that the internal auditor has the resources to adequately, effectively and independently perform its functions. The AC is satisfied that the Group's internal audit, an in-house function which comprises one (1) member, is independent, effective and adequately resourced, as the internal auditor:

- (a) is independent, given that the AC reviews and approves the appointment, replacement, reassignment or dismissal of the internal auditor, who reports to the AC, and has full access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Group;
- (b) is effective, given that audit plans and projects adopt a risk-based audit approach to ensure that each business objective is achieved, audit follow-ups are systematically tracked for improvements, and the internal auditor, who reports directly to the AC for audit quality review, has consistently undertaken regular training and is qualified as a Certified Information Systems Auditor (CISA) and Certified Information Security Manager (CISM), with over 20 years of auditing experience in various fields of risk management, corporate governance, and IT security; and
- (c) is adequately resourced, given the fact that (i) the principal activity of the Group is investment holding and its investment management operations are performed by its subsidiary, Hotung International Co., Ltd., which has its principal place of business in Taipei, Taiwan, (ii) the Group has around 30 employees, with both its headquarters and employees located in Taipei, Taiwan, and (iii) the Group fully supports continuous auditing, enabling self-developed software programs to significantly enhance audit efforts, saving time and resources, taking into account the relevant qualifications and experience of the internal auditor as set out in item (b) above.

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

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11:

Engagement with Shareholders

Principle 12:

Engagement with Stakeholders

Principle 13:

Shareholder Rights

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

CORPORATE GOVERNANCE REPORT

For the AGM for the financial year ended 31 December 2024 (“2025 AGM”), all shareholders were sent a notice of the AGM, a proxy form and a request form which set out the procedures for the shareholders to request for printed copies of the Annual Report and the Appendix to the notice of the AGM (“Appendix”), and details on how the aforesaid documents may be accessed online. As part of its efforts to protect the environment, the Company has gone paperless with the Annual Report and the Appendix. The Annual Report and all relevant documents for the 2025 AGM were released via SGXNet and were also made available on the Company’s website. The simplified version of the notice of the 2025 AGM was additionally advertised in the Singapore newspapers.

Conduct of Shareholder Meetings

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

In respect of the 2025 AGM, shareholders were given the opportunity to submit their questions to the Board and/or Management prior to the 2025 AGM, and no questions in relation to the agenda of the 2025 AGM were received from shareholders before the submission deadline as set out in the notice of the 2025 AGM. The 2025 AGM was conducted in a wholly physical format, and the Chairman of the Board, Ms. Tsui-Hui Huang, the Directors, Mr. Andy C.W. Chen, Dr. Philip N. Pillai, Mr. Kung-Wha Ding, Mr. Kenichi Shimomoto, Ms. Shih-Ping Chen, Ms. Lan Yuan and Mr. David Chong, PBM, Company Secretary, external auditors and the Company’s Singapore legal counsel were in attendance at the 2025 AGM.

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

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

The forthcoming 2026 AGM will be held in a wholly physical format in accordance with the prevailing rules and regulations of the SGX-ST. There will be no option for shareholders to participate virtually. Please refer to the notice of the 2026 AGM and the announcement dated 8 April 2026 for further information.

CORPORATE GOVERNANCE REPORT

Communication with Shareholders

The Company endeavors to keep all its shareholders informed of the performance and changes in the Group by making timely and adequate announcements via SGXNet. The Company adopted quarterly reporting of its financial results from 2003 to 2019. Following the amendments to Rules 705(2) and 705(3)(b) of the Listing Manual with effect from 7 February 2020, the Company has adopted half-yearly reporting of its financial results commencing from financial year 2020. The half-year and full-year financial results are published via SGXNet. All information on the Company's new initiatives will be first disseminated via SGXNet.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released before Management meets with any group of investors or analysts, or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period.

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

The Company reviews the dividend policy annually depending on the Group's cash and operational needs. The annual dividend proposed for FY2025 is shown on Page 127 of the Annual Report, which is subject to the approval of the shareholders at the 2026 AGM.

Managing Stakeholder Relationships

The Board adopts a balanced approach towards the needs and interests of key stakeholders, taking into account the best interests of the Company. The Group engages its stakeholders through various channels on a regular basis in order to gain better understanding of their concerns and expectations, and these interactions facilitate continuous improvements in all areas of the Group's operations. The Company has prepared its sustainability report in compliance with Rules 711A and 711B of the Listing Manual. For more information on the Company's stakeholder engagement, please refer to the Company's sustainability report disclosed on Page 51-52 of the Annual Report.

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

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

Securities Transactions

The Company has issued a policy on dealings in the securities of the Company and its subsidiaries to its Directors and senior executives setting out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. It has followed Rule 1207(19) of the Listing Manual which provides guidance on the principles and best practices with regard to dealings by the Company and its officers in the Company's securities. In line with the said Listing Rule, the Company Secretary issues circulars to its Directors and officers informing that the Company and its officers must not deal in listed securities of the Company one (1) month before the release of half-year and full-year results (and, if any quarterly financial statements for the 1st and 3rd financial quarter are released, within two (2) weeks before the release of such statements). Directors and executives are required to report to the Company Secretary whenever they deal in the Company's shares.

Interested Person Transactions Policy

The Company has adopted an internal policy in respect of transactions with interested persons that sets out the procedures for review and approval of the Company's interested person transactions.

The Group's interested person transactions for FY2025 are disclosed in the table below:

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

Note(s):

1. The disclosure under "Other related parties transactions" stated in Note 22 to Financial Statements on Page 134 of the Annual Report represents the total rental (excluding VAT) paid by the Company's subsidiaries, Hotung International Co., Ltd. ("HIC"), Hotung Venture Capital Corp. ("HVCC") and Daitung Development and Investment Corp. ("DDIC") to the Company's controlling shareholder, Tai Lung Capital Inc. ("Tai Lung"), for the financial year under review; while the disclosure herein pertains only to the rental paid by HIC to Tai Lung. The rental payments made by HVCC and DDIC amounting to NT\$2,104,836 and NT\$1,600,824 respectively, are excluded from this disclosure as the amounts are individually less than S\$100,000 and are therefore not subject to the disclosure requirement under Rule 907 of the Listing Manual.
2. Rental income received by Tai Lung from HIC. The value of NT\$4,020,660 refers to the total contract sum for the financial year under review.

SUSTAINABILITY REPORT

BOARD STATEMENT

Hotung Investment Holdings Limited (“HIHL”) remains committed to build a sustainable business by embedding environmental, social, and governance (“ESG”) objectives into our strategy and day-to-day operations. Under the oversight of the Board—supported by the Audit Committee, the Management, and the ESG Working Group—we continue to refine targets, track performance, and strengthen accountability across the Group. To enhance execution, we have integrated personnel from various operational and business units to form the ESG Working Group, which coordinates daily ESG activities, annual planning, and performance reviews.

For FY2025, we continue to adopt the GRI Standards as the framework for reporting sustainability topics. In line with prevailing regulations for non-STI issuers, we disclose Scope 1 and Scope 2 greenhouse-gas (“GHG”) emissions and related targets, while Scope 3 emissions will be incorporated progressively as our data systems mature. Governance details are cross-referenced to the Corporate Governance Report (“CGR”) in the Annual Report, which is made available on the same terms and at the same time as this report.

HIHL recognizes the urgency of climate action, as well as the practical challenges faced by early-stage investee companies in terms of resources and reporting capabilities. We continue to strengthen our due-diligence approach and investment processes to better evaluate ESG performance and guide capital allocation toward businesses aligned with the Group’s strategic and sustainability objectives, while minimizing potential negative impacts.

We remain committed to transparent reporting and continuous improvement. Preparations for external assurance are ongoing in accordance with regulatory timelines. The Board will continue to supervise progress against targets and ensure that climate-related and broader ESG considerations are embedded into business planning and portfolio management. We reaffirm our dedication to delivering sustainable value for our shareholders and stakeholders. The Group will also continue to progressively enhance its climate-related disclosures in line with the ISSB Standards and timelines.

ABOUT THE REPORT

2-1 Scope

The reporting scope covers the performance of the Group from 1 January 2025 to 31 December 2025 (“FY2025”). Unless stated otherwise, disclosures relate to HIHL and its subsidiaries consolidated in the Group’s financial statements. Comparative information from previous financial years is included, where relevant, to illustrate trends. As the Group’s headquarters and employees are based in Taipei, Taiwan, this report focuses on ESG aspects of our head-office operations in Taipei. Where appropriate, we also consider information from investee companies and external sources to assess the Group’s overall sustainability impacts and climate-related risks.

2-2 Reporting Framework

This Sustainability Report is prepared in accordance with the GRI Standards as our principal reporting framework, with reference to industry guidance (e.g., SASB) where decision useful. The report is issued alongside the Group’s Annual Report.

SUSTAINABILITY REPORT

Our reporting framework comprises the following components:

1. **Material ESG Factors:** We maintain the Group’s established materiality approach used in prior years, presenting outcomes in a manner consistent with the IFRS S1 concepts of connectivity and decision-usefulness.
2. **Climate-Related Disclosures under the TCFD Framework:** Reporting on climate-related risks and opportunities aligned with the TCFD recommendations. The four TCFD pillars—Governance, Strategy, Risk Management, and Metrics and Targets—are disclosed across relevant sections of this report. (A TCFD mapping is provided in the Content Index.)
3. **Policies, Practices, and Performance:** Descriptive and quantitative information relating to identified ESG factors.
4. **Targets and Time Horizons:** Short-, medium-, and long-term targets aligned with the Group’s planning cadence: short-term 2026–2028, medium-term 2029–2035, and long-term 2036–2050.
5. **Basis of Preparation and Reporting Boundary:** Unless stated otherwise, disclosures relate to HIHL and its subsidiaries consolidated in the Group’s financial statements.
6. **Board Statement and Governance:** A summary of the Board’s oversight of sustainability, supported by the Management and the ESG Working Group; detailed governance information is cross-referenced to the Annual Report.

2-3 Internal Review

All qualitative and quantitative information disclosed in this Sustainability Report has been reviewed internally by the Management and the internal audit function, and has been approved by the Board.

The Company publishes this Sustainability Report on an annual basis and monitors progress against key ESG KPIs and targets. For enquiries or suggestions regarding this report, please contact us at hihl@equity.com.tw.

SUSTAINABILITY GOVERNANCE

Transparency and accountability form the foundation of HIHL’s sustainability governance. The Group’s governance structure comprises four levels—the Board, the Audit Committee, the Management (including the Chief Sustainability Officer, CSO), and the ESG Working Group—as illustrated in the diagram below. Responsibilities for climate-related risks and opportunities are embedded across these bodies through defined mandates and reporting lines.

SUSTAINABILITY REPORT



The Board sets strategic objectives and oversees material ESG factors, including climate-related matters. It receives updates from the Management at least annually and, where appropriate, on an ad-hoc basis to ensure alignment between sustainability priorities and corporate strategy. The Audit Committee provides oversight of risk-management processes and the integrity of internal controls and disclosures. The Management is responsible for strategic planning, risk management, and financial monitoring, and for implementing governance policies and maintaining internal controls. The CSO leads the ESG Working Group, which coordinates cross-functional initiatives, stakeholder engagement, progress tracking, and timely and accurate reporting.

Information flows from operating units to the ESG Working Group and the Management, and subsequently to the Audit Committee and the Board through periodic reporting on target progress, risk assessments, stakeholder feedback, and regulatory developments. Detailed corporate governance information is presented in the CGR section of the Annual Report.

STAKEHOLDER ENGAGEMENT

The Board seeks to balance the needs and interests of key stakeholders while safeguarding the best interests of the Company. We engage with stakeholders regularly to understand their expectations and concerns, which supports continuous improvement across the Group's operations. In line with the AA1000 Accountability Principles (AA1000 AP)—Inclusivity, Materiality, Responsiveness, and Impact—and guided by the AA1000 Stakeholder Engagement Standard (AA1000 SES) for stakeholder identification (dependency, responsibility, tension, influence, and diverse perspectives), we continue to focus on four stakeholder categories most relevant to the Company's development: employees, shareholders, investee companies, and regulators. These groups are integral to our business, and we maintain open and regular communication with them through established channels. Feedback and insights are incorporated into Chapter 5 (Materiality Assessment Process) to support decision-useful actions.

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The Group’s existing investment management policies set out the processes and mechanisms for engaging with key stakeholders and investee companies. In FY2025, we maintained a regular engagement cadence and, where appropriate, complemented meetings with suitable communication channels—including email, virtual meetings, and periodic feedback exercises—to ensure that stakeholder perspectives inform target-setting, risk assessments, and disclosure priorities. We will continue to broaden the scope of engagement and refine communication channels as needed.

Key Stakeholders	Purpose and Significance	Concerns and Interests	Modes of Engagement	Frequency of Engagement
Employees	Fostering a sense of belonging to improve retention.	<ul style="list-style-type: none"> Organizational financial performance. Employee health and safety. Training and education. 	Management and department meetings to report on and update on key business information and progress.	Weekly.
			Training seminars and internal/external education programs to enhance professional skills.	On an ad-hoc basis, at least 2–3 times per year.
			Sustainability awareness communication and satisfaction surveys.	Annually.
			Performance review and evaluation.	Annually.
Shareholders	Increasing corporate value.	<ul style="list-style-type: none"> Organizational financial performance, including dividend policy. Risk management. 	Addressing shareholder questions during Annual General Meetings (AGM).	Annually.
			Announcements via the SGXNet platform.	On an ad-hoc basis.
			Providing relevant information on the Company’s website.	On an ad-hoc basis.
			Offering “Contact Us” email channel for electronic enquiries.	At any time.
Investee Companies	Directly impacting on the Group’s profitability.	<ul style="list-style-type: none"> Business ethics. Corporate governance. 	Surveys to monitor ESG efforts and outcomes.	Annually.
			Reviewing financial and annual reports to assess performance.	Quarterly and annually.
			Attending board or shareholder meetings as an observer.	Quarterly and annually.
			Monitoring business developments through on-site/remote meetings, teleconferences, and email correspondence.	On an ad-hoc basis.
			Conducting site visits.	On an ad-hoc basis.
Regulators	Directly influencing the Company’s operational strategy.	<ul style="list-style-type: none"> Compliance with policies, rules, and regulations, including sustainability reporting. Risk management. 	Ensuring compliance with relevant policies, rules, and guidelines.	At any time.
			Communication through letters, email, or teleconferences.	At any time.
			Participation in training and educational sessions.	On an ad-hoc basis.

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MATERIALITY ASSESSMENT PROCESS

In FY2025, we maintain our four-step materiality approach—Identification, Assessment, Prioritization, and Validation. The Group’s material ESG topics, determined using established frameworks, remain consistent with FY2024 and are disclosed in Chapter 6 (Disclosures on Material Topics). The methodology for determining material ESG topics is described in this chapter.

5-1 Identification

Given the absence of SGX-ST Mainboard peers with a core venture-investment model, the Group identifies material topics using established internal processes and relevant external benchmarks. We consider stakeholder perspectives, regulatory expectations, and ESG ratings, with reference to recognized frameworks—GRI, TCFD, SASB (Asset Management and Custody Activities), and the SDGs for contextual alignment.

New in FY2025, the Group adopts common definitions and time horizons—short-term (2026–2028), medium-term (2029–2035), and long-term (2036–2050)—for use in target-setting and strategy formulation. These horizons ensure that topic-level actions remain aligned with broader strategic planning, investment timelines, and operational considerations.

The outputs of this identification process feed directly into Section 5-2 (Assessment) and Section 5-3 (Prioritization). In addition, a summary of the ESG topic set identified for FY2025 is presented below.

Table 5-1. Time horizons and alignment

Horizon	Definition	Alignment with strategic planning
Short-term (2026-2028)	As a two- to three-year period.	During this period, the internal and external operating environment and the climate-related risks facing investees remain variable and uncertain. The Company therefore focuses on establishing initial elements and indicators for response, monitoring developments, and making iterative adjustments. Regular assessment and response actions are carried out.
Medium-term (2029-2035)	As around 10 years.	As external policies and large-scale market adjustments gradually advance, investees’ mitigation/adaptation capabilities increase, and investment horizons can reasonably be extended. The Company continues to evaluate potential cumulative impacts on financial performance and operations and aligns these with medium-term planning objectives.
Long-term (2036-2050)	As 15 years or more.	Reflecting global decarbonization pathways and the intensifying momentum of the climate transition before 2050, the Company may, when appropriate, adjust and rebalance the investment portfolio with long-term value-creation goals in mind, so as to address evolving market and climate-related challenges.

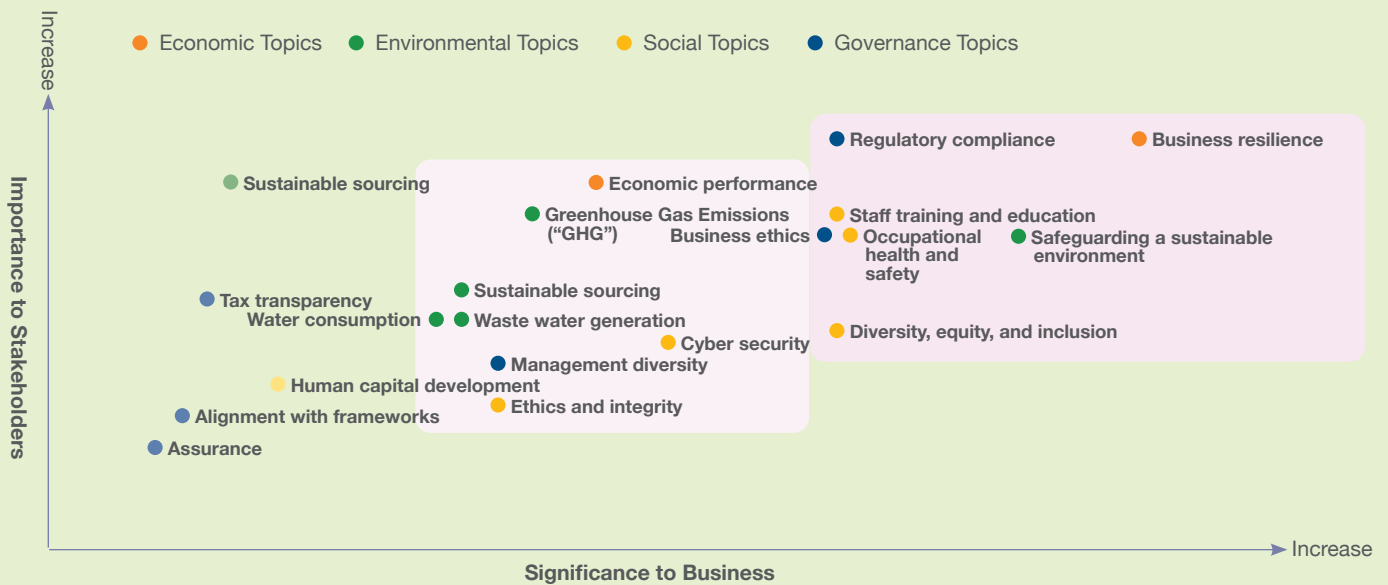
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Economy	Environment	Social (People/Human Rights)	Governance
<ul style="list-style-type: none"> Economic performance Business resilience 	<ul style="list-style-type: none"> Safeguarding a sustainable environment Sustainable sourcing Greenhouse Gas Emissions (“GHG”) Energy consumption Water consumption Waste generation 	<ul style="list-style-type: none"> Staff training and education Ethics and integrity Cyber security Diversity, equity and inclusion Occupational health and safety Human capital development 	<ul style="list-style-type: none"> Regulatory compliance Business ethics Management diversity Alignment with frameworks Assurance Tax transparency

5-2 Assessment

Based on the results, we ensure continuity with prior years by applying our established criteria—stakeholder salience, regulatory relevance, business impact, and manageability—to evaluate the significance of all identified topics to the Group and our stakeholders.

The outcomes of this assessment are reflected in the matrix and topic categories presented below.



Observation topics
<ul style="list-style-type: none"> Sustainable sourcing Tax transparency Human capital development Alignment with frameworks Assurance

Disclosure topics
<ul style="list-style-type: none"> Economic performance Greenhouse Gas Emissions (“GHG”) Energy consumption Waste generation Water consumption Cyber security Management diversity Ethics and integrity

Material topics
<ul style="list-style-type: none"> Business resilience Safeguard a sustainable environment Regulatory compliance Staff training and education Occupational health and safety Business ethics Diversity, equity, and inclusion

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5-3 Prioritization



















Building on the broader ESG evaluation, we prioritized seven continuing material ESG topics for inclusion in Chapter 6 (Disclosures on Material Topics). Medium-priority topics with narrower scopes are grouped as disclosure topics, while observation topics are maintained for ongoing trend monitoring. This approach maintains consistency with FY2024 and avoids duplication.

These seven material topics were ranked based on their impact across economic, environmental, and social dimensions. In addition, the alignment of each material topic with relevant international frameworks is presented in the table below, ensuring consistency in our sustainability efforts.

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

Material Topics	ESG Pillar	Key ESG Issues	Corresponding Reporting Standards
(1) Business resilience	Economy	<ul style="list-style-type: none"> Financial resilience Operational and technological resilience 	<ul style="list-style-type: none"> TCFD Recommendations GRI203-2 SDGs8, 9, 13
(2) Safeguarding a sustainable environment	Environment	<ul style="list-style-type: none"> Energy consumption Water consumption Waste generation 	<ul style="list-style-type: none"> TCFD Recommendations GRI302-1, 302-4, 305-1-a, 305-2-a, 306-2 SASB FN-AC-410b SDGs7, 11, 12, 13

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Material Topics	ESG Pillar	Key ESG Issues	Corresponding Reporting Standards
(3) Regulatory compliance	Governance	• Regulatory compliance	<ul style="list-style-type: none"> • GRI2 • SDGs5, 8, 10, 16    
(4) Staff training and education	Social	• Staff training and education	<ul style="list-style-type: none"> • GRI404-1 • SDGs4, 5, 8, 10    
(5) Occupational health and safety	Social	• Occupational health and safety	<ul style="list-style-type: none"> • GRI403-1 • SDGs3, 5, 8, 10    
(6) Business ethics	Governance	• Whistle-blowing policy	<ul style="list-style-type: none"> • GRI2 • SASB FN-AC-510a • SDGs8, 10, 16   
(7) Diversity, equity, and inclusion	Social	• Diversity, equity, and inclusion	<ul style="list-style-type: none"> • GRI405-1, 406-1 • SASB FN-AC-330a • SDGs5, 8, 10   

5-4 Validation

The responsible teams and owners, together with collaborating departments, continuously collect related information from stakeholders to validate the materiality assessment. In FY2025, the ESG Working Group coordinates regular reviews—at least annually, and more frequently where necessary—across all material topics, consolidates supporting evidence, and prepares updates for the Management. The Management evaluates the implications for business plans and risk management to validate the materiality.

The Board endorses the materiality results and any updates to topic boundaries or metrics. Where material changes, the rationale and methodological impacts are documented. This review cadence strengthens timeliness, oversight, and responsiveness in achieving our sustainability objectives.

DISCLOSURES ON MATERIAL TOPICS

This chapter presents the material topics identified in Chapter 5 (Materiality Assessment Process). Disclosures follow the general requirements of IFRS S1, with reference to the GRI Standards, the SASB Standards, and—where relevant—the recommendations of the TCFD.

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6-1 Business resilience

Definition

Business resilience refers to the ability to adapt to risks and disruptions while maintaining essential functions and safeguarding employees, assets, and reputation. Guided by the United Nations Sustainable Development Goals—specifically SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 13 (Climate Action)—the Group continues to strengthen risk-management practices to minimize operational instability, improve investment performance, and support sustainable growth in a dynamic environment. As a venture-capital firm, the performance of investee companies may influence outcomes; therefore, we emphasize portfolio robustness alongside the stability of internal operations.

Risk and opportunity management

Risk:

- Operational disruptions arising from rapidly changing IT environments, process interruptions, regulatory changes, and information-security threats.
- Investment and market vulnerabilities; business concentration; exit-timing constraints.

Management methods and mitigation measures:

- Investment/operation process discipline and compliance: Maintain comprehensive and structured procedures to ensure internal compliance and informed decision-making through monitoring and due diligence.
- Structured procedures for short- and long-term activities: Optimize returns and reduce risk exposure.
- Information security and continuity: Implement comprehensive information-security policies and action plans, strengthening analytics and monitoring to minimize disruptions or the impact of security incidents.
- Resource availability: Maintain access to required resources, including internal personnel coordination and external IT support arrangements, to support timely response to operational interruptions.

Opportunities for potential adaptation:

- Apply robust risk-management frameworks and investment/operation processes to reduce volatility and enhance resilience.
- Strengthen IT systems, information security, and business-continuity arrangements by enhancing operational processes to safeguard data, reduce disruption risks, and strengthen organizational resilience.
- Build stakeholder trust through transparent governance, compliance, and proactive communication.

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Additional considerations from FY2025 materiality assessment:

Based on the FY2025 materiality assessment, physical risks at investees emerged as a key consideration influencing the Group's long-term resilience. Such risks may affect investee operations through disruptions, supply-chain delays, raw-material instability, or increased repair and contingency needs. From a decision-making perspective, the Group is progressively integrating ESG considerations—including climate-related factors—into investment screening, due-diligence and post-investment monitoring. Current practices rely on internal assessments, management judgement and reference to external benchmarks and sustainability frameworks as internal capabilities continue to develop.

Ongoing ESG upskilling, cross-departmental collaboration and selective use of external advisers further support the structured inclusion of sustainability considerations into investment-decision processes.

Performance

Financial resilience:

The Group balances short-, medium- and long-term financial objectives and maintains sufficient working-capital resilience to withstand potential revenue and expense volatility. In addition to managing its own capital, the Group also monitors the performance of its companies invested. The portfolio remains diversified geographically (including Taiwan, China, the United States, Israel, and Japan), by stage (Startup, Expansion, and Mature), and by industry. Further details are provided in the Financial Risk Management section in the Notes to the Financial Statements.

Table 6-1A. Working capital and liquidity snapshot (NT\$'000)

	2025/12/31	2024/12/31	2023/12/31
Current assets (NT\$'000)	2,248,396	1,913,741	1,913,536
Current liabilities (NT\$'000)	169,646	148,400	148,857
Working capital (NT\$'000)	2,078,750	1,765,341	1,764,679
Working capital ratio	13.3	12.9	12.9

Note: The working-capital ratio equals Current assets ÷ Current liabilities.

Operational and technological resilience:

The Administration and IT teams lead company-wide information-security policies and action plans, with regular effectiveness assessments. Compliance verification is handled by designated audit personnel. The Business Continuity Plan (BCP) is reviewed regularly and adjusted as needed. As part of the Group's business-continuity and emergency-response arrangements, building fire drills were conducted once in the first half and once in the second half of the reporting year.

Table 6-1B. Significant impacts from operational disruptions (FY2023–FY2025)

	FY2025	FY2024	FY2023
Significant impact on business due to operational disruption	NIL	NIL	NIL

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Table 6-1C. Operational and IT resilience – optimization actions by year (FY2023–FY2025)

	Optimization Actions
FY2025	Optimize cloud deployment for better flexibility. (1) Leverage secured cloud storage to fulfill the smart and quick deployment. (2) Continuously enhance analytics for smart alert and early response.
FY2024	Enhance detection with smart analytics for better and early alert to decrease impact of possible disruption or security events. (1) Enhance current platform to analyze more logs with advanced patterns to prevent malicious intentions from any intrusions or attacks. (2) Review analytics results and enhance patterns to get better detections.
FY2023	Strengthen sustainability through better collaboration in mixed cloud architecture. (1) Expand internet connections to mobile ISP for better non-stop service and flexible network segmentation. (2) Enhance cloud functions of firewall to get better and efficient cyber protection. (3) Upgrade backup systems to mixed cloud for quick recovery and easy accessibility.

Targets

Short-term goals (~2028):

Maintain a prudent working-capital position and liquidity buffers to address climate-related risks as well as market fluctuations; conduct periodic reviews of cash management and operating expense discipline; monitor market and regulatory developments and adjust as appropriate; and ensure that cybersecurity management policies remain practical, effective, and responsive to evolving operational and resilience needs.

Mid-term strategy (~2035):

Establish assessment standards for investment targets and enhance financial resilience through effective investment strategies, for example, prioritizing companies with strong ESG performance. Where appropriate, the Company intends to expand its ESG-focused investment portfolio (e.g., adding at least one new ESG-focused investment approximately every five years) and demonstrate how the investment risk-management framework addresses market fluctuations and climate-related risks.

Long-term vision (~2050):

Continue integrating ESG principles into investment strategy and, where suitable, expand the ESG-focused investment portfolio by periodically adding one to two new ESG-focused investments within a three-to-five-year cycle. These efforts aim to build a balanced and resilient portfolio aligned with long-term value-creation goals and capable of addressing evolving market and climate-related challenges.

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6-2 Safeguarding a sustainable environment

Definition

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

Risk and opportunity management

Risk:

- Physical risks (portfolio): Extreme weather events may disrupt investees' operations and increase maintenance costs.
- Physical risks (internal operations): Rising temperatures may drive higher electricity usage, indirectly affecting operating performance.
- Transition risks: Energy-related policy changes (e.g., broader carbon-pricing coverage or higher unit rates) may increase investees' operating costs.

Management methods and mitigation measures:

- Educate and empower employees on environmental protection practices, integrating energy-saving and carbon-reduction awareness into daily operations.
- Incorporate ESG factors into investment evaluation to assess and manage related risks, and maintain a diversified portfolio to mitigate risks, including climate-related risks.

Opportunities for potential adaptation:

- Carbon-emission reduction and alignment with customers and business partners on sustainability can enhance financial stability and corporate reputation.
- Climate-related aspects arising from internal operations are managed within existing processes and monitored periodically as part of the Group's environmental management approach.
- Green investment (portfolio): Considering ESG factors and maintaining diversification supports financial stability and helps manage climate-related risks.
- Green procurement (internal operations): Promoting energy-saving awareness and prioritizing high-efficiency equipment supports operational continuity and cost control.

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Performance

Energy consumption:

The Group tracks Scope 1 (direct emissions from company vehicles) and Scope 2 (indirect emissions from purchased electricity). Scope 1 tracking began in FY2024, and Scope 2 emissions remain at a level broadly consistent with FY2023 and FY2024 (based on the FY2024 disclosure).

Energy intensity is a key contributor to the Group's environmental impact on daily operations. Measures implemented include replacing incandescent lights with LED fixtures, utilizing cloud solutions to reduce the IT energy load, and replacing all air-conditioning units during the Sep–Nov FY2024 renovation with higher-efficiency models. Employees are encouraged to switch off unused equipment. The Group remains committed to controlling per-employee energy use and will continue reminders and initiatives to encourage energy saving.

Table 6-2A. Energy consumption (FY2023–FY2025)

	FY2025	FY2024	FY2023
Total Scope 1 consumption (kg CO ₂ e)	8,991	7,768	–
Total Scope 2 consumption (kg CO ₂ e)	25,219	27,583	27,326
Total carbon emissions (kg CO ₂ e)	34,210	35,351	27,326
Average energy consumption per employee (kg CO ₂ e)	1,143	1,178	942

Water consumption:

Water is primarily used for cleaning, sanitation and drinking, with no significant industrial or operational use. As building management does not separately measure our water usage, specific site-level data are not available. In FY2025, average water usage was approximately 56 liters per employee per day, which is significantly below the national average of 283 liters per person per day over the past decade¹. Going forward, the Group will continue to emphasize water conservation and employee awareness and aim to maintain average water consumption per employee within ±10% of the average of the past three years.

Table 6-2B. Water consumption (FY2023–FY2025)

	FY2025	FY2024	FY2023
Total water consumption (m ³)	614	732	726
Average water consumption per employee (m ³)	21	24	24
Carbon emissions (kg CO ₂ e)	33.64	39.75	40.00

Waste generation:

The Group focuses on paper-use reduction and recycling. Initiatives include default double-sided printing on all printers, digital leave requests and approvals (introduced in Jul–Sep FY2022, respectively), and providing physical copies of the annual report and AGM appendix only upon shareholder request. Paper tracking has been in place since FY2024. In FY2025, usage remained broadly stable, with total paper expenditure of 947 dollars and average daily paper use of 0.13 pounds per employee. Going forward, we aim to keep paper consumption within ±10% of the FY2024 baseline.

¹ Source: Taiwan Water Resources Agency, Ministry of Economic Affairs (MOEA)

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Targets

Short-term goals (~2028):

In the short term, the Company will continue strengthening office energy-efficiency measures, including monitoring per-employee energy use, improving the performance of lighting, air-conditioning and IT equipment, and promoting conservation awareness—with the aim of achieving gradual reductions in total energy consumption over time. For water use, the Company seeks to maintain per-employee consumption within $\pm 10\%$ of the average of the past three years, while paper consumption is targeted to remain within $\pm 10\%$ of the FY2024 baseline. In parallel, we will continue supporting basic waste-sorting practices managed by external service providers and reinforce resource-conservation awareness through periodic reminders and internal initiatives.

Mid-term strategy (~2035):

Over the medium term, the Company seeks to standardize specifications for water-saving fixtures and replace devices as needed, strengthen paper-use controls and conduct periodic internal reviews to track performance against the control band, and enhance vendor-management requirements for document destruction and recycling services. In parallel, we will gradually upgrade office equipment and infrastructure—such as lighting systems, air-conditioning units, and IT hardware—to higher-efficiency models and formalize internal energy-consumption indicators to monitor performance relative to the three-year baseline.

Long-term vision (~2050):

Participate in environmental initiatives and cross-sector collaborations to support the climate transition while maintaining responsible resource management across office operations.

6-3 Regulatory compliance

Definition

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

Risk and opportunity management

Risk:

- Inconsistencies across jurisdictions may increase compliance costs.
- An insufficient compliance culture could result in operational errors or heightened regulatory scrutiny.
- Failure to anticipate and adapt to evolving regulations may disrupt business strategies and hinder organizational resilience.

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Management methods and mitigation measures:

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

Opportunities for potential adaptation:

- Streamlined cross-border compliance processes reduce redundancies and optimize resource allocation.
- A robust compliance framework positions the Company as a leader in regulatory adherence and supports competitive advantage.
- Demonstrating strong compliance practices helps strengthen stakeholder trust and attract responsible investors.
- Meeting diverse regulatory standards enables expansion into new markets and supports global business opportunities.

Performance

The Group maintains a robust regulatory-compliance framework to ensure adherence to applicable laws and standards across its jurisdictions (including Bermuda, BVI, Cayman, Taiwan and Singapore). Through ongoing management, evaluation mechanisms and collaboration with regulatory authorities, the Group continues to uphold high standards of transparency and accountability. Financial statements are independently audited by a certified accounting firm each year, with relevant findings reflected in regular financial reporting. Internally, the Group conducts compliance reviews across key jurisdictions to proactively identify and address regulatory risks, for example, aligning business practices with updated legal requirements and managing cross-jurisdictional complexities to streamline operations and manage compliance costs.

Table 6-3A. Legal compliance incidents by category (FY2025)

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

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Targets

Short-term goals (~2028):

Foster employees' awareness of risk management and compliance, enabling proactive risk identification and mitigation; strengthen organizational resilience; and promote a culture of accountability and informed decision-making.

Mid-term strategy (~2035):

Continue periodic reviews and updates of policies and procedures to ensure relevance and compliance across jurisdictions.

Long-term vision (~2050):

Maintain a sound compliance framework and a record free of significant regulatory violations; continue to refine mechanisms that support transparency and accountability.

6-4 Staff training and education

Definition

The Group continues to foster a culture of continuous learning and skill enhancement by providing diverse learning channels and comprehensive training programs. These resources equip employees with essential professional, communication, and management skills to address emerging challenges effectively. We also encourage employees to engage in various forms of educational development to enhance work value, explore potential, and strengthen self-identity. Aligned with SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities), we remain focused on enhancing human capital in talent selection, development, and retention.

Risk and opportunity management

Risk:

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

Management methods and mitigation measures:

- Support regular performance and development feedback through existing performance review practices and supervisor–employee communication.
- Provide training to enhance management capabilities and professional skills, supporting personal and career growth.

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- Leverage the ESG Working Group and internal communication to disseminate ESG-related knowledge and organize relevant programs so employees can integrate core concepts into daily work more efficiently, strengthening the Group’s competitive advantage in sustainable development.

Opportunities for potential adaptation:

- Training that develops new skills and efficient work habits helps the Group remain agile amid rapid change.
- Enhancing general capabilities, adaptability, and resilience better prepares the Group to navigate future challenges.

Performance

The quality of our employees remains a key competitive advantage. In a rapidly evolving business environment, the Group continues to address diverse training needs to enhance skills and adaptability. Training is provided through a variety of formats—such as seminars, in-house programs, and remote video sessions—so that employees have access to the knowledge and skills required for both personal and professional growth.

Table 6-4A. Employee training programs in FY2025

Topics of Courses	Internal/ External training	All/Partial employees
Accelerating Application Development with GitHub Copilot (Webinar)	External	Partial
ACMF-ISSB Virtual Technical Training Workshop for Regulators	External	Partial
AI Applications for Office Productivity: Practical Guide (2025)	External	Partial
AI-Driven Financial Security: Data Protection Solutions for the Future	External	Partial
Audit Platforms: Use of Investment Reports and Data	Internal	Partial
Building AI Data Analytics Skills: Excel and ChatGPT Automation Workshop	Internal	Partial
Cathay Sustainable Finance and Climate Change Summit	External	Partial
ChatGPT Applications for Workplace Productivity (Practical Workshop)	Internal	Partial
Consolidated Financial Statements: Processes, Eliminations, and Key Challenges	External	Partial
Conyers Economic Substance Requirements in the Cayman Islands, Bermuda and BVI	External	Partial
Corporate Governance and Risk Management	External	Partial
Corporate Law: Compliance Frameworks and Practical Applications	Internal	All
CYBERSEC 2025 Taiwan Cybersecurity Conference	External	Partial
ESG governance and functional processes (Part I) Webinar	External	Partial
HPE Discover More Taipei 2025	External	Partial
IFRS 13: Fair Value Measurement	External	Partial
IFRS 18: Key Changes and Implementation Overview	External	Partial
Impact of Climate Change on Financial Reporting	External	Partial
Investment Agreement Review: Process and Key Considerations	Internal	Partial

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Topics of Courses	Internal/ External training	All/Partial employees
Key Considerations in Investment Document Review and the 2018 Company Act Amendments	Internal	Partial
KPMG Knowledge-Sharing Session (Q3)	External	Partial
KPMG Knowledge-Sharing Session (Q4)	External	Partial
KPMG Online Knowledge-Sharing Session (Q2)	External	Partial
Occupational Safety and First Aid Training	External	Partial
Office Information Security Awareness Session	Internal	All
Online Filing Seminar for Corporate Income Tax (FY2024)	External	Partial
Overview of the Group's Standard Investment Agreement	Internal	Partial
Post-CFC Era: Challenges and Strategic Responses for Offshore Companies	External	Partial
Regulatory Trends for Offshore Companies: Key Considerations for Taiwanese Investors	External	Partial
Robotics: Past, Present, and Future	Internal	All
Roles and Responsibilities of Board Functional Committees	External	Partial
Sustainability E-Training for Directors	External	Partial
TCFD Implementation Workshop: Climate-Related Financial Disclosure, Pathway Planning and Financial Impact Estimation	Internal	Partial
Understanding Financial Statements for Better Decision-Making	External	Partial
Understanding Your Duties as a Director – The Key Points	External	Partial
Withholding and Non-Withholding Tax Filing Seminar (FY2025)	External	Partial

Table 6-4B. Average training hours per employee (FY2023–FY2025)

FY2025	FY2024	FY2023
15.28hr	8.48hr	9.88hr

Note: Figures are calculated based on headcount at fiscal year-end unless otherwise specified.

Table 6-4C. Retention rate of new hires (FY2023–FY2025)

FY2025	FY2024	FY2023
100.0%	87.5%	0.0%

Note: Figures are calculated based on the number of new hires retained at fiscal year-end divided by the total number of new hires during the year.

Table 6-4D. Employee turnover rate (excluding retirements) (FY2023–FY2025)

FY2025	FY2024	FY2023
6.78%	16.67%	13.33%

Note: Employee turnover rate (excluding retirements) is calculated as the number of employees leaving during the year (excluding retirements) divided by the average number of employees during the year.

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Targets

Short-term goals (~2028):

Achieve an average of 8 hours of employee training per year; support employees to better review annual performance and set goals during evaluations; strengthen onboarding to help new hires adapt to company culture and responsibilities, thereby supporting higher retention.

Mid-term strategy (~2035):

Achieve an average of 8–10 hours of training per year; provide tailored training plans or cross-department development opportunities; aim for a retention rate of 85% for new hires and reduce the turnover rate (excluding retirements) to below 16%; enhance engagement through structured career development and regular feedback.

Long-term vision (~2050):

Achieve an average of 10–12 hours of training per year and complete succession planning for management positions; target a 90% retention rate for new hires and reduce turnover (excluding retirements) to below 15%; develop a robust leadership pipeline to support organizational stability and long-term employee loyalty.

6-5 Occupational health and safety

Definition

The Group is committed to a safe, healthy and inclusive workplace and provides regular health check-ups to support employees' wellbeing. In alignment with SDG 3 (Good Health and Well-Being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities), our aim is to maintain zero occupational incidents and a supportive environment where employees can thrive without the risk of harm or inequality.

Risk and opportunity management

Risk:

- Work-related incidents or health issues could harm affected individuals, damage the Group's reputation, lower morale and lead to direct or indirect financial costs.
- Inadequate occupational health and safety may increase turnover, legal liabilities and regulatory scrutiny, affecting long-term stability and trust.

Management methods and mitigation measures:

- Provide regular health check-ups tailored to employees' age groups and maintain related support.
- Inspect, maintain and update office environment and equipment on a regular basis to ensure workplace safety for all employees.
- Maintain remote-work arrangements/policies to address situations when employees cannot access the office due to external factors or health-related issues.

SUSTAINABILITY REPORT

Opportunities for potential adaptation:

- Improved health and safety performance reduces workplace accidents and associated disruption/compensation costs.
- Effective Occupational Health and Safety (OHS) management enhances productivity, competitiveness and employee motivation; a visible commitment helps retention and attracts talent.
- A safe workplace strengthens the Group's reputation as a responsible employer and supports long-term business relationships and success.

Performance

The Group regards employees as a core asset and continues to prioritize occupational health and safety in accordance with Taiwan's Occupational Safety and Health Act and related regulations. Our health check policy ensures new employees complete a general health examination before employment; we continue to refine the scope and frequency of health checks as appropriate to better support wellbeing.

Table 6-5A. OHS Incident statistics (FY2023–FY2025)²

	FY2025	FY2024	FY2023
Lost Time Injury Frequency Rate (LTIFR)	0	0	0
Disabling Injury Frequency Rate (FR)	0	0	0
Disabling Injury Severity Rate (SR)	0	0	0
Occupational Disease Rate (ODR)	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of recordable work-related injuries	0	0	0
Total number of fatal accidents	0	0	0

Note: All indicators remained at zero in FY2023–FY2025

Targets

Short-term goals (~2028):

Complete the establishment of the Company's internal "Occupational Safety and Health Work Code" and maintain a record of zero reported occupational incidents.

² The calculation method follows the Ministry of Labor's Occupational Safety and Health Administration and GRI 403: Occupational Health and Safety statistical indicators.

Lost Time Injury Frequency Rate = (Number of work injuries/Number of hours worked)×10⁶

Disabling Injury Frequency Rate = (Total number of disabling injuries/Number of hours worked)×10⁶

Disabling Injury Severity Rate = (Total lost days from disabling injuries/Number of hours worked)×10⁶

Occupational Disease Rate = (Number of identified occupational diseases during the year/Number of hours worked)×10⁶

Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury/Number of hours worked)×10⁶

Rate of high-consequence work-related injuries (excluding fatalities) = (Number of high-consequence work-related injuries (excluding fatalities)/Number of hours worked)×10⁶

Rate of recordable work-related injuries = (Number of recordable work-related injuries/Number of hours worked)×10⁶

SUSTAINABILITY REPORT

Mid-term strategy (~2035):

Ensure each employee completes an average of 1 hour of on-the-job safety and health training annually while maintaining zero reported occupational incidents.

Long-term vision (~2050):

Ensure each employee completes an average of 2 hours of on-the-job safety and health training annually while maintaining zero reported occupational incidents.

6-6 Business ethics

Definition

Aligned with SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions), the Group seeks to operate an ethical business that contributes positively to society and sustainability. Beyond compliance, we emphasize ethical conduct, integrity, transparency and accountability across our operations.

Risk and opportunity management

Risk:

- Employee-related risks may arise from violations of the Group's Code of Conduct and related policies (e.g., bribery, fraud, corruption, misconduct), potentially affecting reputation and financial stability.
- A perceived indifference to social responsibility may deter potential investors, partners, and talent.
- Failure to uphold business ethics can lead to significant legal/defense costs and loss of stakeholder trust.

Management methods and mitigation measures:

- Demonstrate care for employees and maintain open, two-way communication; apply the whistle-blowing policy to prevent misconduct.
- Maintain an open stance toward community-related engagement, evaluating relevance and feasibility as circumstances evolve.

Opportunities for potential adaptation:

- Strong ethical guidelines help the Group navigate periods of change and uncertainty.
- Maintaining high standards of business ethics helps prevent legal disputes and related costs.
- Well-designed stakeholder and community engagement may further strengthen reputation and trust; such initiatives will be evaluated in line with compliance requirements.

SUSTAINABILITY REPORT

Performance

Whistle-blowing policy:

In FY2025, zero incidents of corruption involving employees or business partners were reported. The Group continues to uphold a zero-tolerance stance against corruption, bribery, and fraud. In FY2025, the whistle-blowing policy and procedures remain accessible through internal channels, internal audit personnel continue to monitor compliance with operational procedures and report to the Board, and ongoing enhancements to policy effectiveness are maintained. For details, please refer to the “Whistle-Blowing Policy” in the CGR section of the Annual Report.

Targets

We enlarge the target of business ethics into many aspects, including delivering code of conduct in efficient ways, embedding different engagements and training for better cohesion, and developing policy or guideline for long-standing business ethics.

Short-term goals (~2028):

Maintain a prudent, compliance-first approach by keeping the whistle-blowing channel accessible, issuing periodic communications and refresher on what the Code of Conduct related.

Mid-term strategy (~2035):

Continue to develop and implement on-demand training embedding different engagements on the Code of Conduct to reinforce business ethics awareness.

Long-term vision (~2050):

Sustain a culture of ethics and transparency embedded in governance and operations, maintain effective oversight and independent audits, and, where relevant, consider integrating Code of Conduct principles into investment and procurement-related policies to support long-term ethical standards across business activities.

6-7 Diversity, equity, and inclusion

Definition

The Group’s commitment to diversity, equity, and inclusion (DEI) aligns with SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities). At HIHL, DEI means cultivating a workplace that attracts and retains talent, supports balanced gender representation, and enables varied perspectives and innovative ideas to thrive.

Risk and opportunity management

Risk:

- Insufficient workplace diversity may create a hostile environment, increase turnover, and expose the Company to legal and defense costs (including potential D&O liability).

SUSTAINABILITY REPORT

- Gender discrimination (e.g., unequal treatment in hiring, evaluation, or promotion) may undermine engagement and morale.
- Restrictions on employees’ ability to express views or participate in collective activities may erode trust.
- Discriminatory conduct or language based on protected characteristics can harm reputation and job satisfaction.

Management methods and mitigation measures:

- Maintain fair and impartial evaluation mechanisms as the basis for compensation, bonuses and promotions; apply salary scales to assess pay levels.
- Review attendance (clock-in/out) and working hours regularly; provide support for abnormal cases.
- Implement sexual-harassment prevention policies and disciplinary actions per company rules.
- Use anonymous feedback surveys as a channel for employees to express opinions.

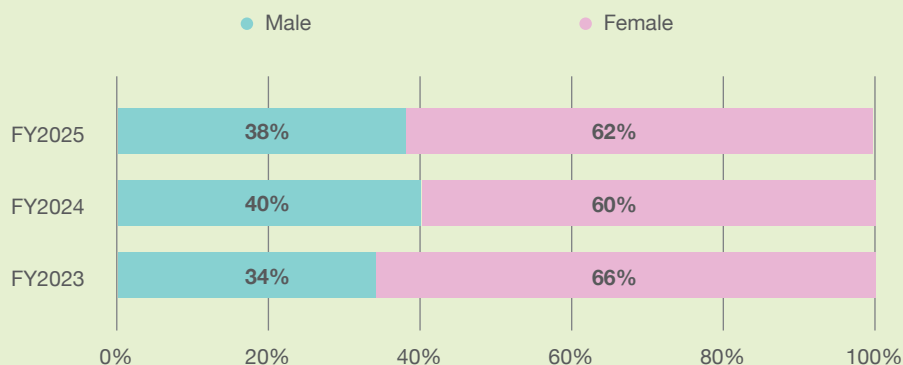
Opportunities for potential adaptation:

- Embracing diversity broadens experience and skills, supports innovation, and helps retain top talent while attracting wider candidate pools.
- A diverse, equitable and inclusive workplace strengthens reputation and stakeholder confidence.

Performance

Building and retaining talent remains a longstanding priority. As an equal-opportunity employer, the Group bases recruitment, promotion and compensation on merit, regardless of age, ethnicity, gender, marital status or disability. The Group continues to foster a fair and supportive workplace and to advance DEI initiatives in line with applicable regulations.

Table 6-7A. Current employees by gender (FY2025)



SUSTAINABILITY REPORT

Table 6-7B. Current employees by age groups (FY2025)

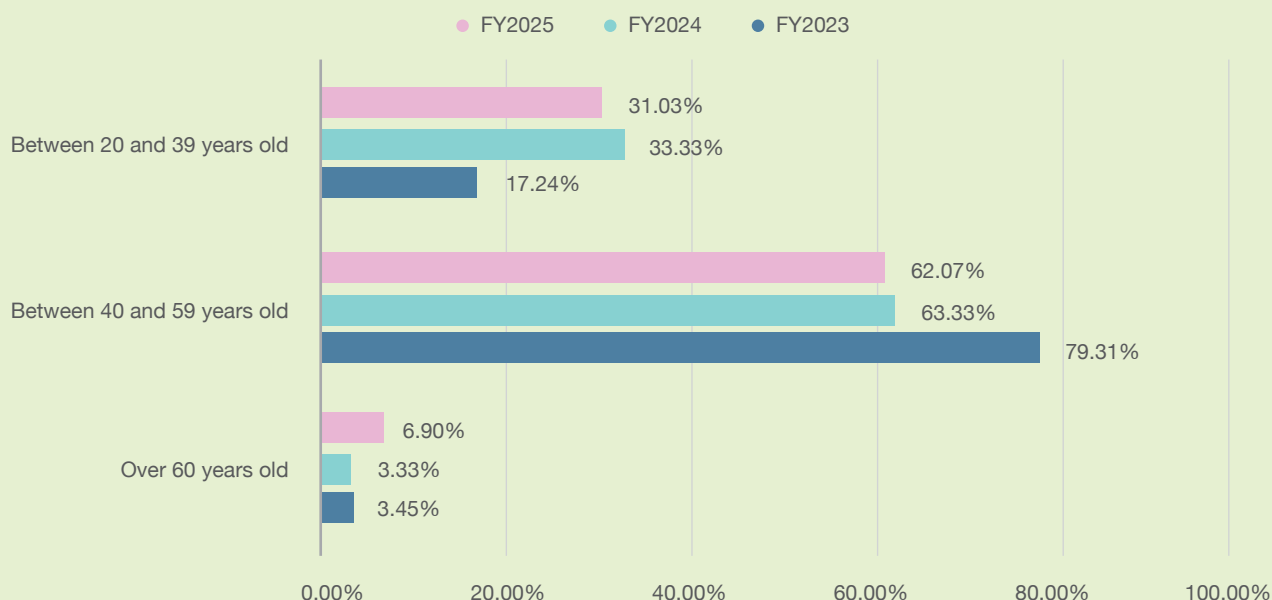


Table 6-7C. Incidents of discrimination and corrective actions taken (FY2023–FY2025)

FY2025	FY2024	FY2023
NIL	NIL	NIL

Table 6-7D. Employee anonymous survey response rate (FY2023–FY2025)

FY2025	FY2024	FY2023
86.2%	73.3%	Forms not yet established.

Table 6-7E. Employee satisfaction score (FY2023–FY2025)

FY2025	FY2024	FY2023
87.0	87.0	Forms not yet established.

Targets

Short-term goals (~2028):

Achieve an 80% response rate for feedback surveys and develop specific response measures based on results; continue to maintain zero incidents of discrimination and adhere to the Act of Gender Equality in Employment.

Mid-term strategy (~2035):

Increase the feedback-survey response rate to over 85% and establish additional grievance channels as needed.

Long-term vision (~2050):

Increase the feedback-survey response rate to over 90% and reach an employee-satisfaction score of 90.

SUSTAINABILITY REPORT

GRI STANDARDS CONTENT INDEX

Statement of use	Hotung Investment Holdings Limited has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

Reference No.	Disclosure	Location
GRI 2: General Disclosures 2021		
2-1	Organizational detail	page 49-50
2-2	Entities included in the organization's sustainability reporting	page 49, 81
2-3	Reporting period, frequency and contact point	page 49-50
2-4	Restatements of information	N.A.
2-5	External assurance	N.A.
2-6	Activities, value chain and other business relationships	N.A.
2-7	Employees	page 66, 71-72. The Group has 1 contractor who is the office cleaner as at the end of FY2025.
2-8	Workers who are not employees	
2-9	Governance structure and composition	page 24-39
2-10	Nomination and selection of the highest governance body	page 50-51
2-11	Chair of the highest governance body	page 32-33
2-12	Role of the highest governance body in overseeing the management of impacts	page 24, 49-50
2-13	Delegation of responsibility for managing impacts	page 51-56
2-14	Role of the highest governance body in sustainability reporting	page 24, 49-50
2-15	Conflicts of interest	page 27, 48
2-16	Communication of critical concerns	page 32-33
2-17	Collective knowledge of the highest governance body	page 29-31
2-18	Evaluation of the performance of the highest governance body	page 35-36
2-19	Remuneration policies	page 36-39
2-20	Process to determine remuneration	page 36-39
2-21	Annual total compensation ratio	page 134
2-22	Statement on sustainable development strategy	page 49-50
2-23	Policy commitments	page 49-51
2-24	Embedding policy commitments	page 24-75
2-25	Processes to remediate negative impacts	page 56-72
2-26	Mechanisms for seeking advice and raising concerns	page 47, 49-52

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Reference No.	Disclosure	Location
2-27	Compliance with laws and regulations	page 62-64
2-28	Membership associations	N.A.
2-29	Approach to stakeholder engagement	page 51-52
2-30	Collective bargaining agreements	page 67-72
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	page 53-56
3-2	List of material topics	page 55-56
GRI 203: Indirect economic impacts 2016		
3-3	Management of material topics	page 57-58
203-2	Significant indirect economic impacts	page 58-59
GRI 302: Energy 2016		
3-3	Management of material topics	page 60
302-1	Energy consumption within the organization	page 61
302-4	Reduction of energy consumption	page 61
GRI 305: Emissions 2016		
3-3	Management of material topics	page 60
305-1	Direct (Scope 1) GHG emissions	page 61
305-2	Energy indirect (Scope 2) GHG emissions	page 61
GRI 306: Waste 2020		
3-3	Management of material topics	page 60
306-2	Management of significant waste-related impacts	page 61
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	page 67-68
403-1	Occupational health and safety management system	page 67-68
GRI 404: Training and Education 2016		
3-3	Management of material topics	page 64-65
404-1	Average hours of training per year per employee	page 66
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	page 70-71
405-1	Diversity of governance bodies and employees	page 71-72
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	page 70-71
406-1	Incidents of discrimination and corrective actions taken	page 72

SUSTAINABILITY REPORT

TCFD CONTENT INDEX

Recommended disclosures, including supplemental guidance for financial sector.

Pillars	Recommended disclosures	Location
Governance	1. Describe the board's oversight of climate-related risks and opportunities.	page 49
	2. Describe management's role in assessing and managing climate-related risks and opportunities.	page 49-51
Strategy	3. Describe the climate-related risks and opportunities the Group has identified over the short, medium, and long term.	page 53, 60
	4. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	page 60
	5. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	page 60
Risk Management	6. Describe the organization's processes for identifying and assessing climate-related risks.	page 60
	7. Describe the organization's processes for managing climate-related risks.	page 60
	8. Describe how processes for identifying assessing and managing climate-related risks are integrated into the organization's overall risk management.	page 60
Metrics and Targets	9. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	page 60-62
	10. Disclose Scope1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks.	page 61
	11. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	page 62

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Shareholding Statistics

DIRECTORS' STATEMENT

The Directors are pleased to present their statement together with the audited consolidated financial statements of Hotung Investment Holdings Limited (“Company”) and its subsidiaries (“Group”) and the statement of financial position of the Company for the financial year ended 31 December 2025.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 86 to 137 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 2025, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors of the Company (“Board”) has, on the date of this statement, authorized these financial statements for issue.

DIRECTORS

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

Tsui-Hui Huang	(Executive) (Re-appointed on 28 April 2025)
Andy C.W. Chen	
Philip N. Pillai	
Chang-Pang Chang	
Kung-Wha Ding	(Re-appointed on 28 April 2025)
Kenichi Shimomoto	
Shih-Ping Chen	(Re-appointed on 28 April 2025)
Lan Yuan	(Re-appointed on 28 April 2025)
Hwai-Hsin Liang	
David Chong, PBM	

Pursuant to the Bye-laws of the Company (“Bye-laws”) and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“Listing Manual”), the following Directors will be retiring at the 2026 AGM:

Dr. Philip N. Pillai;
Mr. Kung-Wha Ding;
Mr. Chang-Pang Chang; and
Mr. Hwai-Hsin Liang.

Dr. Philip N. Pillai and Mr. Kung-Wha Ding have indicated their intention not to seek re-election, and will accordingly retire at the conclusion of the 2026 AGM. Mr. Chang-Pang Chang and Mr. Hwai-Hsin Liang have offered themselves for re-election at the 2026 AGM.

DIRECTORS' STATEMENT

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year was there subsisting any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors holding office at the end of the financial year had no interests in the share capital and debentures of the Company as recorded in the register of directors' shareholdings kept by the Company except as follows:

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

Note:

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

The Directors' interests as at 21 January 2026 were the same as those at the end of the financial year.

DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Service agreement

Tsui-Hui Huang, Chairman, CEO and Executive Director of the Company, entered into a service agreement ("Service Agreement") with the Company with effect from 20 June 2005. The Service Agreement was last renewed on 20 June 2023 for a period of 3 years and will be extended from 20 June 2026 for a further 3 years.

Under the terms of the Service Agreement and as approved by both the Remuneration Committee and the Board, Tsui-Hui Huang is entitled to an incentive bonus equivalent to 1.5% of the Group's audited profit after tax and non-controlling interests as set out in the audited accounts of the Group for the relevant financial year ("Incentive Bonus"). The Incentive Bonus payable to Tsui-Hui Huang amounted to NT\$3.0 million for the financial year ended 31 December 2025.

DIRECTORS' STATEMENT

Directors' fees

In addition to the above-mentioned Service Agreement, each Director receives such Directors' fees as may be approved by shareholders of the Company.

Other contracts

In the normal course of business, certain of the Company's subsidiaries entered into an office rental agreement with the controlling shareholder of the Company, Tai Lung Capital Inc. ("Tai Lung"), in which Tsui-Hui Huang has an indirect interest in.

Save for the above, no other Director has, since the end of the previous financial year, received or become entitled to receive any benefit (other than a benefit which has been included in the aggregate amount of Directors' emoluments or fees paid to a firm of which a Director is a member or any emoluments received from related corporations as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director, a firm of which the Director is a member, or a company in which the Director has a substantial financial interest.

OPTION TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

OPTION EXERCISED

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

OTHER INFORMATION REQUIRED BY THE LISTING MANUAL

(i) Material contracts

Other than as disclosed elsewhere in this annual report, no material contracts involving the interests of the CEO, any Director or controlling shareholder to which the Company or any subsidiary is a party were subsisting at the end of the financial year, or have been entered into since the end of the previous financial year.

DIRECTORS' STATEMENT

(ii) Appointment of auditors

The Company has complied with Rules 712 and 715 of the Listing Manual in relation to its auditors.

(iii) Review of the provision of non-audit services by the auditor

The Audit Committee has undertaken a review of non-audit services provided by the auditors and these services would not, in the opinion of the Audit Committee, affect the independence of the auditors.

(iv) Internal controls

The Group has established an integrated risk identification and management framework, which has already integrated climate and sustainability-related risks for better governance. Within the Group, risks are proactively identified and addressed. The responsibility for these risks lies with the respective business and corporate heads, with stewardship residing with the Board. The Board approves the framework and has oversight of compliance by Management. The Audit Committee reviews the compliance annually.

During the year, the Group, with the participation of the business and corporate heads, carried out an exercise to consolidate and review the Group's risk register, which identifies the key risks faced by the Group and the internal controls in place to manage those risks. The internal auditor was also involved in evaluating the effectiveness of current risk management and internal control systems. Material deficiencies (if any) and the consequent remedial actions were reviewed by the Audit Committee and reported to the Board. Management's corresponding remediation plans and control improvements were monitored by the internal auditor.

Based on the Company's risk identification and management framework described above, regular reviews performed by Management, and assurances from the CEO and the CFO that the risk management and internal control systems of the Group are adequate and effective, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management and internal controls are adequate and effective in addressing the financial, operational, compliance, information technology and sustainability risks faced by the Group.

The Board notes that the systems of risk management and internal controls provide reasonable, but not absolute, assurance that the Group will not be adversely affected by events that might be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

On behalf of the Directors

Tsui-Hui Huang

Director

Lan Yuan

Director

20 March 2026

INDEPENDENT AUDITORS' REPORT

Members of the Company Hotung Investment Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hotung Investment Holdings Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 86 to 137.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITORS' REPORT

Members of the Company Hotung Investment Holdings Limited

Key audit matters – Valuation of unquoted investments (NT\$3,863 million)
(Refer to Note 8 to the financial statements)

Valuation of unquoted investments

The Group's portfolio of investments comprised quoted investments of NT\$435 million and unquoted investments of NT\$3,863 million. Within the portfolio of unquoted investments, NT\$835 million were classified as Level 2 financial instruments which were valued using observable prices or inputs which reduced the extent of management judgement and estimation and thus, reduced the uncertainty associated with the determination of fair values.

The remaining portfolio of unquoted investments amounting to NT\$3,028 million comprised Level 3 financial instruments. The Level 3 financial instruments comprised mainly unquoted equity securities and fund investments which were valued based on methodologies that applied unobservable inputs, resulting in a significant degree of estimation uncertainty and management judgement in the valuation.

How the matter was addressed in our audit

For the portfolio of unquoted instruments, we assessed and evaluated the design and implementation of the controls over the preparation, review and approval of the valuations.

We also performed additional procedures over a selection of investments for each type of valuation methodology adopted by the Group. Valuation of the Group's investment in fund investments was based on the net asset values reported by the external fund managers. In assessing the reliability of using unaudited financial information provided by the fund managers, we performed a retrospective review of prior year's valuations by assessing the difference between the unaudited and audited 31 December 2024 net assets and partners' capital, where we noted the difference to be immaterial. This trend was consistent for previous financial years, also an indication of the reliability of the fund managers' valuations.

For the portfolio of investments measured using transaction prices, our procedures to evaluate the reasonableness of the valuations included industry trend and analysis of the investee performance as well as application of market multiples approach as a cross-check of the Group's valuations, where considered necessary. Our valuation specialists were involved in the market multiples approach to assess if comparable companies and multiples selected were appropriate.

Similarly, the valuation specialists were also involved in the review of investment portfolio that was valued using the market multiples approach to corroborate and challenge key assumptions and judgments within management's valuation models, specifically focusing on scrutinizing the appropriateness of comparable companies derived by management and assessing the reasonableness of the transaction multiples employed in the valuations.

Overall, the valuation estimates for the Group's portfolio of investments were within a reasonable range of outcomes as at 31 December 2025. We also noted that the Group's disclosures were appropriate.

INDEPENDENT AUDITORS' REPORT

Members of the Company Hotung Investment Holdings Limited

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Financial highlights, Chairman's statement, Board of directors, Key management, Investment managers, Investment advisors, Operating and financial review, Investment manager report, Corporate governance report, Sustainability report, Directors' statement and Shareholding statistics 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 IFRS Accounting Standards, 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 are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT

Members of the Company Hotung Investment Holdings Limited

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company Hotung Investment Holdings Limited

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

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

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

20 March 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 NT\$'000	2024 NT\$'000	2025 NT\$'000	2024 NT\$'000
Assets					
Non-current assets					
Investments in subsidiaries	7	–	–	4,401,085	4,416,773
Financial assets at fair value through profit or loss	8	4,171,769	4,675,669	–	–
Financial assets at amortised cost		6,522	6,479	–	–
Property, plant and equipment	9	23,760	26,497	–	–
		<u>4,202,051</u>	<u>4,708,645</u>	<u>4,401,085</u>	<u>4,416,773</u>
Current assets					
Financial assets at fair value through profit or loss	8	126,271	23,364	–	–
Trade and other receivables	10	20,174	13,189	2,602	1,830
Cash and cash equivalents	11	2,101,951	1,877,188	76,111	109,559
		<u>2,248,396</u>	<u>1,913,741</u>	<u>78,713</u>	<u>111,389</u>
Total assets		<u>6,450,447</u>	<u>6,622,386</u>	<u>4,479,798</u>	<u>4,528,162</u>
Equity					
Share capital	12	5,233,033	5,233,033	5,233,033	5,233,033
Share premium		1,347,887	1,347,887	1,347,887	1,347,887
Reserves	13	758,290	854,725	47,040	47,040
Accumulated losses	13	(1,352,988)	(1,306,629)	(2,176,843)	(2,128,069)
Equity attributable to owners of the Company		5,986,222	6,129,016	4,451,117	4,499,891
Non-controlling interests	14	103,290	103,828	–	–
Total equity		<u>6,089,512</u>	<u>6,232,844</u>	<u>4,451,117</u>	<u>4,499,891</u>
Non-current liabilities					
Deferred tax liabilities	16	179,635	222,596	–	–
Trade and other payables	17	11,654	18,546	–	–
		<u>191,289</u>	<u>241,142</u>	<u>–</u>	<u>–</u>
Current liabilities					
Trade and other payables	17	122,160	121,993	28,681	28,271
Income tax payables		47,486	26,407	–	–
		<u>169,646</u>	<u>148,400</u>	<u>28,681</u>	<u>28,271</u>
Total liabilities		<u>360,935</u>	<u>389,542</u>	<u>28,681</u>	<u>28,271</u>
Total equity and liabilities		<u>6,450,447</u>	<u>6,622,386</u>	<u>4,479,798</u>	<u>4,528,162</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	Group	
		2025	2024
		NT\$'000	NT\$'000
Revenue	18	444,528	431,830
Operating expenses	19	(148,094)	(149,921)
Operating profit		296,434	281,909
Finance costs	9	(242)	(322)
Profit before tax		296,192	281,587
Tax expense	20	(67,348)	(89,957)
Profit for the year		228,844	191,630
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations and others		(101,006)	170,596
Other comprehensive (losses)/income for the financial year, net of tax		(101,006)	170,596
Total comprehensive income for the financial year		127,838	362,226
Profit attributable to:			
Owners of the Company		200,050	158,188
Non-controlling interests		28,794	33,442
		228,844	191,630
Total comprehensive income for the financial year attributable to:			
Owners of the Company		99,044	328,784
Non-controlling interests		28,794	33,442
		127,838	362,226
Earnings per share (in NT\$):			
Basic	21	2.11	1.67
Diluted	21	2.11	1.67

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2025

Group	Note	Attributable to owners of the Company										Total		
		Share capital	Share premium	Contributed surplus reserve	Currency translation and other reserve	Legal reserve	Special reserve	Capital surplus – net assets from merger	Treasury share reserve	Accumulated losses	Sub-total		Non-controlling interests	
		NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000
At 1 January 2025		5,233,033	1,347,887	406,116	51,665	609,552	19,801	126,667	(359,076)	(1,306,629)	6,129,016	103,828	6,232,844	
Total comprehensive income for the year														
Profit for the year		-	-	-	-	-	-	-	-	200,050	200,050	28,794	228,844	
Exchange differences on translation of foreign operations and others		-	-	-	(101,006)	-	-	-	-	-	(101,006)	-	(101,006)	
Total other comprehensive income		-	-	-	(101,006)	-	-	-	-	-	(101,006)	-	(101,006)	
Total comprehensive income/ (losses) for the year		-	-	-	(101,006)	-	-	-	-	200,050	99,044	28,794	127,838	
Transactions with owners, recognized directly in equity Contributions by and distributions to owners														
Transfer to legal reserve of certain subsidiaries		-	-	-	-	4,571	-	-	-	(4,571)	-	-	-	
Dividends paid to shareholders of the Company	15	-	-	-	-	-	-	-	-	(241,838)	(241,838)	(29,332)	(271,170)	
Total transactions with owner		-	-	-	-	4,571	-	-	-	(246,409)	(241,838)	(29,332)	(271,170)	
At 31 December 2025		5,233,033	1,347,887	406,116	(49,341)	614,123	19,801	126,667	(359,076)	(1,352,988)	5,986,222	103,290	6,089,512	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	Group	
		2025	2024
		NT\$'000	NT\$'000
Cash flows from operating activities			
Profit after tax		228,844	191,630
Adjustments for:			
Net gains on financial assets at fair value through profit or loss		(305,138)	(301,134)
Dividend/distribution income		(144,425)	(81,560)
Depreciation expense		8,551	8,235
Finance costs		242	322
Interest income		(28,115)	(30,560)
Tax expenses		67,348	89,957
		<u>(172,693)</u>	<u>(123,110)</u>
Changes to:			
Financial assets at fair value through profit or loss		610,074	319,479
Financial assets at amortised cost		(287)	–
Trade and other receivables		(13,047)	(1,244)
Trade and other payables		(5,221)	(6,362)
Cash from operations		<u>418,826</u>	<u>188,763</u>
Interest received		28,801	42,245
Finance costs paid		(242)	(322)
Dividend/distribution income received		144,425	81,560
Tax paid		(88,903)	(18,118)
Net cash from operating activities		<u>502,907</u>	<u>294,128</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(359)	(676)
Net cash used in investing activities		<u>(359)</u>	<u>(676)</u>
Cash flows from financing activities			
Payment of lease liabilities		(7,881)	(8,008)
Dividend paid to non-controlling shareholders in subsidiaries		(27,991)	(16,793)
Dividends paid to shareholders of the Company		(241,838)	(241,838)
Purchase of treasury shares		–	(1,533)
Net cash used in financing activities		<u>(277,710)</u>	<u>(268,172)</u>
Net increase in cash and cash equivalents		224,838	25,280
Cash and cash equivalents at 1 January		1,877,188	1,817,875
Effect of exchange rate on cash and cash equivalents		(75)	34,033
Cash and cash equivalents at 31 December	11	<u>2,101,951</u>	<u>1,877,188</u>

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on 20 March 2026.

1 DOMICILE AND ACTIVITIES

Hotung Investment Holdings Limited (the “Company”) is incorporated in Bermuda with its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company is listed on the main board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is investment holding and its investment management operations are performed by its subsidiary, Hotung International Co., Ltd., which has its principal place of business at 10F, 261, Sung-Chiang Road, Taipei, Taiwan, Republic of China. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the “Group”).

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at their fair values based on the fair valuation methods as disclosed in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in New Taiwan dollars (“NT\$”), which is the Company’s functional currency. All financial information presented in New Taiwan dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

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

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in material accounting policies

New standards and amendments

The Group has applied the following IFRS Accounting Standards, amendments to and interpretations of IFRS Accounting Standards for the first time for the annual period beginning on 1 January 2025:

- Amendments to IAS 21 *Lack of exchangeability*

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

3 MATERIAL ACCOUNTING POLICIES

Except as described in Note 2.5, the accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

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

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

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

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

Any contingent consideration payable is recognized at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) *Non-controlling interests*

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

(iv) *Transactions eliminated on consolidation*

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

(v) *Subsidiaries in the separate financial statements*

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

3.2 Foreign currency

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

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

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

(ii) *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Taiwan dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to New Taiwan dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income, and presented in the currency translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

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

3.3 Financial instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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

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

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

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

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

Financial assets at amortised cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Financial assets at fair value through comprehensive income

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

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

Financial assets at fair value through profit or loss

Mandatorily at FVTPL

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

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

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

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

Associates

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Associates (cont'd)

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

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

Financial assets – Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or contractual cash flows collected); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(iii) *Derivative financial instruments*

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

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

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

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs and subsequently measured at their amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

(v) *Fair value measurement*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If the market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), comparable multiples and reference to the current fair value of other instruments that are substantially the same. The chosen valuation techniques makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Fund investments are measured at reported net asset values. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(vi) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

(vii) Offsetting

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

(viii) Impairment

Non-derivative financial assets

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

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

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

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

Simplified approach

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(viii) Impairment (cont'd)

General approach

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

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

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

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

Measurement of ECL

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

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

3.4 Property, plant and equipment

(i) Recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

The estimated useful lives are as follows:

Office equipment	3-5 years
Motor vehicles	5 years
Right-of-use assets	5 years
Leasehold improvements	10 years

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Share capital

Ordinary shares

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

Repurchase of share capital (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in contributed surplus reserve.

3.6 Revenue recognition

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

Dividend/distribution income

Dividend/distribution income is recognized in profit or loss on the date that the right to receive payment is established. For dividend income from quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date when the shareholders have approved the payment of a dividend.

Interest income

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

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

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

Consultancy fee income

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Employee benefits

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

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

3.8 Leases

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

As a lessee

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Leases (cont'd)

As a lessee (cont'd)

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 that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

Short-term leases and leases of low-value assets

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

3.9 Income tax expense

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Income tax expense (cont'd)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.10 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.12 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

4 USE OF ESTIMATES AND JUDGEMENTS

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

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

(i) *Critical accounting judgements in applying the Group's accounting policies*

Financial asset and liability classification

The Group's accounting policies provide scope for assets and liabilities to be designated at inception into different accounting categories in certain circumstances. Details of the Group's classification of financial assets and liabilities are given in Note 3.3(ii) and (iv).

(ii) *Key sources of estimation uncertainty*

Determining fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS

4 USE OF ESTIMATES AND JUDGEMENTS (CONT'D)

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

Determining fair value (cont'd)

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). This category also includes instruments valued based on the most recent financing round, provided the transaction occurred within the preceding 12 months from the reporting date.

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

Fair value hierarchy

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

	Note	Level 1	Level 2	Level 3	Total
		NT\$'000	NT\$'000	NT\$'000	NT\$'000
2025					
Investments at FVTPL	8				
Quoted equity investments – at FVTPL		435,197	–	–	435,197
Unquoted equity investments – at FVTPL		–	834,603	3,002,441	3,837,044
Associate, at fair value – at FVTPL		–	–	25,799	25,799
		<u>435,197</u>	<u>834,603</u>	<u>3,028,240</u>	<u>4,298,040</u>
2024					
Investments at FVTPL	8				
Quoted equity investments – at FVTPL		564,611	–	–	564,611
Unquoted equity investments – at FVTPL		–	756,373	3,354,355	4,110,728
Associate, at fair value – at FVTPL		–	–	23,694	23,694
		<u>564,611</u>	<u>756,373</u>	<u>3,378,049</u>	<u>4,699,033</u>

The fair value hierarchy table excludes financial assets and financial liabilities not measured at fair value if the carrying amounts is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

4 USE OF ESTIMATES AND JUDGEMENTS (CONT'D)

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

Fair value hierarchy (cont'd)

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

	Financial assets at FVTPL NT\$'000
2025	
At beginning of year	3,378,049
Total loss recognized in profit or loss	
- net loss on investments at fair value through profit or loss	(132,740)
Disposals	(231,183)
Purchases	16,684
Transfers to Level 3	
- from Level 2 ^(a)	508,263
Transfers out of Level 3	
- to Level 1 ^(b)	(58,542)
- to Level 2 ^(c)	(452,291)
At end of year	<u>3,028,240</u>
Total realized gain for the year included in profit or loss for investments held as at 31 December	208,219
Total unrealized loss for the year included in profit or loss for investments held as at 31 December	<u>(340,959)</u>
Total net loss on investments at fair value through profit or loss	<u>(132,740)</u>

NOTES TO THE FINANCIAL STATEMENTS

4 USE OF ESTIMATES AND JUDGEMENTS (CONT'D)

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

Fair value hierarchy (cont'd)

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

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

(b) Certain investments were transferred from Level 3 to Level 1 when they were listed on stock exchanges during the year.

(c) Certain investments were transferred from Level 3 to Level 2 because measurement of fair value was based on observable market data.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

NOTES TO THE FINANCIAL STATEMENTS

4 USE OF ESTIMATES AND JUDGEMENTS (CONT'D)

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

Fair value hierarchy (cont'd)

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

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market approach using comparable traded multiples	<ul style="list-style-type: none"> • Adjusted price-earnings ratio multiple* 10.6x to 30.9x (2024: 10.8x to 27.7x) • Adjusted price-book ratio multiple* 0.8x to 3.8x (2024: 1.0x to 3.9x) • Adjusted price-to-sales ratio multiple* 2.8x to 18.5x (2024: 1.4x to 13.9x) <p>* The multiples were adjusted for discount for lack of marketability 15% to 40% (2024: 10% to 40%)</p>	<ul style="list-style-type: none"> • The estimated fair value would increase if the multiples were higher or the discount for lack of marketability was lower.
Transacted prices	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable
Net asset values	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable

Sensitivity analysis

For the fair values of level 3 unquoted investments, a 5% increase/(decrease) to the discount for lack of marketability, holding other inputs constant, would have a net effect of (decreasing)/increasing equity by NT\$92,825,000 (2024: NT\$109,777,000).

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT

Overview

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

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The Board of Directors has provided the written principles for overall financial risk management and the written policies covering specific areas, such as market risk (including price risk, foreign exchange risk, interest rate risk), credit risk and liquidity risk. Such written policies are reviewed regularly and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Management takes a cautious approach towards analysing new investment opportunities and invitations to step-up capital injections into existing investments. Factors that are of pertinence include macro country and industry risks, progress and status of product development, where relevant, availability of market demands for the investee entities' products and services.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group manages the market risk by the close monitoring of the investment portfolio and regular review of the performance of each of the investment.

Currency risk

The foreign exchange risk of the Group mainly arises from its investing activities. Certain of the Group's investments originated outside the primary economic environment of the respective entities, and are denominated in currencies that are foreign to those entities. As a result, there are foreign exchange exposures arising from the periodic fair valuation process, as well as upon settlement of purchases and sales of those investments. The Group holds investments in various foreign currencies including United States dollars, Japanese yen, Singapore dollars and Chinese yuan.

The Group does not hedge its foreign currency exposure using derivative financial instruments. It manages foreign exchange risk by close monitoring of the timing of inception and settlement of the transactions.

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk (cont'd)

Exposure to currency risk

The Group's subsidiaries are subject to foreign currency risk arising from various currencies. The currencies to which the subsidiaries are exposed to significant foreign currency risks are as follows:

	USD NT\$'000	JPY NT\$'000	RMB NT\$'000	SGD NT\$'000
Group				
2025				
Investments at fair value through profit or loss	1,007,948	39,134	–	–
Trade and other receivables	15,272	–	–	238
Cash and cash equivalents	61,392	4	1,306	12,940
Trade and other payables	(7,698)	–	–	(3,668)
Net exposure	<u>1,076,914</u>	<u>39,138</u>	<u>1,306</u>	<u>9,510</u>
2024				
Investments at fair value through profit or loss	774,717	56,731	–	–
Trade and other receivables	3,322	–	–	186
Cash and cash equivalents	375,217	4	1,300	17,200
Trade and other payables	(8,166)	–	–	(3,622)
Net exposure	<u>1,145,090</u>	<u>56,735</u>	<u>1,300</u>	<u>13,764</u>
			USD NT\$'000	SGD NT\$'000
Company				
2025				
Trade and other receivables			2,364	238
Cash and cash equivalents			61,278	12,939
Trade and other payables			(7,698)	(3,668)
Net exposure			<u>55,944</u>	<u>9,509</u>
2024				
Trade and other receivables			1,644	186
Cash and cash equivalents			90,220	17,199
Trade and other payables			(8,166)	(3,622)
Net exposure			<u>83,698</u>	<u>13,763</u>

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk (cont'd)

Sensitivity analysis

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currency against the functional currency of each Group entity. 5% represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes all outstanding foreign currencies denominated monetary items. Their translation has been adjusted at the year end for a 5% change in foreign currency exchange rates.

If the relevant significant foreign currency weakens by 5% against the functional currency of each Group entity, profit or loss and other comprehensive income will fluctuate as follows**:

	Group Profit or loss NT\$'000	Company Profit or loss NT\$'000
2025		
USD	(3,448)	(2,797)
JPY	*	-
RMB	(65)	-
SGD	(476)	(475)
	<u>(476)</u>	<u>(475)</u>
2024		
USD	(18,519)	(4,185)
JPY	*	-
RMB	(65)	-
SGD	(688)	(688)
	<u>(688)</u>	<u>(688)</u>

* Less than NT\$1,000

** Excludes investments at FVTPL

A 5% strengthening of the relevant foreign currency against the functional currency of each Group entity would have resulted in an equal but opposite effect on the profit or loss and other comprehensive income, on the basis that all other variables remain constant.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year. This is attributable to volatility of foreign currency markets and fluctuations in Group and Company balances held.

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk (cont'd)

Interest rate risk

The Group's income, expenses and operating cash flows are substantially independent of changes in market interest rate as the Group does not hold interest-bearing liabilities and the interest-bearing assets are limited to the time deposits as disclosed in Note 11.

Market price risk

Market price risk, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk, which are discussed above), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Group is exposed to market price risk arising from its investments in securities. The management of the Group's market risk is monitored on a regular basis in accordance with the Group's investment objective and policies.

Exposure to market price risk

As at 31 December 2025, if market prices had been 5% higher with all other variables held constant, the increase in the fair value of financial assets at fair value through profit or loss for quoted investments and the corresponding increase in profit before tax, would be NT\$22 million (2024: NT\$28 million). If market prices had been 5% lower with all other variables held constant, the fair values would have decreased by equal amounts.

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of regular monitoring procedures. The extent of the Group's credit exposure is represented by the aggregate balance of financial assets recorded in the financial statements, grossed up for any allowances for losses and reduced by the effects of any netting arrangements with counterparties. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

Exposure to credit risk

The carrying amounts of financial assets at amortised cost, trade and other receivables and cash and cash equivalents represent the Group and the Company's respective maximum exposure to credit risk. The Group and the Company does not hold any collateral in respect of its financial assets.

The Group places surplus funds in banks with reputable financial institutions. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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

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

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. There are no external borrowings, and the current liabilities of the Group are not significant in relation to the current assets. The Group maintains a current ratio of 13.3 as at 31 December 2025 (2024: 12.9). Except for lease liabilities, the Group's financial liabilities are repayable upon demand or repayable within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount NT\$'000	Contractual cash flows NT\$'000	Cash flows	
			Within 1 year NT\$'000	More than 1 year NT\$'000
Group				
2025				
Non-derivative financial liabilities				
Trade and other payables (excluding lease liabilities)	115,267	115,267	115,267	–
Lease liabilities	18,547	18,823	7,059	11,764
	<u>133,814</u>	<u>134,090</u>	<u>122,326</u>	<u>11,764</u>
2024				
Non-derivative financial liabilities				
Trade and other payables (excluding lease liabilities)	114,539	114,539	114,539	–
Lease liabilities	26,000	26,517	7,694	18,823
	<u>140,539</u>	<u>141,056</u>	<u>122,233</u>	<u>18,823</u>
Company				
2025				
Non-derivative financial liabilities				
Trade and other payables	<u>28,681</u>	<u>28,681</u>	<u>28,681</u>	<u>–</u>
2024				
Non-derivative financial liabilities				
Trade and other payables	<u>28,271</u>	<u>28,271</u>	<u>28,271</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONT'D)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, retained earnings and non-controlling interests of the Group. There are no external borrowings within the Group entities.

The objective of the Group is to provide shareholders with above average returns over the long-term mainly through capital growth of the Group's venture capital investments. Management also invests, within stringent limits, in a portfolio of equities listed on the Taiwanese and other stock exchanges, as well as other limited risks financial instruments, with a view to maximise returns in the short to medium term. The Group does not face any externally imposed capital requirements, except that the Taiwanese subsidiaries are required by law to set aside certain percentage of their annual net profit after tax as legal reserve as further described in Note 13. Such legal requirements have been fully complied with by the Group. There were no changes in the Group's approach to capital management during the year.

6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

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

Group	Note	Mandatorily at FVTPL (non-current)	Mandatorily at FVTPL (current)	Amortised cost (non-current)	Amortised cost (current)	Total carrying amount
		NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000
2025						
Financial assets designated at fair value through profit or loss	8	4,171,769	126,271	–	–	4,298,040
Financial assets at amortised cost		–	–	6,522	–	6,522
Trade and other receivables*	10	–	–	–	16,685	16,685
Cash and cash equivalents	11	–	–	–	2,101,951	2,101,951
		<u>4,171,769</u>	<u>126,271</u>	<u>6,522</u>	<u>2,118,636</u>	<u>6,423,198</u>
Trade and other payables	17	–	–	(11,654)	(122,160)	(133,814)
2024						
Financial assets designated at fair value through profit or loss	8	4,675,669	23,364	–	–	4,699,033
Financial assets at amortised cost		–	–	6,479	–	6,479
Trade and other receivables*	10	–	–	–	5,865	5,865
Cash and cash equivalents	11	–	–	–	1,877,188	1,877,188
		<u>4,675,669</u>	<u>23,364</u>	<u>6,479</u>	<u>1,883,053</u>	<u>6,588,565</u>
Trade and other payables	17	–	–	(18,546)	(121,993)	(140,539)

* Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

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

	Note	Amortised cost (current) NT\$'000	Total carrying amount NT\$'000
		<u>NT\$'000</u>	<u>NT\$'000</u>
Company			
2025			
Cash and cash equivalents	11	76,111	76,111
Trade and other receivables*	10	–	–
		<u>76,111</u>	<u>76,111</u>
Trade and other payables	17	<u>(28,681)</u>	<u>(28,681)</u>
2024			
Cash and cash equivalents	11	109,559	109,559
Trade and other receivables*	10	–	–
		<u>109,559</u>	<u>109,559</u>
Trade and other payables	17	<u>(28,271)</u>	<u>(28,271)</u>

* Excludes prepayments

7 INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	<u>NT\$'000</u>	<u>NT\$'000</u>
Unquoted equity investments, at cost	<u>4,401,085</u>	<u>4,416,773</u>

NOTES TO THE FINANCIAL STATEMENTS

7 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of significant subsidiaries are as follows:

Name	Principal activities	Principal place of business/Country of incorporation	Ownership interest	
			2025 %	2024 %
Daitung Development and Investment Corp. ^{(a)(b)}	Invest in listed/over the counter and unlisted companies	Taiwan, Republic of China	99.99	99.99
Hotung Venture Capital Corp. ^{(a)(b)(e)}	Invest in listed/over the counter and unlisted companies	Taiwan, Republic of China	99.99	99.99
Huitung Investments (BVI) Ltd. ^{(a)(b)(f)}	Invest in listed/over the counter and unlisted companies	British Virgin Islands	100.00	100.00
Hotung Management International Ltd. ^(c)	Dormant	Cayman Islands	100.00	100.00
Hotung International Co., Ltd. ^{(a)(d)(g)}	Provision of consultancy services	Taiwan, Republic of China	41.35	41.35
Held by subsidiaries				
Horizon Consultants Co., Ltd. ^{(a)(b)}	Investment holding	Cayman Islands	100.00	100.00
Infinitude Investment Co., Ltd. ^{(a)(b)}	Invest in listed/over the counter and unlisted companies	British Virgin Islands	100.00	100.00

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

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

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

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

(e) During the year, Hotung Venture Capital Corp. (“HVCC”) declared cash dividend of NT\$303 million (2024:NT\$nil) to the Company.

(f) During the year, there is no dividend declared by Huitung Investments (BVI) Ltd. (“Huitung”). In 2024, Huitung declared cash dividend of NT\$227 million to the Company.

(g) During the year, Hotung International Co., Ltd. (“HIC”) declared cash dividend of NT\$50 million (2024: NT\$30 million) to its shareholders.

NOTES TO THE FINANCIAL STATEMENTS

8 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2025	2024
	<u>NT\$'000</u>	<u>NT\$'000</u>
Non-current		
Quoted equity investments – mandatorily at FVTPL	308,926	541,247
Unquoted equity investments – mandatorily at FVTPL	<u>3,837,044</u>	<u>4,110,728</u>
	4,145,970	4,651,975
Investment in associate – mandatorily at FVTPL ⁽¹⁾	<u>25,799</u>	<u>23,694</u>
	<u>4,171,769</u>	<u>4,675,669</u>
Current		
Quoted equity investments – mandatorily at FVTPL	<u>126,271</u>	<u>23,364</u>

(1) The investment comprises of equity interest of 29.36% (2024: 29.36%) in a privately held portfolio company that is principally engaged in e-Commerce. In accordance with the Group's accounting policies, the investment in this associate was measured at FVTPL.

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

NOTES TO THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT

	Right-of- use assets	Motor vehicles	Office equipment	Leasehold improvements	Total
	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Group					
Cost					
At 1 January 2024	40,620	990	701	–	42,311
Additions	–	–	676	–	676
Disposals	–	–	(224)	–	(224)
At 31 December 2024	40,620	990	1,153	–	42,763
Additions	428	–	73	528	1,029
Reclassification	–	–	–	5,027	5,027
Other	–	–	(108)	(134)	(242)
At 31 December 2025	41,048	990	1,118	5,421	48,577
Accumulated depreciation and impairment losses					
At 1 January 2024	6,663	891	701	–	8,255
Depreciation	8,125	99	11	–	8,235
Disposals	–	–	(224)	–	(224)
At 31 December 2024	14,788	990	488	–	16,266
Depreciation	7,927	–	124	500	8,551
At 31 December 2025	22,715	990	612	500	24,817
Carrying amounts					
At 1 January 2024	33,957	99	–	–	34,056
At 31 December 2024	25,832	–	665	–	26,497
At 31 December 2025	18,333	–	506	4,921	23,760

Property, plant and equipment includes the Group's right-of-use assets of NT\$18.3 million (2024: NT\$25.8 million) relating to NT\$18.3 million (2024: NT\$25.2 million) of leased office space and NT\$nil (2024: NT\$0.6 million) of leased transportation equipment.

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

NOTES TO THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Amounts recognized in profit or loss

	Group	
	2025	2024
	NT\$'000	NT\$'000
Leases under IFRS 16		
Finance cost - interest on lease liabilities	242	322
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	454	426

Amounts recognized in statement of cash flows

	Group	
	2025	2024
	NT'000	NT\$'000
Total cash outflow for leases	8,577	8,756

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Trade receivables	13,175	668	-	-
Interest receivable	1,900	2,608	-	-
Other receivables	1,610	2,589	-	-
Prepayments	3,489	7,324	2,602	1,830
	20,174	13,189	2,602	1,830

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

NOTES TO THE FINANCIAL STATEMENTS

11 CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Time deposits	1,966,507	1,487,745	–	–
Cash and bank balances	135,444	389,443	76,111	109,559
Cash and cash equivalents	<u>2,101,951</u>	<u>1,877,188</u>	<u>76,111</u>	<u>109,559</u>

The time deposits bear effective interest at rates ranging from 0.715% to 3.29% (2024: 0.71% to 4.4%) per annum at the reporting date. The time deposits mature on varying dates within 12 months (2024: 12 months) from the reporting date.

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

12 SHARE CAPITAL

	Group and Company			
	2025	2024	2025	2024
	Number of ordinary shares, including treasury shares		NT\$'000	NT\$'000
	'000	'000	NT\$'000	NT\$'000
Authorized	<u>200,000</u>	<u>200,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid:				
At the beginning and end of the year	<u>104,661</u>	<u>104,661</u>	<u>5,233,033</u>	<u>5,233,033</u>

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

13 RESERVES AND ACCUMULATED LOSSES

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

	Group		Company	
	2025	2024	2025	2024
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Reserves				
Contributed surplus reserve	406,116	406,116	406,116	406,116
Currency translation and other reserve	(49,341)	51,665	–	–
Legal reserve	614,123	609,552	–	–
Special reserve	19,801	19,801	–	–
Capital surplus – net assets from merger	126,667	126,667	–	–
Treasury share reserve	(359,076)	(359,076)	(359,076)	(359,076)
	<u>758,290</u>	<u>854,725</u>	<u>47,040</u>	<u>47,040</u>
Accumulated losses	<u>(1,352,988)</u>	<u>(1,306,629)</u>	<u>(2,176,843)</u>	<u>(2,128,069)</u>

Contributed surplus reserve

Contributed surplus reserve represents the difference between the purchase price and par value of shares bought back before 2012. Under existing Bermuda law, distributions can be made out of this reserve as long as certain solvency and capital requirements are fulfilled.

Currency translation and other reserve

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

Legal and special reserve

Subsidiaries incorporated in Taiwan, Republic of China, are required by Companies Act in Taiwan to set aside a certain percentage of their annual net profit after tax less prior years' losses, if any, as legal reserve until the accumulated reserve has reached an amount equal to the subsidiary's paid-up capital. In addition, the Articles of those subsidiaries provide that separate amounts shall be set aside as special reserve. These reserves can be used to offset accumulated losses. The legal reserve may be transferred to capital or distributed in cash when they have reached a level equivalent to a certain percentage of the subsidiary's paid-up capital. The special reserve may be used in any manner subject to proposal by the respective Board and approval by the shareholders in a general meeting.

NOTES TO THE FINANCIAL STATEMENTS

13 RESERVES AND ACCUMULATED LOSSES (CONT'D)

Capital surplus – net assets from merger

In 2008, a merger was effected within the Group for three of the Company's subsidiaries, being Litung Venture Capital Corp., Hotung Venture Capital Corp. and Futung Venture Capital Corp. The legal reserve that pertained to the two entities that were wound up pursuant to the merger were transferred to the "Capital surplus - net assets from merger" account. This balance can be converted into capital of the merged subsidiary upon approval by its shareholders, provided the subsidiary is in an accumulated profit position. Unlike legal reserve, there is no limit to the amount of capital surplus that can be converted into share capital.

Treasury share reserve

During the year 31 December 2025, there is no share purchased by way of market acquisition. Pursuant to the general mandate obtained in the Annual General Meeting held on 23 April 2024 and 17 April 2023, the number of shares purchased by way of market acquisition during 2024 was 40,900, for an aggregated consideration of NT\$1,533,000. Pursuant to the Bye-laws of the Company, the shares purchased are treated as treasury shares.

As at 31 December 2025, the total number of shares that remain in issuance excluding treasury shares amounted to 94,838,282 (2024: 94,838,282).

Accumulated losses

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

14 NON-CONTROLLING INTERESTS

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

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

NOTES TO THE FINANCIAL STATEMENTS

14 NON-CONTROLLING INTERESTS (CONT'D)

	HIC	
	2025	2024
	NT\$'000	NT\$'000
Percentage shareholdings by non-controlling interests	58.65%	58.65%
Revenue	153,046	153,067
Profit	49,079	57,004
Other comprehensive income	-	-
Total comprehensive income	<u>49,079</u>	<u>57,004</u>
Attributable to NCI:		
- Profit	28,783	33,431
- Other comprehensive income	-	-
Total comprehensive income	28,783	33,431
Non-current assets	14,594	13,895
Current assets	257,142	265,768
Non-current liabilities	(5,827)	(9,273)
Current liabilities	(90,409)	(93,971)
Net assets	<u>175,500</u>	<u>176,419</u>
Net assets attributable to NCI	<u>102,931</u>	<u>103,470</u>
Cash flows from operating activities	36,679	20,075
Cash flows used in investing activities	(269)	(676)
Cash flows used in financing activities	(53,132)	(33,833)
Net decrease in cash and cash equivalents	<u>(16,722)</u>	<u>(14,434)</u>

NOTES TO THE FINANCIAL STATEMENTS

15 DIVIDENDS

	Group and Company	
	2025	2024
	NT\$'000	NT\$'000
<i>Ordinary dividends paid</i>		
NT\$2.55 per ordinary share (2024: NT\$2.55)	<u>241,838</u>	<u>241,838</u>

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	
	2025	2024
	NT\$'000	NT\$'000
NT\$2.55 per ordinary share (2024: NT\$2.55)	<u>241,838</u>	<u>241,838</u>

NOTES TO THE FINANCIAL STATEMENTS

16 DEFERRED TAX LIABILITIES

	Group	
	2025	2024
	NT\$'000	NT\$'000
Deferred tax liability of which:		
- Investments at fair value through profit or loss	75,176	77,211
- Withholding tax associated with undistributed earnings	104,459	145,385
	<u>179,635</u>	<u>222,596</u>

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

	Balance as at 1 January 2024	Recognized in profit or loss	Balance as at 31 December 2024 and 1 January 2025	Recognized in profit or loss	Balance as at 31 December 2025
	NT\$'000	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Investments at fair value through profit or loss	51,800	25,411	77,211	(2,035)	75,176
Withholding tax associated with undistributed earnings	103,934	41,451	145,385	(40,926)	104,459
	<u>155,734</u>	<u>66,862</u>	<u>222,596</u>	<u>(42,961)</u>	<u>179,635</u>

NOTES TO THE FINANCIAL STATEMENTS

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Non-current				
Lease liabilities	11,654	18,546	–	–
Current				
Lease liabilities	6,893	7,454	–	–
Accrued expenses	115,267	114,539	28,681	28,271
	122,160	121,993	28,681	28,271

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

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

	Group	
	2025	2024
	NT'000	NT'000
Balance as at 1 January	26,000	34,008
Changes from operating cash flows:		
Finance costs paid	(242)	(322)
Changes from financing cash flows:		
Payment of lease liabilities	(7,881)	(8,008)
Other changes		
Finance costs	242	322
Acquisition	428	–
Balance as at 31 December	18,547	26,000

NOTES TO THE FINANCIAL STATEMENTS

18 REVENUE

	Group	
	2025	2024
	NT\$'000	NT\$'000
Interest income	28,115	30,560
Dividend/distribution income	144,425	81,560
Net gains on financial assets at fair value through profit or loss	305,138	301,134
Foreign exchange (losses)/gains	(34,332)	16,468
Others	1,182	2,108
	444,528	431,830

19 OPERATING EXPENSES

	Group	
	2025	2024
	NT\$'000	NT\$'000
Staff cost	88,026	94,053
Audit fees		
- auditors of the Company and other firms affiliated with KPMG International Limited	5,935	5,898
Non-audit fees		
- auditors of the Company and other firms affiliated with KPMG International Limited	570	570
- other accounting firms	1,100	-
Operating lease expense	454	426
Other administrative expenses	52,009	48,974
	148,094	149,921

NOTES TO THE FINANCIAL STATEMENTS

20 TAX EXPENSE

	Group	
	2025 NT\$'000	2024 NT\$'000
Current tax expense		
Current year	110,308	23,095
Adjustment for prior years	1	–
	110,309	23,095
Deferred tax expense		
Origination and (Reversal) of temporary difference	(42,961)	66,862
	67,348	89,957
Reconciliation of effective tax rate		
Profit before tax	296,192	281,587
Tax at the statutory rate of respective jurisdictions	55,207	75,401
Difference in tax rates applicable to capital gains on securities	14,693	2,441
Change in unrecognized temporary differences	(42,961)	66,862
Non-taxable income	(32,754)	(64,825)
Non-deductible expenses	4,175	3,073
Deductible losses from investees	–	(12,343)
Adjustment for prior years	1	–
Utilisation of previously unrecognised tax losses	(2,119)	–
Current year losses for which no deferred tax asset was recognized	–	6,514
Tax on undistributed profits of subsidiaries	4,240	10,251
Foreign investors' withholding tax	66,866	2,583
	67,348	89,957

The Company and certain subsidiaries of the Group are domiciled in jurisdictions where no statutory tax is imposed. Other subsidiaries of the Group are domiciled in Taiwan and subject to Taiwan tax regulations, where the statutory tax rate is 20% (2024: 20%).

Subsidiaries: deductible losses

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

NOTES TO THE FINANCIAL STATEMENTS

20 TAX EXPENSE (CONT'D)

Subsidiaries: capital gains tax

The Taiwan subsidiaries are also subject to capital gains tax, computed as the higher of 20% on adjusted capital gains arising from the sales of non-Taiwanese securities, or 12% on adjusted capital gains arising from the sales of Taiwanese and non-Taiwanese securities, whichever is higher.

Subsidiaries: withholding tax

Dividends paid by Taiwanese companies are subjected to foreign investors' withholding tax of 21% (2024: 21%). At the end of the reporting period, the aggregate amount of undistributed earnings of the Taiwanese subsidiaries (without making a distinction between pre-acquisition and post-acquisition earnings) is NT\$3,440 million (2024: NT\$3,555 million). As the Company was able to control the timing and amount of distributions, withholding tax for the year was determined on the amount of current year distributions to be made by the subsidiaries. As at the reporting date, the withholding tax that would be incurred should all the earnings be distributed was estimated to be NT\$722 million (2024: NT\$747 million).

Unrecognized deferred tax assets

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

	Group			
	Gross amount	Tax effect	Gross amount	Tax effect
	2025	2025	2024	2024
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
Tax losses	485,712	97,142	496,428	99,286

NOTES TO THE FINANCIAL STATEMENTS

20 TAX EXPENSE (CONT'D)

Unrecognized deferred tax assets (cont'd)

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

	Group	
	2025	2024
	NT\$'000	NT\$'000
2026	189,219	199,814
2027	68,670	68,670
2028	44,242	44,242
2029	108,896	108,896
2030	22,458	22,458
2032	1,739	1,739
2033	18,041	18,041
2034	32,447	32,568
	<u>485,712</u>	<u>496,428</u>

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

21 EARNINGS PER SHARE

For the financial year ended 31 December 2025, basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company of NT\$200,050,000 (2024: NT\$158,188,000) by the weighted average number of ordinary shares outstanding of 94,838,282 (2024: 94,838,282).

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

	Group	
	2025	2024
	'000	'000
Issued ordinary shares at beginning of the year	94,838	94,879
Effect of repurchase of shares	–	(35)
Weighted average number of shares at end of the year	<u>94,838</u>	<u>94,844</u>

Diluted earnings per share is the same as basic earnings per share as there were no dilutive financial instruments issued during the year or outstanding as at the end of financial year.

NOTES TO THE FINANCIAL STATEMENTS

22 RELATED PARTIES

In addition to the related parties information shown elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year:

Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group	
	2025	2024
	NT\$'000	NT\$'000
Directors' fees	9,420	9,823
Incentive bonus to director	3,046	2,409
Remuneration and other short term employee benefits	34,985	33,141
	<u>47,451</u>	<u>45,373</u>

The directors' fees and incentive bonus paid or payable to the directors represent the total compensation (all short-term) paid to the directors. There is no other compensation paid or payable to the directors.

One executive director of the Company entered into a service agreement with the Company whereby she is entitled, in aggregate, to an incentive bonus equivalent to 1.5% (2024:1.5%) of the Group's audited profit after tax and non-controlling interests. This amounted to NT\$3.0 million (2024: NT\$2.4 million) for the year.

Other related parties transactions

	Group	
	2025	2024
	NT\$'000	NT\$'000
Rental expenses to a corporate shareholder in which directors have interests	300	300
Lease liabilities paid to a corporate shareholder in which directors have interests	6,818	6,746
Finance cost in relation to lease liabilities paid to a corporate shareholder in which directors have interests	240	313
	<u>7,358</u>	<u>7,359</u>

NOTES TO THE FINANCIAL STATEMENTS

23 OPERATING SEGMENTS

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

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

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

	Investments	Fund Management	Eliminations	Consolidated
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
2025				
Revenue				
External revenue	449,656	(5,128)	–	444,528
Inter-segmental revenue	–	158,174	(158,174)	–
Total revenue	<u>449,656</u>	<u>153,046</u>	<u>(158,174)</u>	<u>444,528</u>
Interest income	25,046	3,069	–	28,115
Depreciation	(3,437)	(5,114)	–	(8,551)
Finance costs	(120)	(122)	–	(242)
Profit before tax	234,177	62,015	–	296,192
Tax expenses	(54,412)	(12,936)	–	(67,348)
Profit after tax but before non-controlling interests	179,765	49,079	–	228,844
Non-controlling interests	(11)	(28,783)	–	(28,794)
Profit attributable to owners of the Company	<u>179,754</u>	<u>20,296</u>	<u>–</u>	<u>200,050</u>

NOTES TO THE FINANCIAL STATEMENTS

23 OPERATING SEGMENTS (CONT'D)

	Investments	Fund Management	Eliminations	Consolidated
	NT\$'000	NT\$'000	NT\$'000	NT\$'000
2025				
Other information				
Segment assets	6,232,220	271,736	(53,509)	6,450,447
Segment assets includes:				
Additions to				
- Property, plant and equipment	-	601	-	601
- Right-of-use assets	-	428	-	428
Segment liabilities	98,894	88,429	(53,509)	133,814
Current income tax liability	39,679	7,807	-	47,486
Deferred tax liability	179,635	-	-	179,635
Total liabilities	318,208	96,236	(53,509)	360,935
2024				
Revenue				
External revenue	423,607	8,223	-	431,830
Inter-segmental revenue	-	144,844	(144,844)	-
Total revenue	423,607	153,067	(144,844)	431,830
Interest income	26,541	4,019	-	30,560
Depreciation	(3,438)	(4,797)	-	(8,235)
Finance costs	(156)	(166)	-	(322)
Profit before tax	214,670	66,917	-	281,587
Tax expenses	(80,044)	(9,913)	-	(89,957)
Profit after tax but before non-controlling interests	134,626	57,004	-	191,630
Non-controlling interests	(11)	(33,431)	-	(33,442)
Profit attributable to owners of the Company	134,615	23,573	-	158,188
Other information				
Segment assets	6,382,118	279,663	(39,395)	6,622,386
Segment assets includes:				
Additions to property, plant and equipment	-	676	-	676
Segment liabilities	83,543	96,391	(39,395)	140,539
Current income tax liability	19,554	6,853	-	26,407
Deferred tax liability	222,596	-	-	222,596
Total liabilities	325,693	103,244	(39,395)	389,542

NOTES TO THE FINANCIAL STATEMENTS

23 OPERATING SEGMENTS (CONT'D)

Geographical information

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

	Revenue	
	2025	2024
	NT\$'000	NT\$'000
Taiwan	173,900	440,062
China	1,633	35,103
Israel	40,862	(20,594)
United States and United Kingdom	217,507	(14,014)
Other countries	10,626	(8,727)
	<u>444,528</u>	<u>431,830</u>

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

	Investments at fair value through profit or loss	
	2025	2024
	NT\$'000	NT\$'000
Taiwan	1,871,532	2,237,467
China	940,061	1,083,042
Israel	909,753	998,457
United States	317,550	323,337
Other countries	259,144	56,730
	<u>4,298,040</u>	<u>4,699,033</u>

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

24 COMMITMENTS

The Group has uncalled capital commitments of NT\$85 million (2024: NT\$2 million) for the capital contribution in certain investments as at the end of the reporting period.

SHAREHOLDING STATISTICS

as at 11 March 2026

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

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	35	0.39	1,450	0.00
100 - 1,000	5,871	65.03	2,590,452	2.47
1,001 - 10,000	2,468	27.34	9,333,544	8.92
10,001 - 1,000,000	642	7.11	32,287,548	30.85
1,000,001 and above	12	0.13	60,447,668	57.76
	9,028	100.00	104,660,662	100.00

Shareholding Held in Hands of Public

Based on information available to the Company as at 11 March 2026, approximately 65.34% of the issued ordinary shares of the Company (excluding treasury shares) is held by the public and therefore Rule 723 of the Listing Manual is complied with.

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	TAI LUNG CAPITAL INC.	17,415,100	18.36
2	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	8,364,132	8.82
3	PHILLIP SECURITIES PTE LTD	8,119,269	8.56
4	DBS NOMINEES (PRIVATE) LIMITED	4,642,930	4.90
5	KGI SECURITIES (SINGAPORE) PTE. LTD.	2,377,390	2.51
6	CHUNG LUNG INVESTMENT CO., LTD.	1,894,477	2.00
7	CITIBANK NOMINEES SINGAPORE PTE LTD	1,626,833	1.72
8	LEW WING KIT	1,438,200	1.52
9	DB NOMINEES (SINGAPORE) PTE LTD	1,368,585	1.44
10	HSBC (SINGAPORE) NOMINEES PTE LTD	1,192,041	1.26
11	UOB KAY HIAN PRIVATE LIMITED	1,176,230	1.24
12	SOLOMON WONG SENG LOONG (SOLOMON WANG CHENGLONG)	1,010,101	1.07
13	LIM WAH TONG	750,000	0.79
14	LIU ZOU-HSIN	678,000	0.71
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	582,100	0.61
16	RAFFLES NOMINEES (PTE.) LIMITED	570,634	0.60
17	KIM SOO KOONG	521,000	0.55
18	JEN SHEK CHUEN	500,000	0.53
19	OCBC SECURITIES PRIVATE LIMITED	475,800	0.50
20	LIM NGEE HENG MAURICE	446,050	0.47
		55,148,872	58.16

* The percentage of issued ordinary shares is calculated based on the total number of 94,838,282 issued ordinary shares of the Company (excluding treasury shares) as at 11 March 2026.

SHAREHOLDING STATISTICS

as at 11 March 2026

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholder

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

Notes:

- (1) This represents the interests of Substantial Shareholders based on on-market trades conducted up to 9 March 2026 (where applicable), on account of the fact that trades on the Singapore Exchange Securities Trading Limited are settled on a “T+2” settlement cycle, that is, an acquisition or sale of shares on day T will be settled at T plus two (2) market days later, i.e. 11 March 2026.
- (2) Tai Lung Capital Inc. has a deemed interest in 1,894,477 shares held by Chung Lung Investment Co., Ltd.
- (3) The 6,025,255 shares held by Mega International Commercial Bank Co., Ltd. are registered in the name of Phillip Securities Pte Ltd.
- (4) The 5,275,513 shares held by Daiwa Corporate Investment Co., Ltd. are registered in the name of Daiwa Capital Markets Singapore Limited.
- (5) Tsui-Hui Huang has deemed interests in the following: (i) 17,415,100 shares held by Tai Lung Capital Inc.; (ii) 1,894,477 shares held by Chung Lung Investment Co., Ltd.; (iii) 1,339,785 shares held by Alps International Co., Ltd., which are registered in the name of DB Nominees (Singapore) Pte Ltd.; and (iv) 916,750 shares registered in the name of Daiwa Capital Markets Singapore Limited.
- (6) Cheng-Wang Huang has deemed interests in the following: (i) 17,415,100 shares held by Tai Lung Capital Inc.; and (ii) 1,894,477 shares held by Chung Lung Investment Co., Ltd.

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CORPORATE INFORMATION

HONORARY CHAIRMAN

Cheng-Wang Huang

BOARD OF DIRECTORS

Tsui-Hui Huang (Chairman)

Andy C.W. Chen

Philip N. Pillai

Chang-Pang Chang

Kung-Wha Ding

Kenichi Shimomoto

Shih-Ping Chen

Lan Yuan

Hwai-Hsin Liang

David Chong, PBM

AUDIT COMMITTEE

Lan Yuan (Chairman)

Philip N. Pillai

David Chong, PBM

REMUNERATION COMMITTEE

Kung-Wha Ding (Chairman)

Chang-Pang Chang

Shih-Ping Chen

NOMINATING COMMITTEE

Kung-Wha Ding (Chairman)

Tsui-Hui Huang

Lan Yuan

COMPANY SECRETARY

Hsin-Chieh Chung

Yu-Chieh Chen (Joint Company Secretary)

AUDITORS

KPMG LLP

Public Accountants and Chartered Accountants

12 Marina View #15-01

Asia Square Tower 2

Singapore 018961

Partner in charge

Hong Cho Hor Ian

(appointed from the financial year ended
31 December 2023)

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CONYERS CORPORATE SERVICES

(BERMUDA) LIMITED

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2 Church Street

Hamilton HM11

Bermuda

SINGAPORE SHARE TRANSFER AGENT

BOARDROOM CORPORATE

& ADVISORY SERVICES PTE. LTD.

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和通集團
HOTUNG GROUP

HOTUNG INVESTMENT HOLDINGS LIMITED