



和泰集團

和潤企業

TWSE Code 6592



HOTAI FINANCE CO., LTD.

Investor Conference

November 23rd, 2023

Agenda

Company Overview

Operation Performance

ESG Performance

Appendix and Q&A



Company Overview

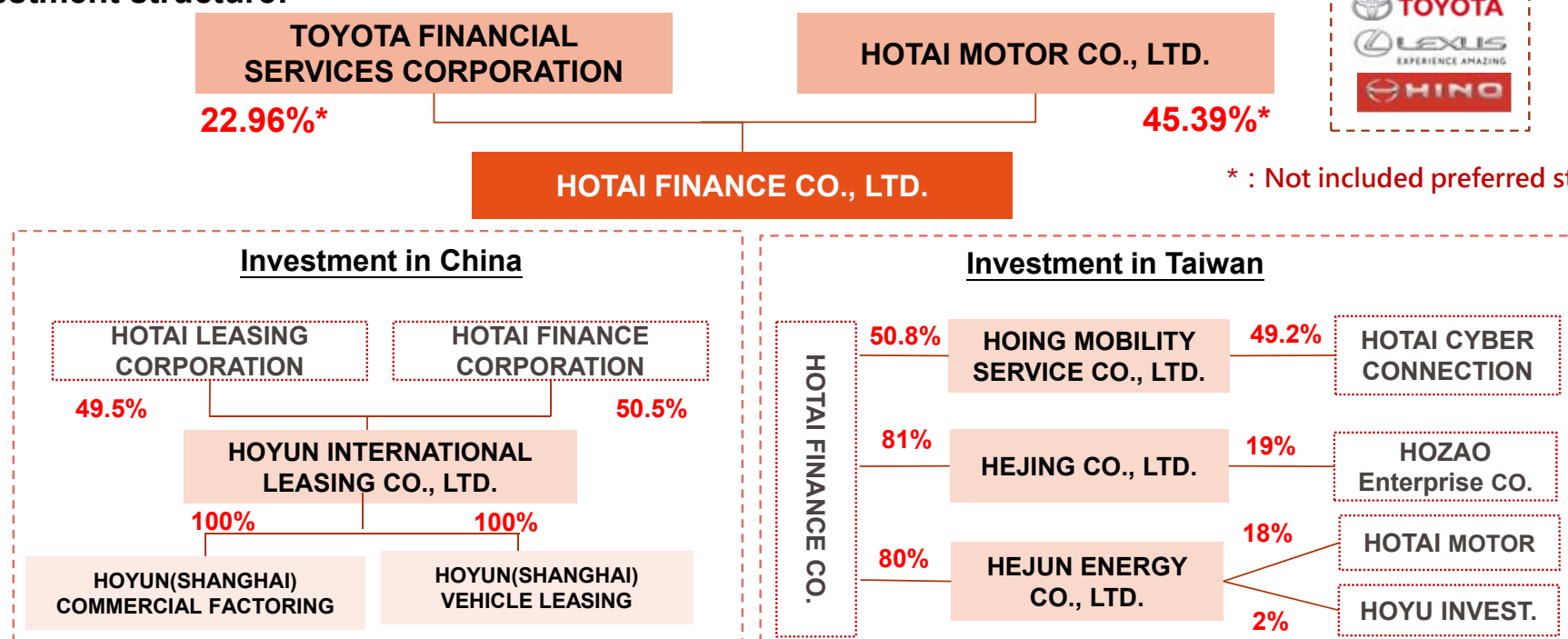
Company Overview

- Established on May 25th, 1999
- Listing date on December 9th, 2019
- Paid-in capital: NT\$ 6.665 billion
- Chairman: Mr. Yuan-San Liu
- President: Mr. Tony Y.L. Lin
- Headcount: 2,990 including subsidiaries
- Group investment structure:



和潤企業

(As of Sep. 2023)



* : Not included preferred stock

Company Overview



和潤企業

Taiwan

HFC

- New car/ Used car installment
- Motorcycle & scooter installment
- Medical / Construction equipment
- Machine tool (CNC) equipment



HOING MOBILITY

- Vehicle & motorcycle rental service
- Limousine service
- Parking lot

i Rent

HEJING

- Truck & bus installment
- Corporation financing



HEJUN ENERGY

- Solar energy
- Energy Storage
- Charging station



China

HOYUN INTERNATIONAL LEASING / COMMERCIAL FACTORING / VEHICLE LEASING

- Vehicle financial leasing / rental
- CNC and medical equipment leasing
- Solar energy, energy-saving, and electricity storage equipment leasing
- Commercial Factoring



HFC is to be affirmed by both domestic and international credit rating agencies

Domestic : TRC

- Long-term : twAA-
- Short-term : twA-1+
- Rating outlooks : Stable

Maintained outstanding corporate credit ratings since 2007

International : S&P Global Ratings

- Long-term : BBB
- Short-term : A-2
- Rating outlooks : Stable

First applied in 2020
Maintained the credit ratings since 2021

Strong funding ability to support the operational growth

	Credit Line	Usage Amount	Usage Rate
Funding outlook	353.6 B	251.1 B	71%

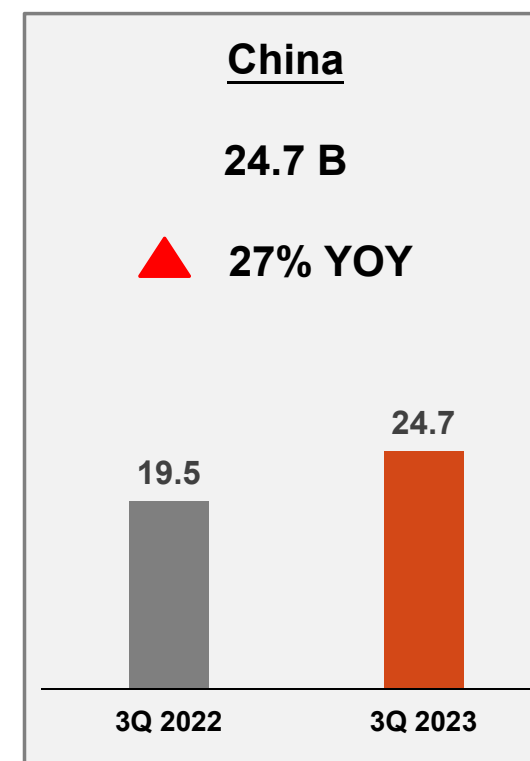
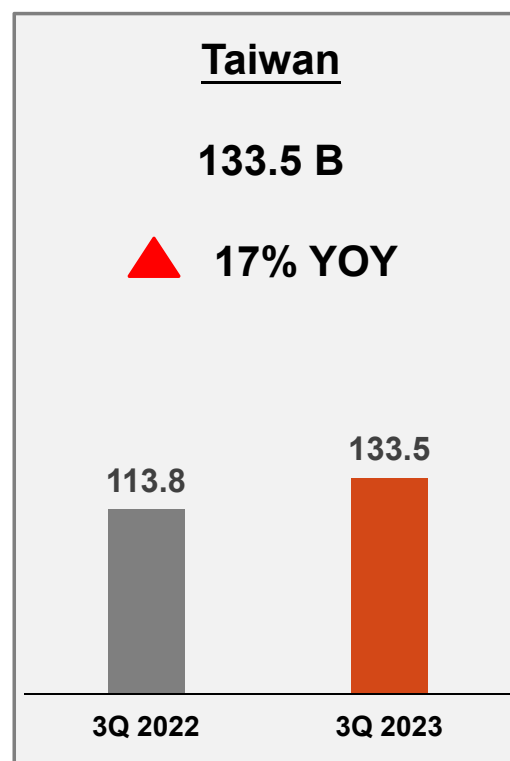
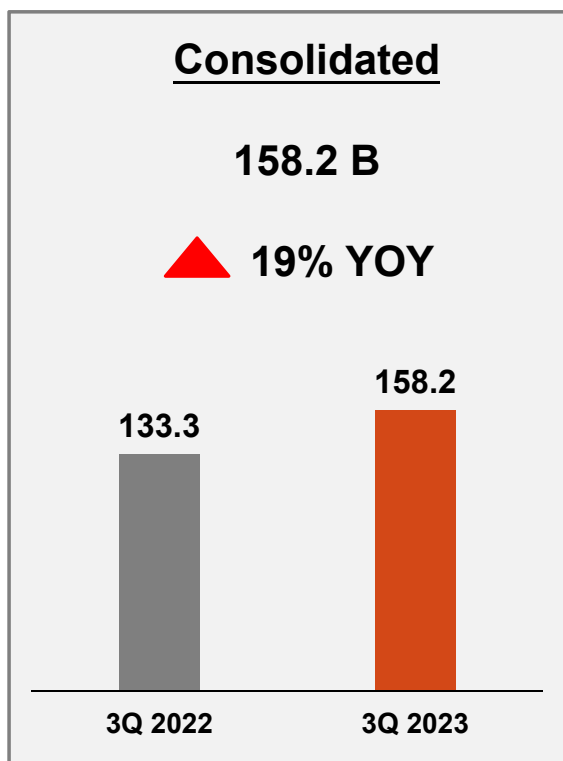


Operation Performance

Operation Performance Highlights

- 3Q'23 consolidated finance amount reached an **increase of 19%** comparing 3Q'22

Unit : NT billion

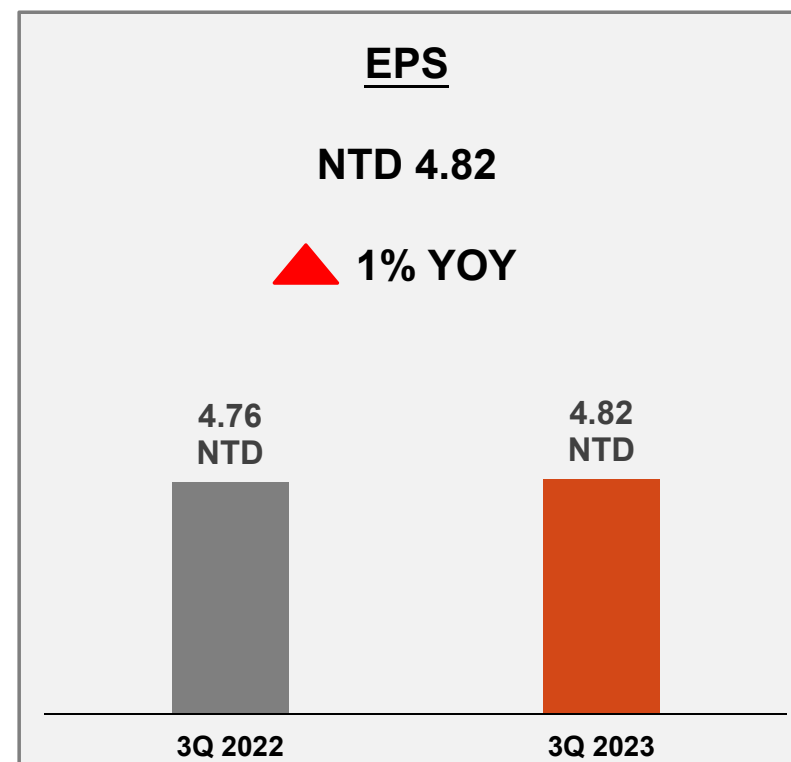
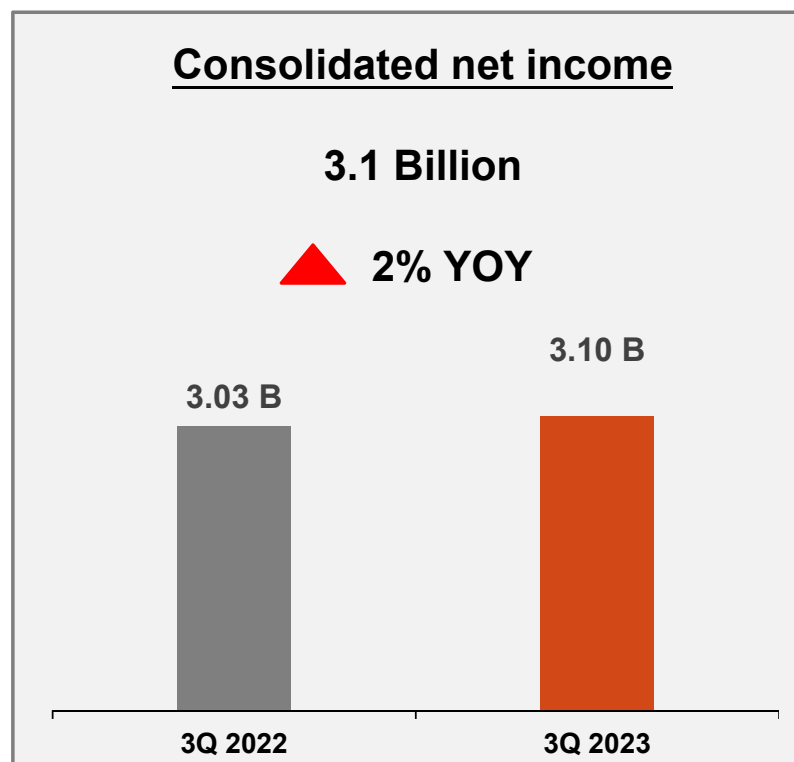


Note: The finance amount includes installment and lease amount from new car, used car and equipment products.

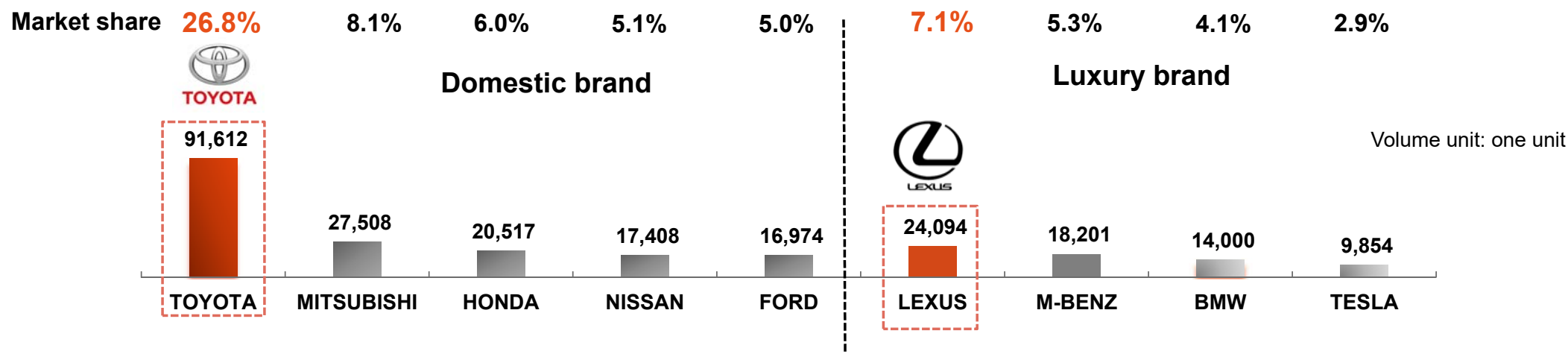
Operation Performance Highlights

● Consolidated net income and EPS

Unit : NTD



TOYOTA and LEXUS accumulated 33.9% of new car market share as 3Q'23 result



● The loan ratio of new cars has remained steady around 40% over the past few years in Taiwan

Unit: thousand

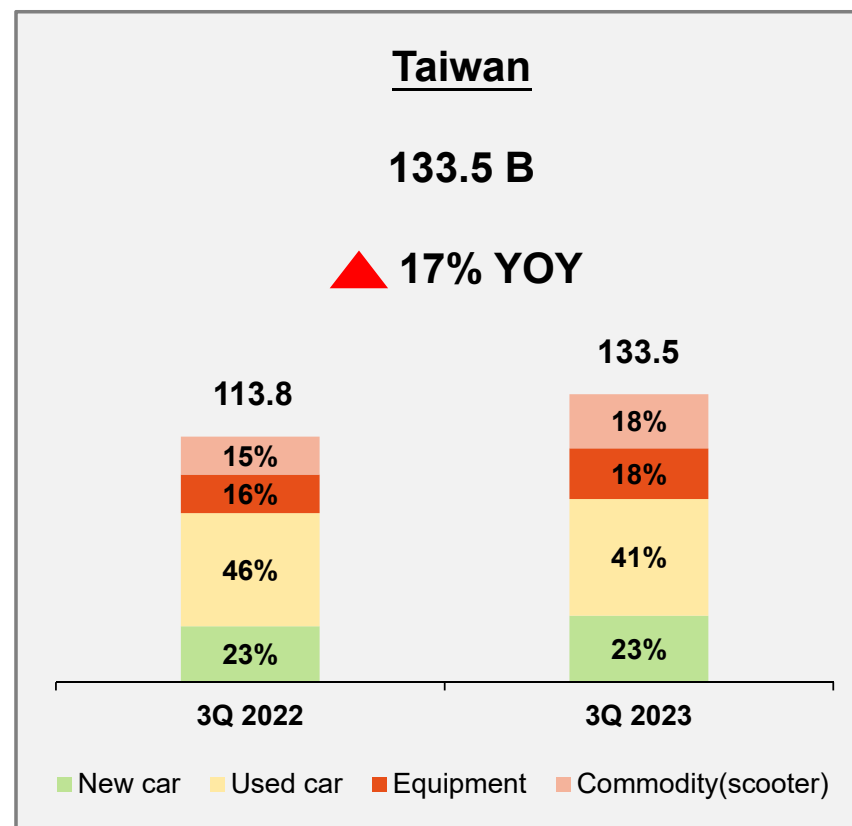
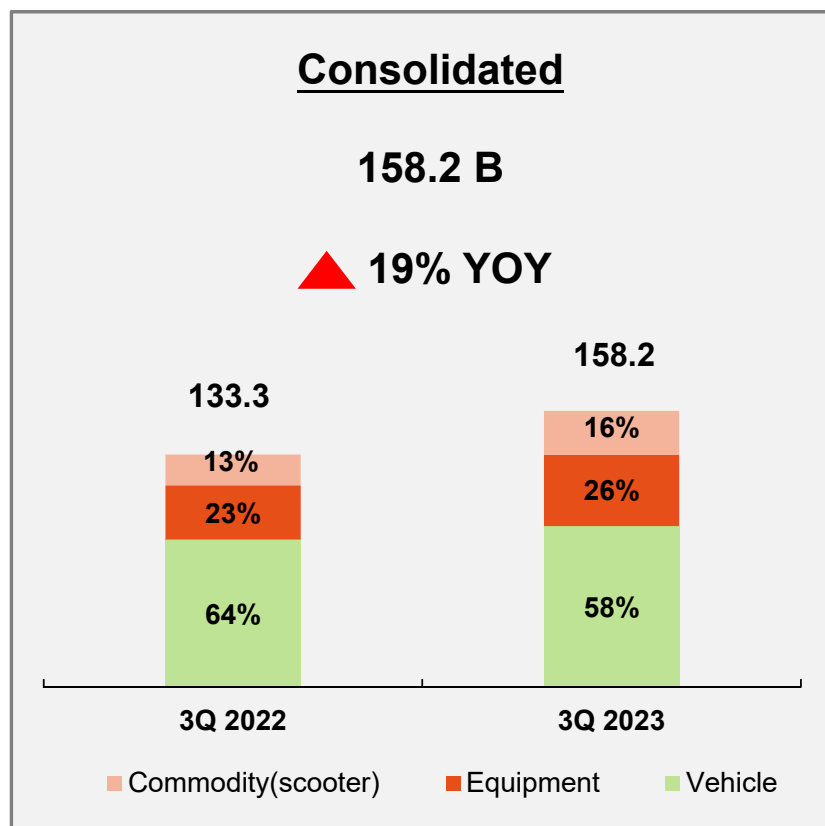
New car	2020	2021	2022	3Q 2023
Sales unit	444	434	415	342
Car loan unit	186	178	171	129
Car loan ratio	42%	41%	41%	38%
T/L car loan ratio	38%	39%	39%	34%

Note: The data shown in this page excludes trucks and buses

Operation Performance Highlights

● Finance amount

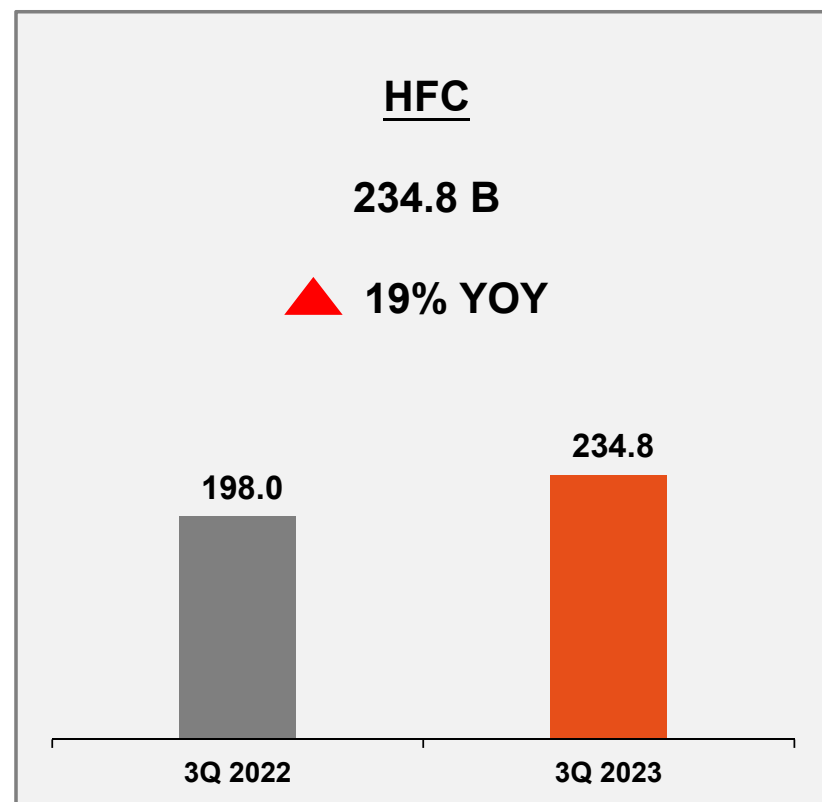
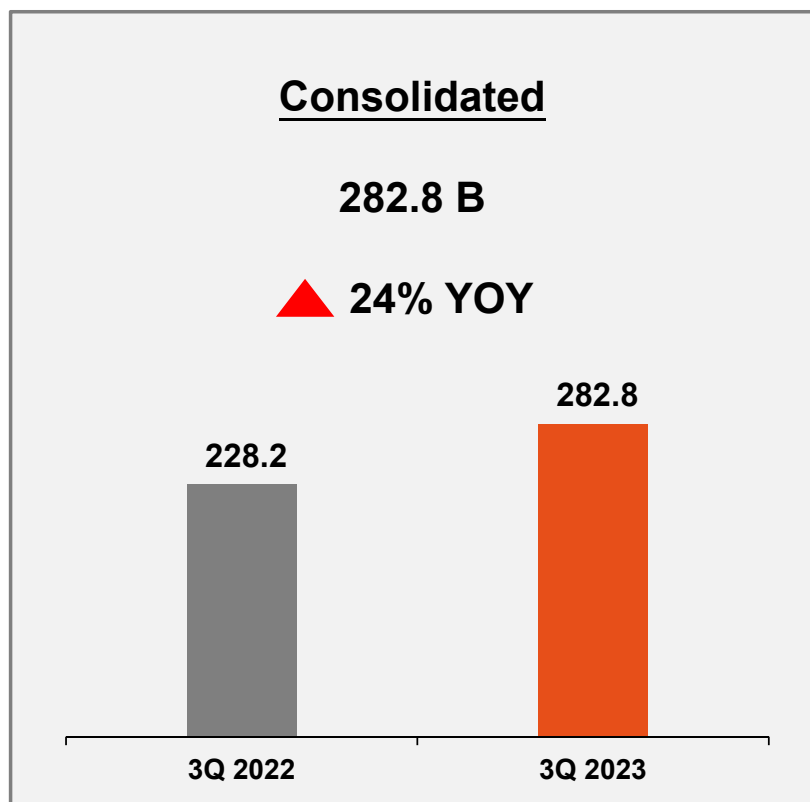
Unit : NT billion



Consolidated Financial Indicator

● Accounts receivable

Unit : NT billion



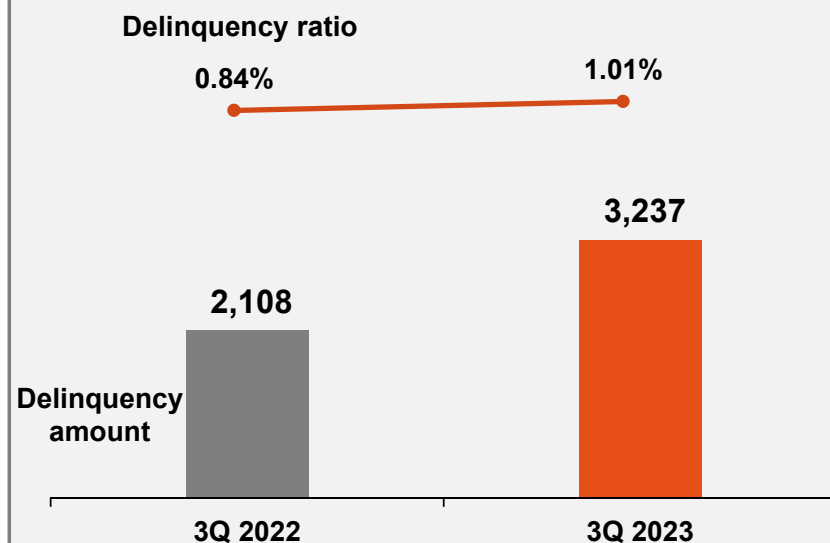
Note: AR amounts include the new car installment and the used car refinance in collaboration with banks

Consolidated Financial Indicator

Unit : NT million

Delinquency

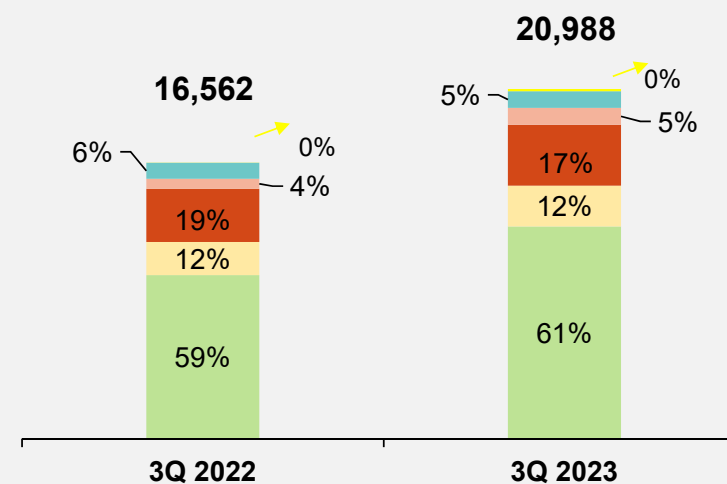
Note: 31 days overdue shall be defined as delinquency based on the risk management policy



Consolidated Revenue

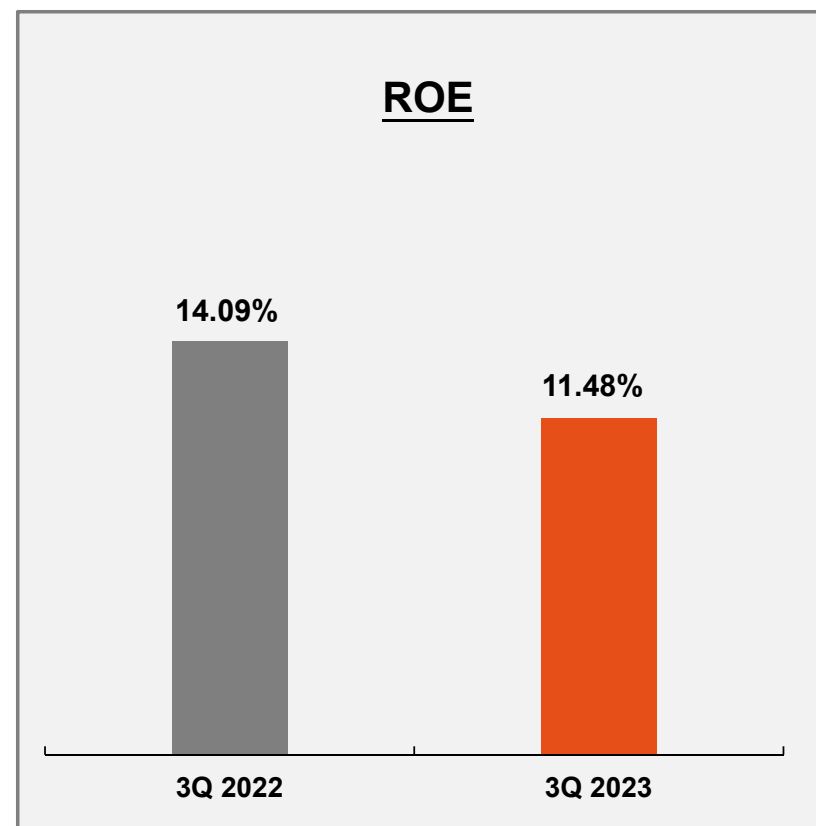
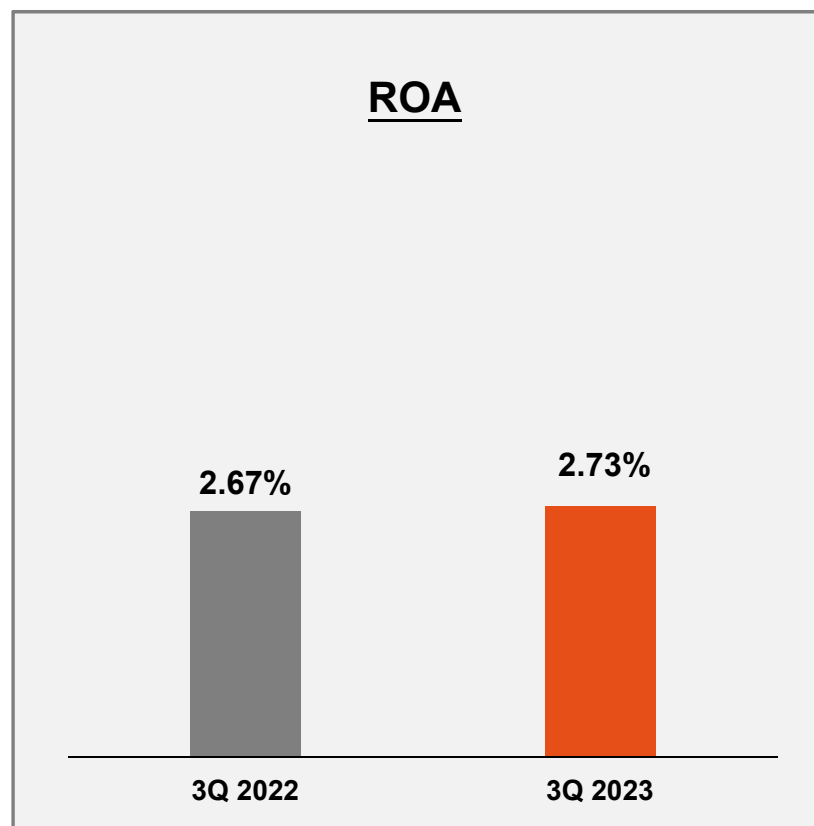
20.99 B ▲ **27% YOY**

■ Interest income
 ■ Operating lease revenue
 ■ Service revenue
 ■ Finance lease revenue
 ■ Sales revenue
 ■ other revenue



Consolidated Financial Indicator

*The indicators are presented in annualized term





ESG Performance

E- Environmental

Green Initiative

- Connect with business partners to join the **Earth Hour** worldwide movement for 3 consecutive years.

Hua-Kuang Foundation

- Leverage expertise in solar energy by donating solar street lights to enhance nighttime road safety.

Beach Cleanup

- More than **477 employees** participated in a nationwide beach cleanup, collecting over **1,821kg** of waste.



E- Environmental

Adopt the Zhanghe Wetland

- Cooperate with the New Taipei City Environmental Protection Bureau and adopted the Zhanghe Wetland.
- 5 volunteer activities conducted.
- 114 employees participated.
- 190 kilograms of alien plants removed.

Greenhouse Gas Inventory

- 100% completion of the 2022 greenhouse gas inventory for all offices.
- Obtain ISO14064-1 certification for 3 consecutive years.
- Complete **5 years ahead** of the scheduled government policy.



S- Social

Motorcycle Safety Promotion

- Encourage the public to participate in motorcycle driving training. It is the second year that HFC has been cooperating with the Directorate General of Highways to promote in the entire Taiwan.
- Relevant activities
 - Motorcycle driving training subsidy : NT\$819,330
 - Community shared : **15,000** hits
 - Film competition : **38** works submitted
 - No violation challenge : **172** people signed up



S- Social

Computer Donation

- Revitalizing the assets from digital transformation, HFC donates 47 units of second-hand computer for 4 NPOs.

Culture Support : Invite 200 guests to watch Taiwan-produced movie

- 1 session for patients from the Hope Foundation for Cancer Care.
- 3 sessions for the colleagues and their families.

Andrew Food Bank Volunteer Event

- Extend over 500 colleagues participating in volunteer activities with in donations totaling NT\$3.3 million for 4 consecutive years. This project has already benefited 3,200 families.

Strengthen the social safety net

- Collaborating with Hotai Leasing Corporation, HFC sponsors the Teacher Chang Foundation to enhance the quality of online counseling services.



G-Governance

- Rank among **top 20%** of enterprises in Corporate Governance Evaluation **for 3 consecutive years**
- Select as one of the constituent stocks of TWSE Corporate Governance 100 Index **for 3 consecutive years**
- **Receive TRC for 17 consecutive years**
 - Long-term : twAA-
 - Short-term : twA-1+
 - Rating outlooks : Stable



G-Governance

- 2023 Asia Responsible Enterprise Awards - Investment in People Award
- 2023 Taiwan Sustainable Action Award - Social Inclusion Category - Bronze Award.
- 2023 Taiwan Best-in-Class 100
- 2023 PwC Sustainability Impact Award
- 2023 Taiwan Corporate Sustainability Award - ESG report Category - Gold Award
- 2023 Taiwan Carbon Competitiveness 100
- Obtained Taiwan Intellectual Property Management System certification



Customer First, Profession Based

Q&A

Consolidated income statement

Unit: NT thousand

Item	3Q 2023		3Q 2022		YOY
	Amount	%	Amount	%	
Interest income	12,737,479	60.7%	9,817,293	59.3%	29.7%
Service revenue	1,003,536	4.8%	955,644	5.8%	5.0%
Finance leasing revenue	2,444,022	11.6%	1,987,297	12.0%	23.0%
Operating leasing revenue	3,649,409	17.4%	3,187,331	19.2%	14.5%
Sales revenue	1,019,199	4.9%	604,090	3.6%	68.7%
Other revenue	134,520	0.6%	9,996	0.1%	1245.7%
Operating revenue	20,988,165	100.0%	16,561,651	100.0%	26.7%
Operating gross profit	12,297,232	58.6%	10,790,440	65.2%	14.0%
Operating expenses	5,957,128	28.4%	5,989,105	36.2%	-0.5%
Expected credit losses	2,413,666	11.5%	1,192,911	7.2%	102.3%
Operating profit	3,926,438	18.7%	3,608,424	21.8%	8.8%
Non-operating income	228,648	1.1%	387,764	2.3%	-41.0%
Profit before income tax	4,155,086	19.8%	3,996,188	24.1%	4.0%
Profit after income tax	3,103,916	14.8%	3,031,862	18.3%	2.4%