



和泰集團

和潤企業

TWSE Code 6592



**HOTAI FINANCE CO., LTD.**

# Investor Presentation

May 25th, 2023

# Agenda

**Company Overview**

**Operation Performance**

**ESG Performance**

**Appendix and Q&A**



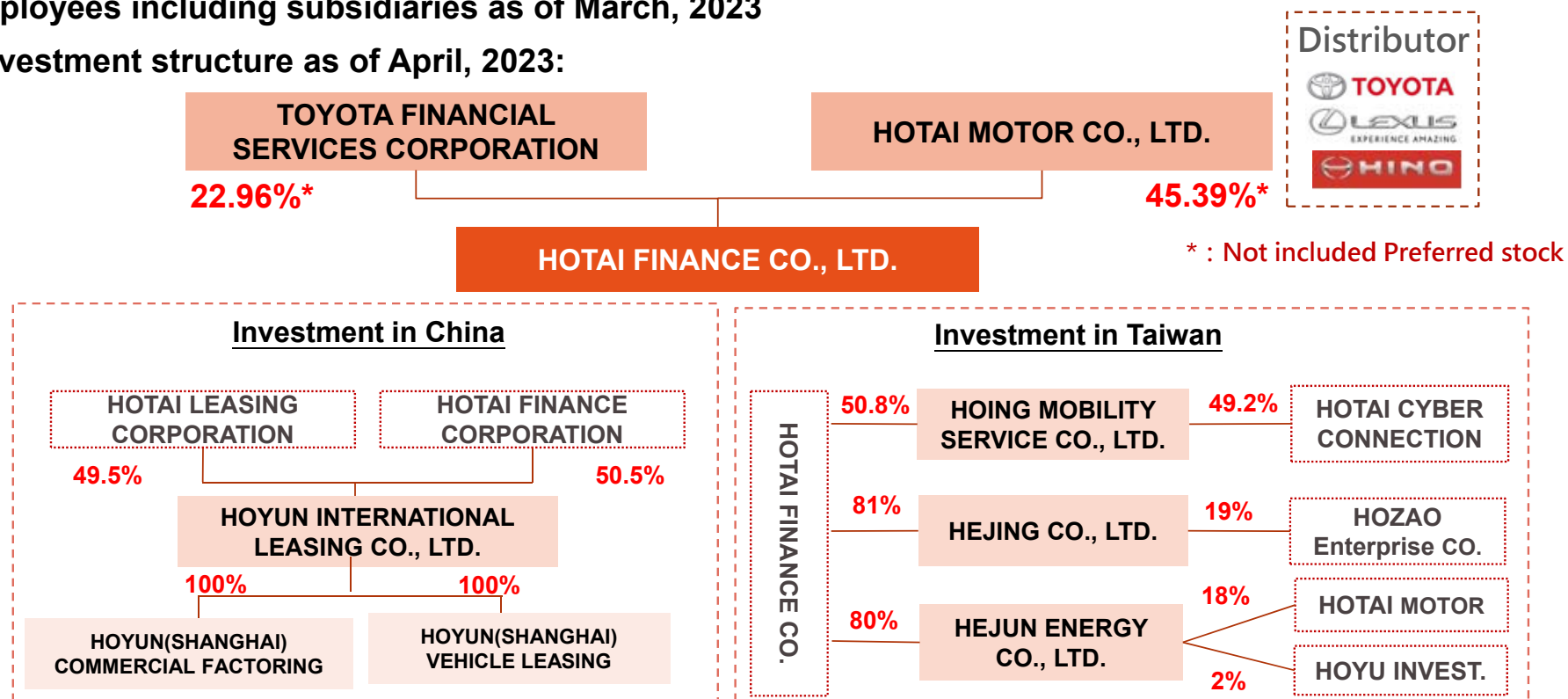
# Company Overview

## Company Overview



和潤企業

- Established on May 25th, 1999
- Listing date on December 9th, 2019
- Paid-in capital: NT\$ 5.65 billion
- Chairman: Mr. Yuan-San Liu
- President: Mr. Tony Y.L. Lin
- 2,855 employees including subsidiaries as of March, 2023
- Group investment structure as of April, 2023:



## 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 in 2021

Strong funding ability to support the operational growth

	Credit Line	Usage Amount	Usage Rate
Funding outlook	287.2 B	197.4 B	69%

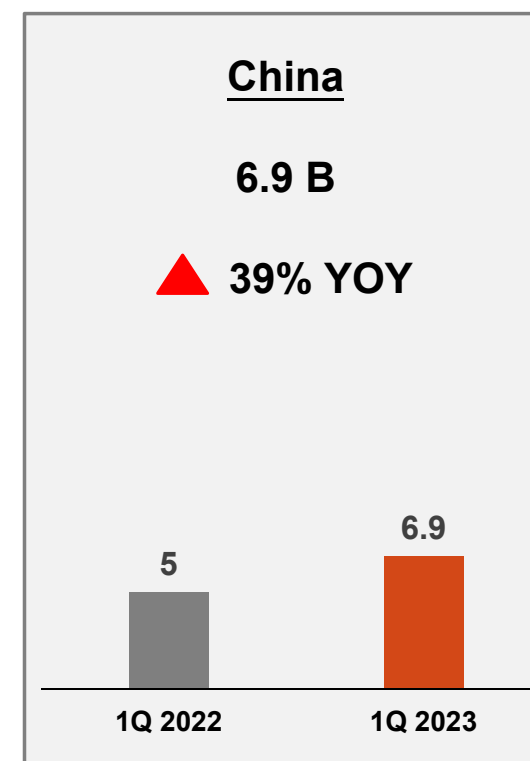
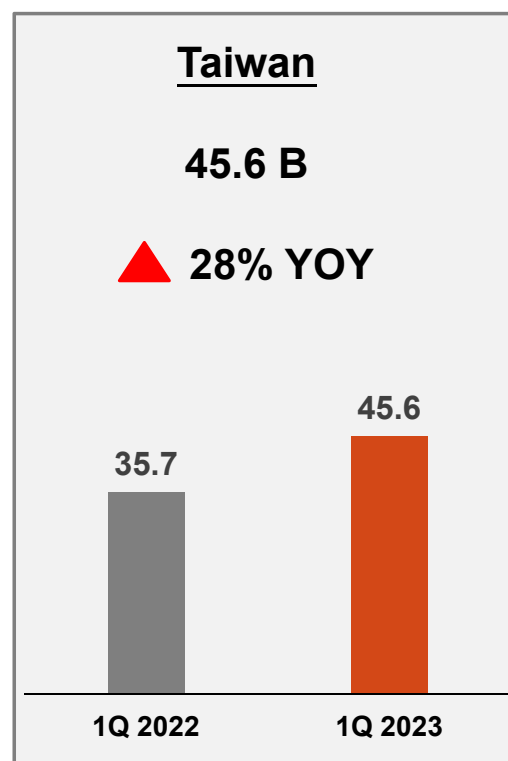
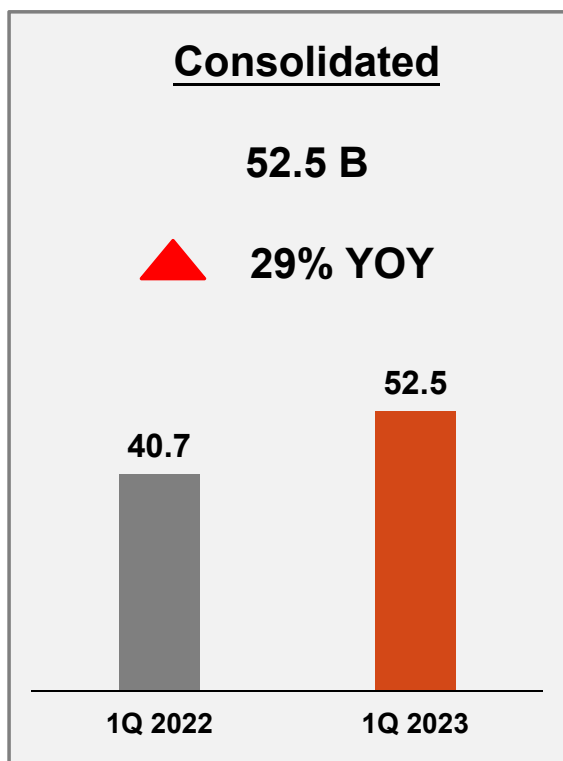


# Operation Performance

## Operation Performance Highlights

- Consolidated finance amount, 29% **increase**

Unit : NT billion

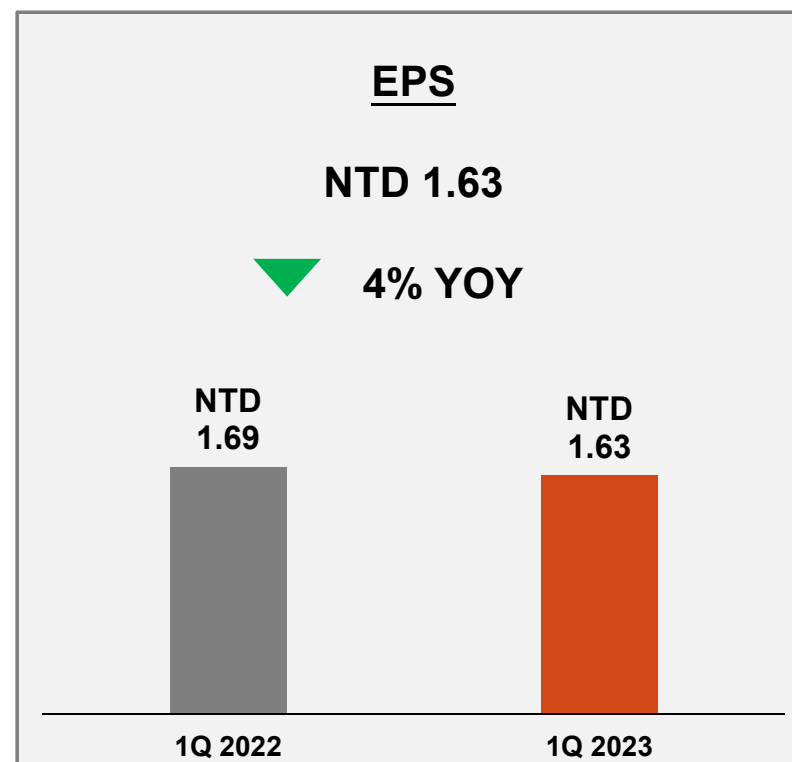
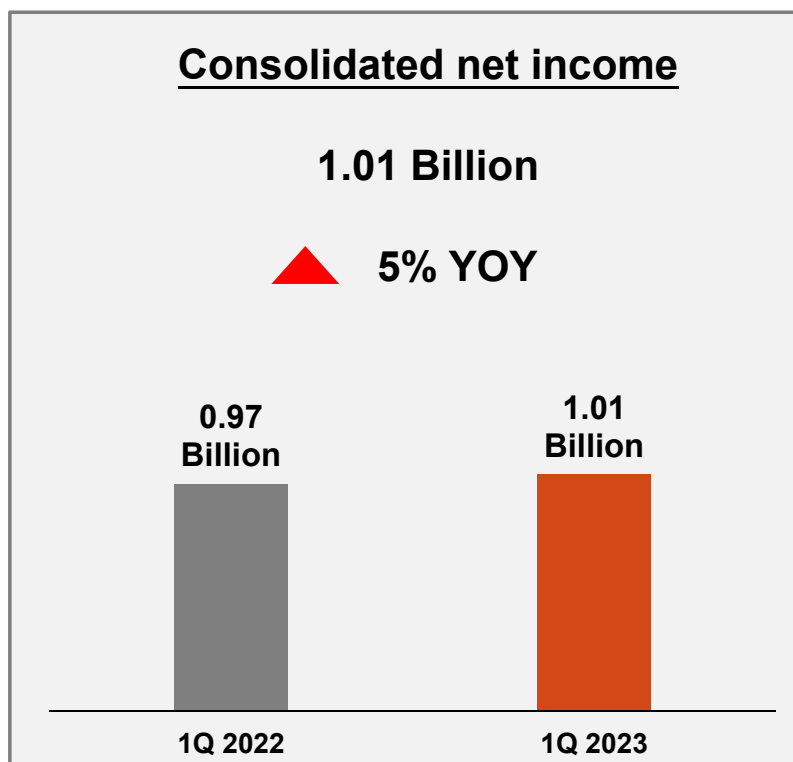


Note: The finance amount includes installment loan and lease amount from new car, used car and equipment products.

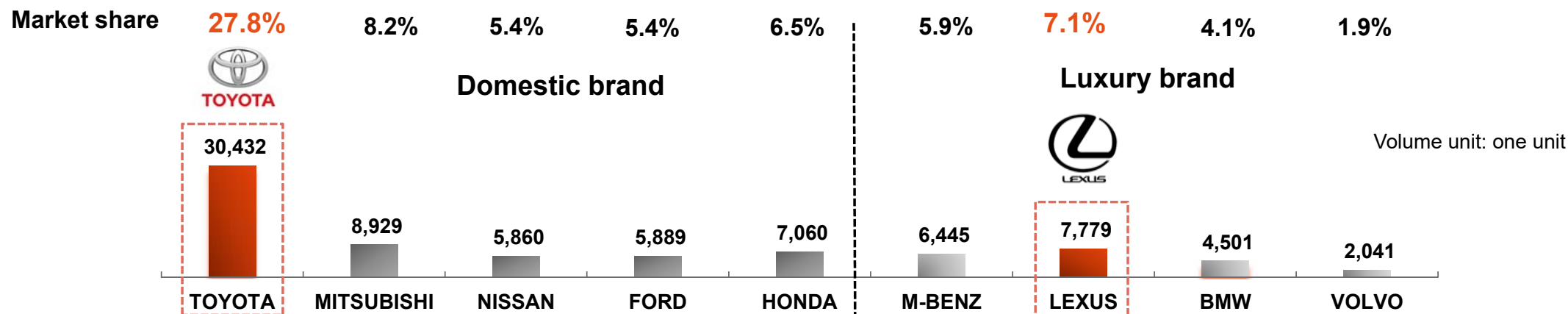
## Operation Performance Highlights

### ● Consolidated net income and EPS

Unit : NTD



## TOYOTA and LEXUS accumulated 34.9% of new car market share for 1Q 2023 result



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

Unit: thousand

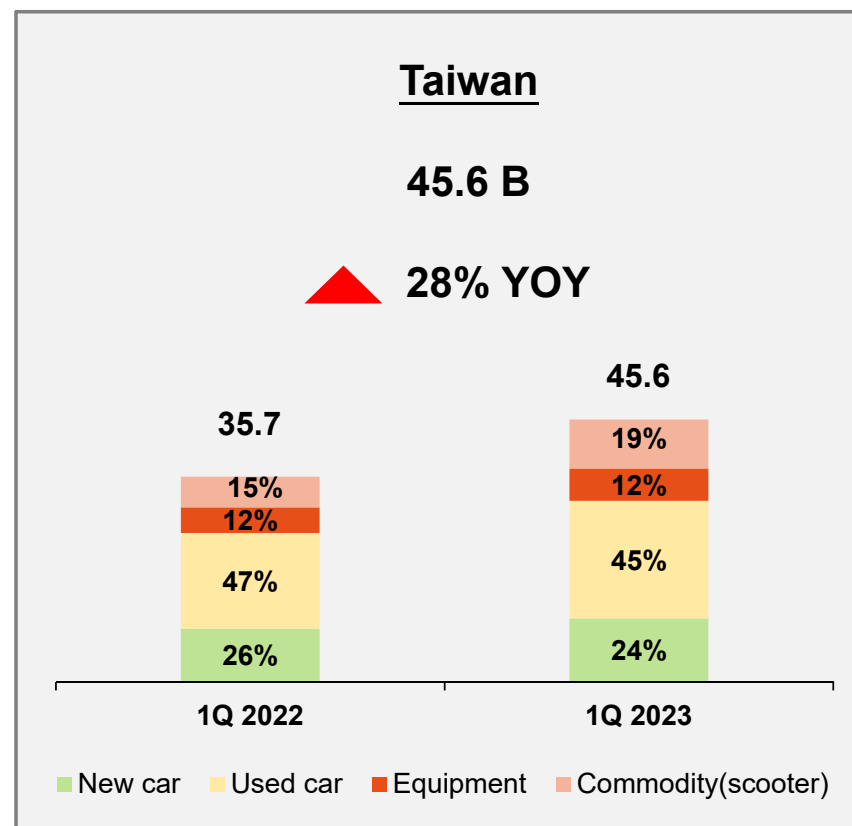
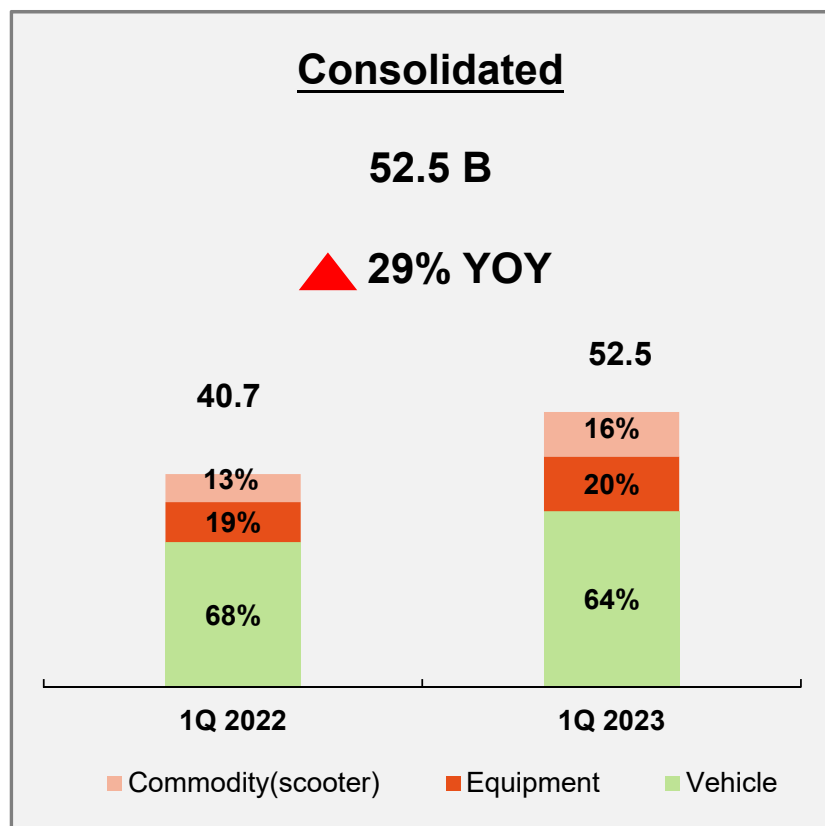
New car	2020	2021	2022	1Q 2023
Sales unit	444	434	415	109
Car loan unit	186	178	171	42
Car loan ratio	42%	41%	41%	39%
T/L car loan ratio	38%	39%	39%	35%

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

## Operation Performance Highlights

### ● Amount Financed

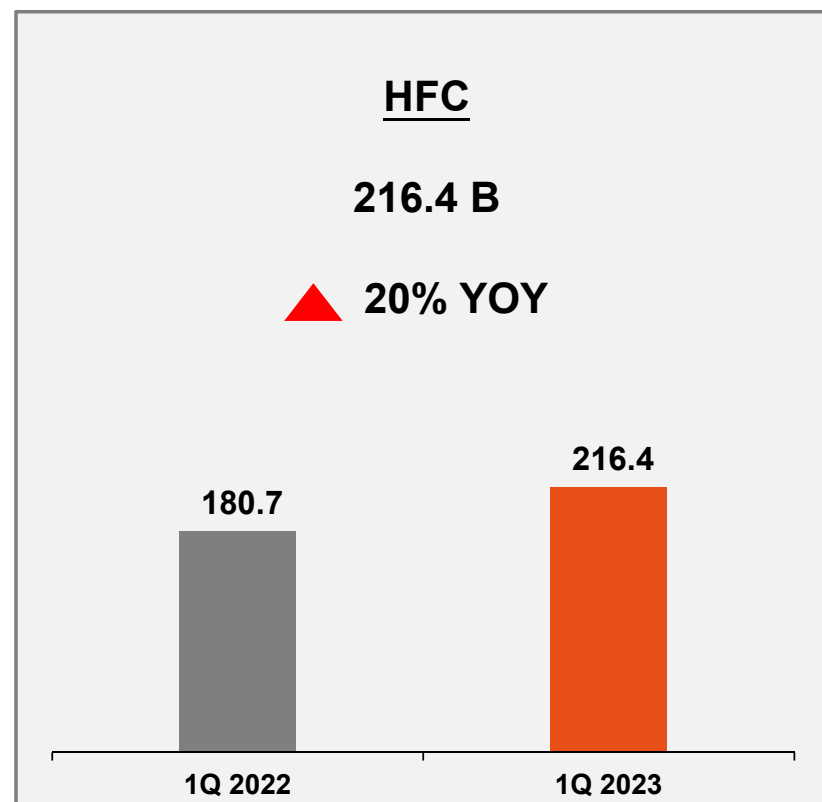
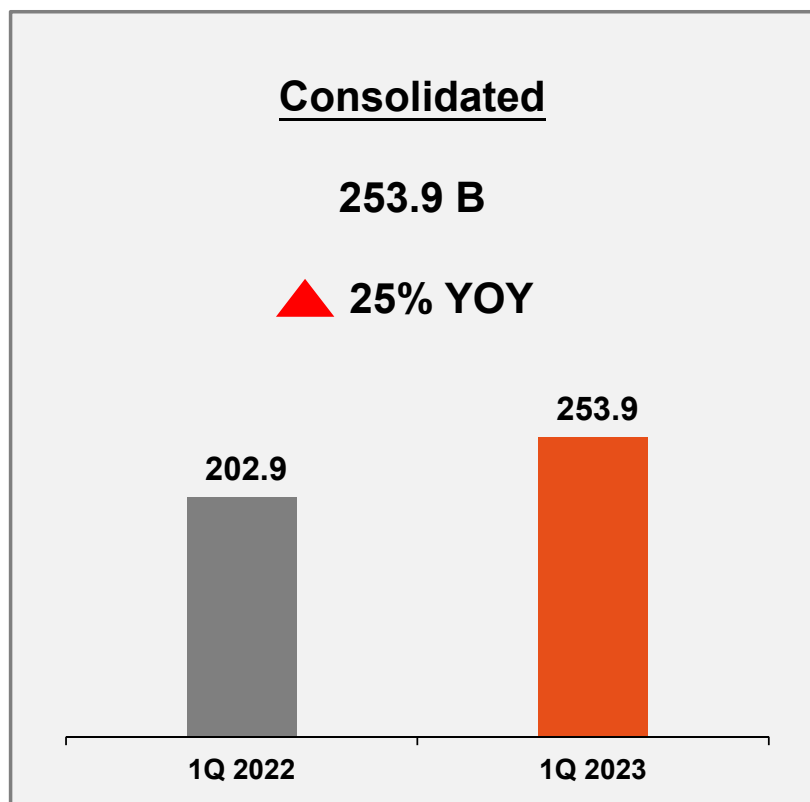
Unit : NT billion



## Consolidated Financial Indicator

### ● Accounts Receivable

Unit : NT billion



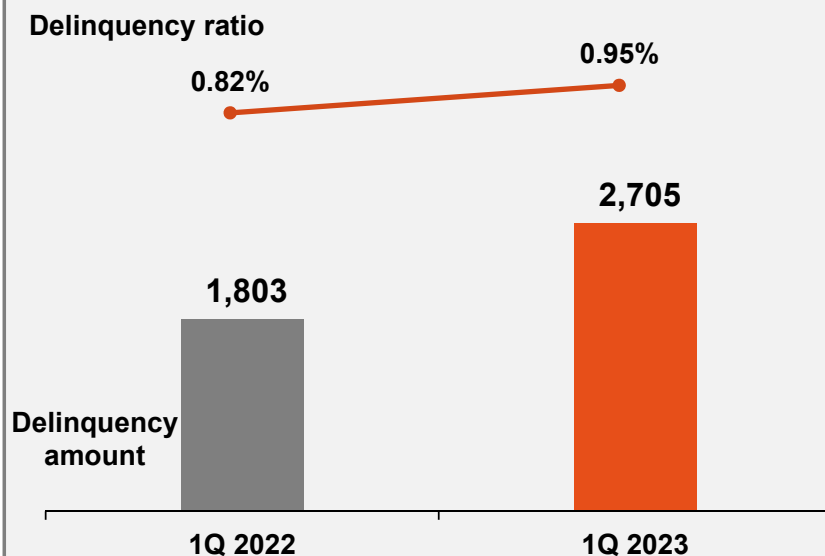
Note: AR amounts include the new car installment and the used car refinance in collaboration with banks

## Consolidated Financial Indicator

Unit : NT million

### Delinquency

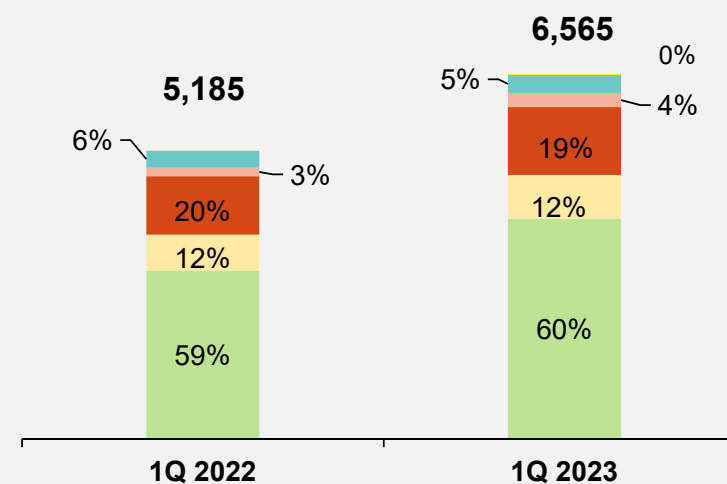
Note: Payment more than 31 days overdue shall be defined as delinquency based on the risk management policy



### Consolidated Revenue

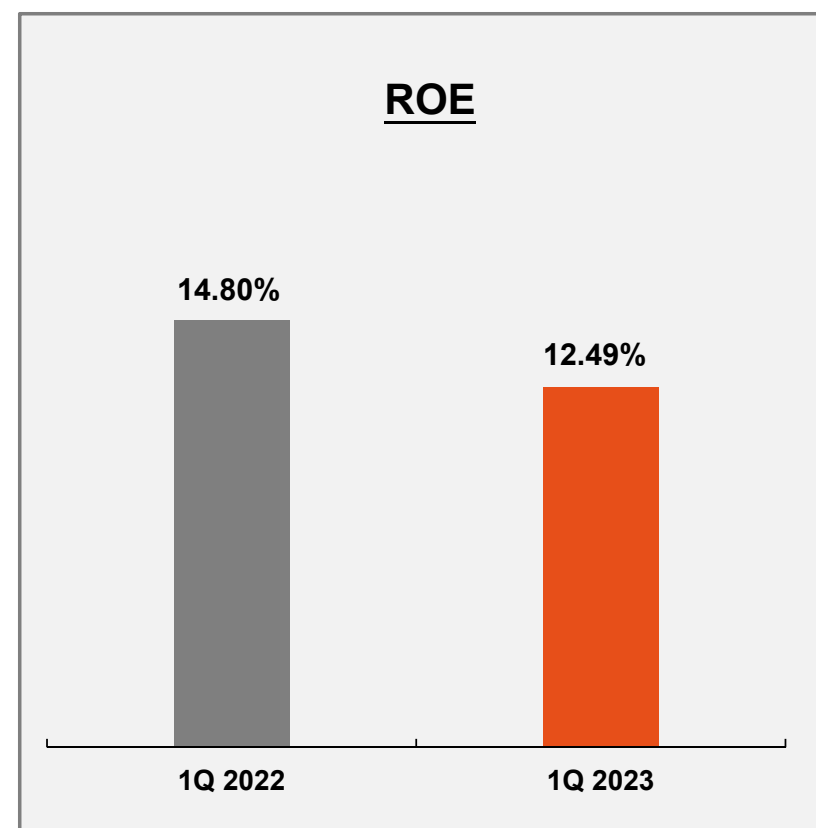
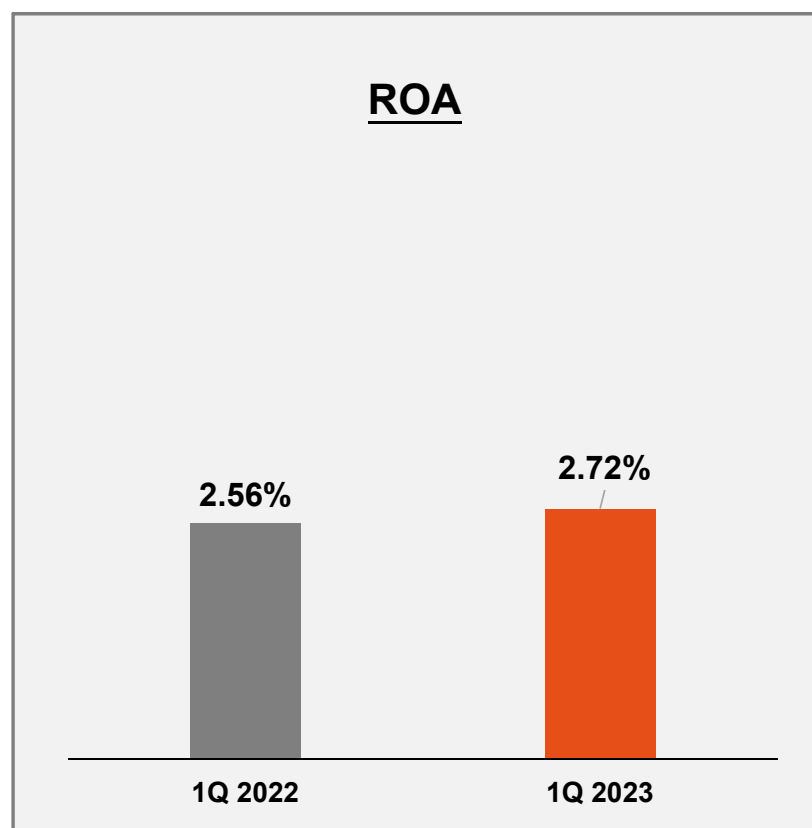
6.57 B ▲ 27% YOY

■ 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

The Company connected our business partners to join the Earth Hour worldwide movement for the protection of the earth.

### • Hua-Kuang Foundation

Combined with solar energy profession, donated the solar street light.

### • Beach Cleanup

More than 477 employees participated in a nation-wide beach cleanup, collecting over 1,822kg of waste.

### • Adopt the Zhanghe Wetland

The Company cooperated with the New Taipei City Environmental Protection Bureau and adopt the Zhanghe Wetland. 60 employees joined the volunteer action this year.



Connected our business partners to join movement



Donated the solar street light



Employees participate in beach cleanup



Employees protect the wetland

## S- Social

- **Donated Taiwan Foundation for the Blind**

- (1) Donated vocational rehabilitation and training materials to Taiwan Foundation for the Blind with proceeds from Earth Hour 2023.
- (2) Employees assist in gift box packaging before the festival.



Employees assisted the blind in gift box packaging

- **Andrew Food Bank Volunteer Event**

- (1) For 4 consecutive years, We had volunteered and donated NT\$3.3 million to the Andrew Food Bank, helping 3600 families.
- (2) The three subsidiary companies responded together to the volunteer activities.



Volunteered with subsidiary companies

## G- Governance

- Ranked among **top 20%** of enterprises in Corporate Governance Evaluation **for 3 consecutive years**
- Selected as one of the constituent stocks of TWSE Corporate Governance 100 Index **for 2 consecutive years**
- Received the **2022 AREA Award in Green Leadership**
- Received the **2022 HR Asia Best Companies to Work For in Asia**
- Received the **2022 Excellent Firm Award** from the Taipei Chamber of Commerce
- Received **TCSA Awards for 2 consecutive years**



# Customer First, Profession Based

## Q&A

## consolidated income statement

Unit: NT thousand

Item	1Q 2023		1Q 2022		YOY
	Amount	%	Amount	%	
Interest income	3,959,399	60.3%	3,027,187	58.4%	30.8%
Service revenue	326,111	5.0%	304,235	5.9%	7.2%
Finance leasing revenue	788,182	12.0%	645,396	12.4%	22.1%
Operating leasing revenue	1,220,881	18.6%	1,051,371	20.3%	16.1%
Sales revenue	254,143	3.9%	154,117	3.0%	64.9%
Other revenue	15,921	0.2%	2,320	0.0%	586.3%
<b>Operating revenue</b>	<b>6,564,637</b>	<b>100.0%</b>	<b>5,184,626</b>	<b>100.0%</b>	<b>26.6%</b>
<b>Operating gross profit</b>	<b>3,947,859</b>	<b>60.1%</b>	<b>3,519,315</b>	<b>67.9%</b>	<b>12.2%</b>
Operating expenses	1,933,648	29.5%	1,933,747	37.3%	0.0%
Expected credit losses	721,917	11.0%	414,258	8.0%	74.3%
<b>Operating profit</b>	<b>1,292,294</b>	<b>19.7%</b>	<b>1,171,310</b>	<b>22.6%</b>	<b>10.3%</b>
Non-operating income	39,665	0.6%	88,362	1.7%	-55.1%
<b>Profit before income tax</b>	<b>1,331,959</b>	<b>20.3%</b>	<b>1,259,672</b>	<b>24.3%</b>	<b>5.7%</b>
<b>Profit after income tax</b>	<b>1,012,696</b>	<b>15.4%</b>	<b>968,299</b>	<b>18.7%</b>	<b>4.6%</b>