



和泰集團

和潤企業

TWSE Code 6592



**HOTAI FINANCE CO., LTD.**

# Investor Presentation

March 30th, 2023

# Agenda

**Company Overview**

**Operation Performance**

**ESG Performance**

**Appendix and Q&A**



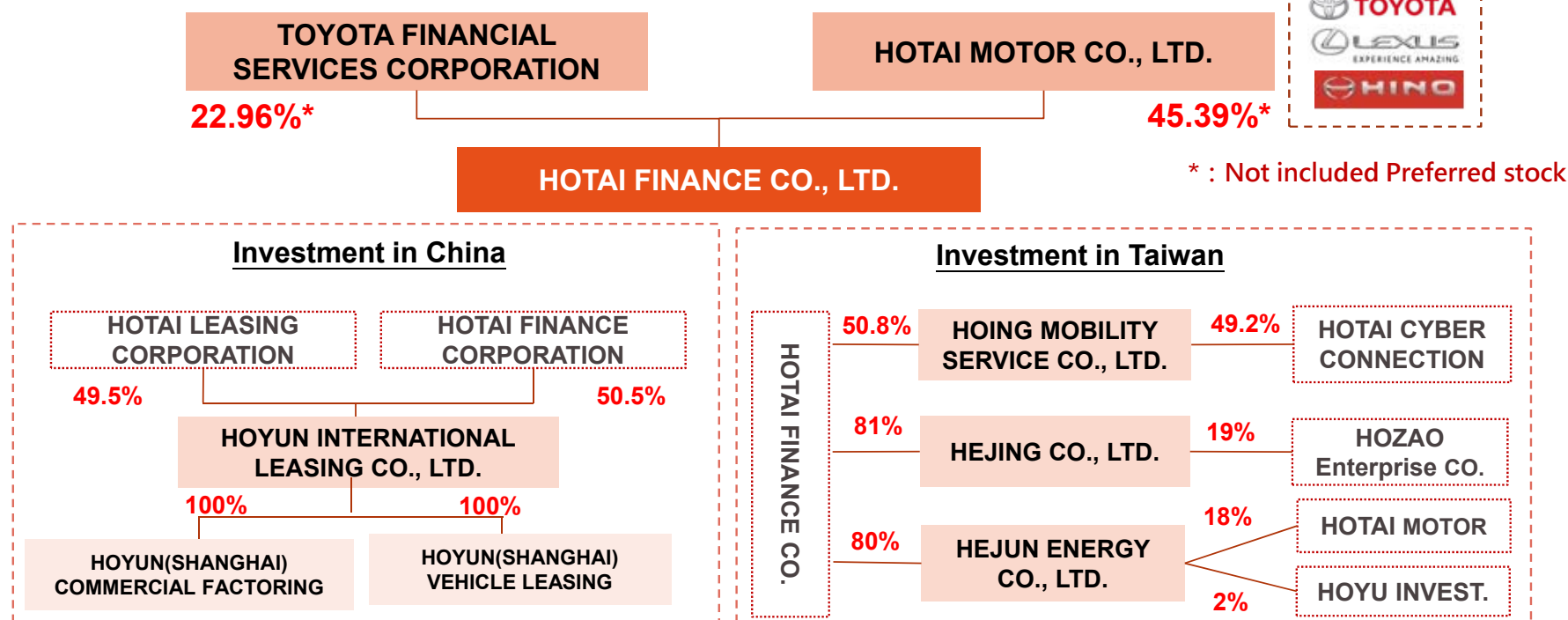
# Company Overview

## 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
- 2,742 employees including subsidiaries as of December, 2022
- Group investment structure as of February, 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	286.8 B	190.1 B	66%

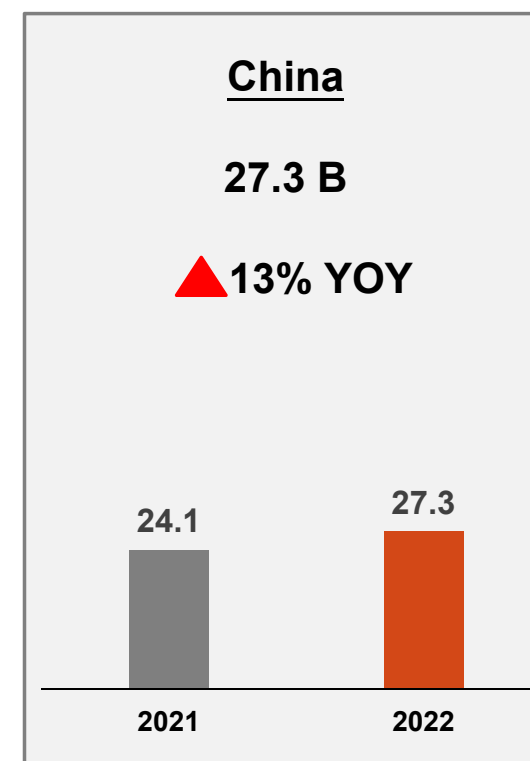
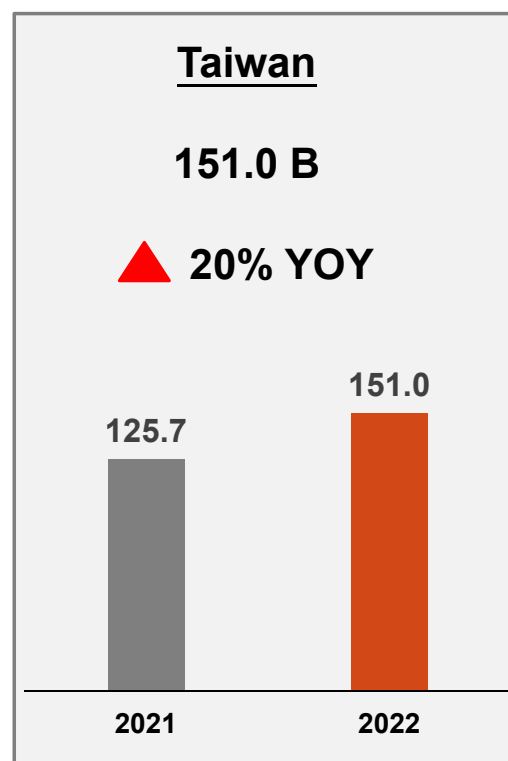
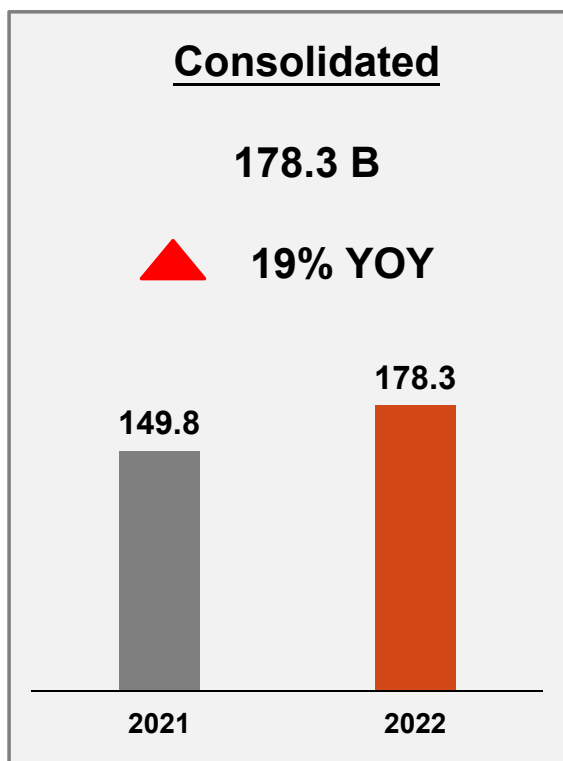


# Operation Performance

## Operation Performance Highlights

- Consolidated finance amount, 19% **increase**

Unit : NT billion



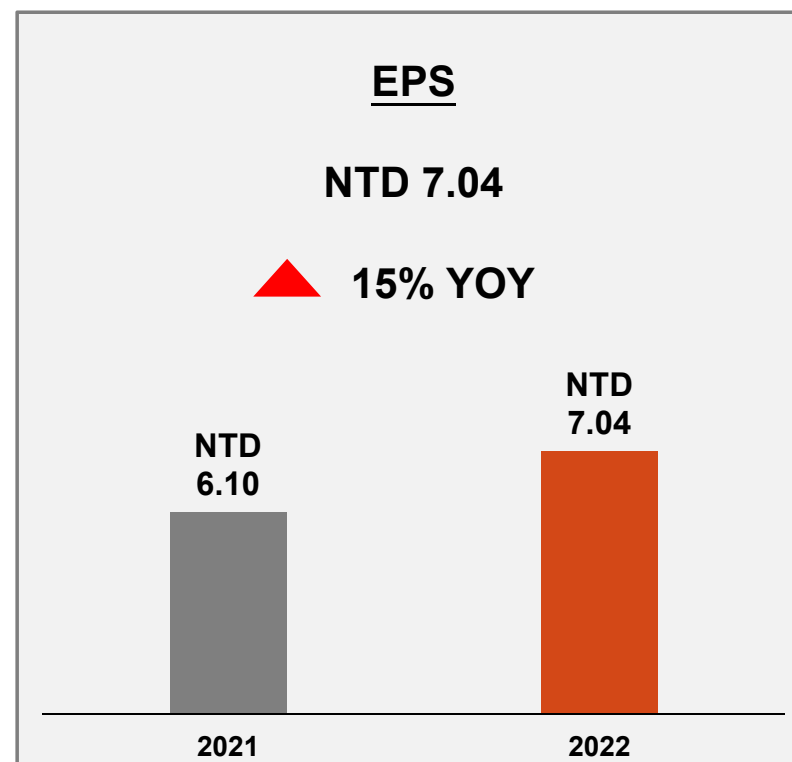
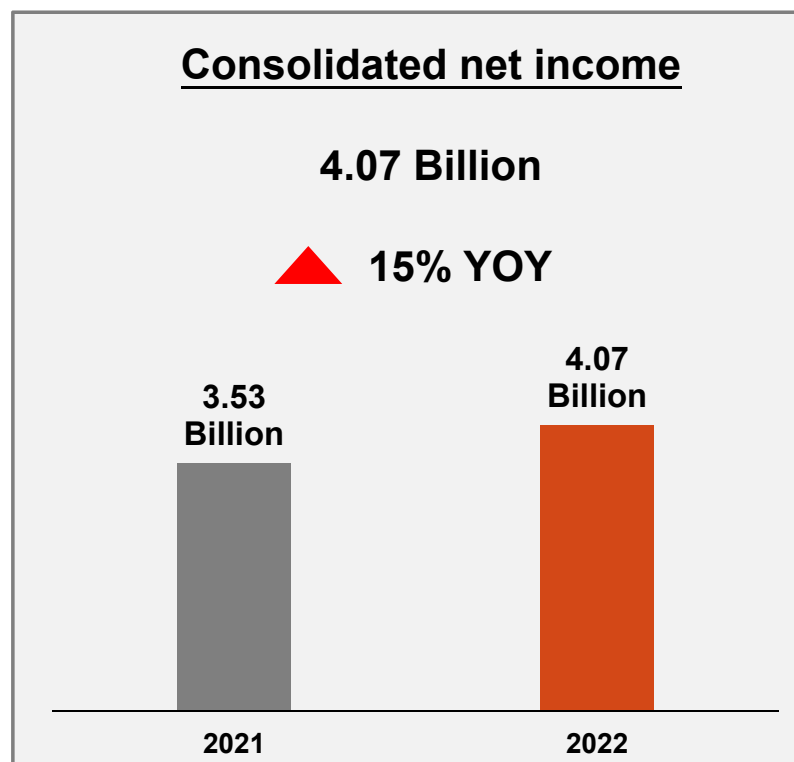
Note: The finance amount includes installment loan and lease amount from new car, used car and equipment products.



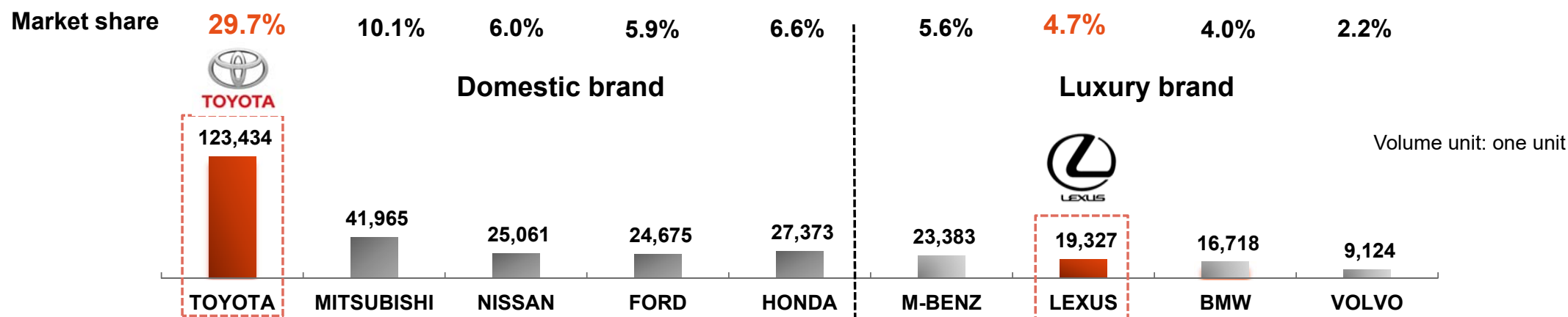
## Operation Performance Highlights

### ● Consolidated net income and EPS

Unit : NTD



## TOYOTA and LEXUS accumulated 34.4% of new car market share for 2022 result



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

Unit: thousand

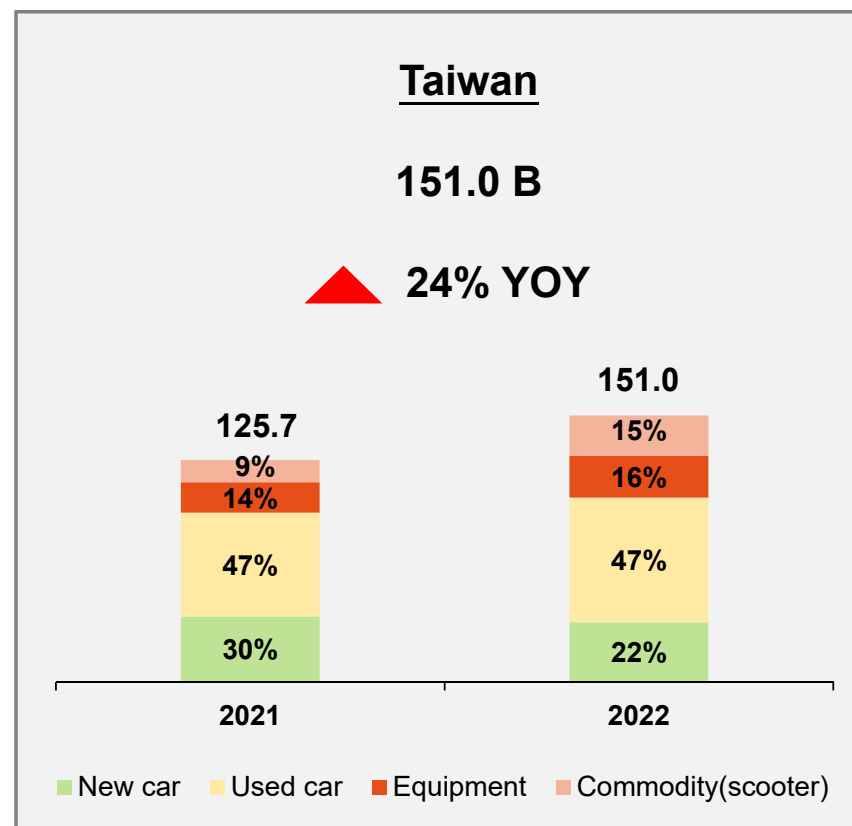
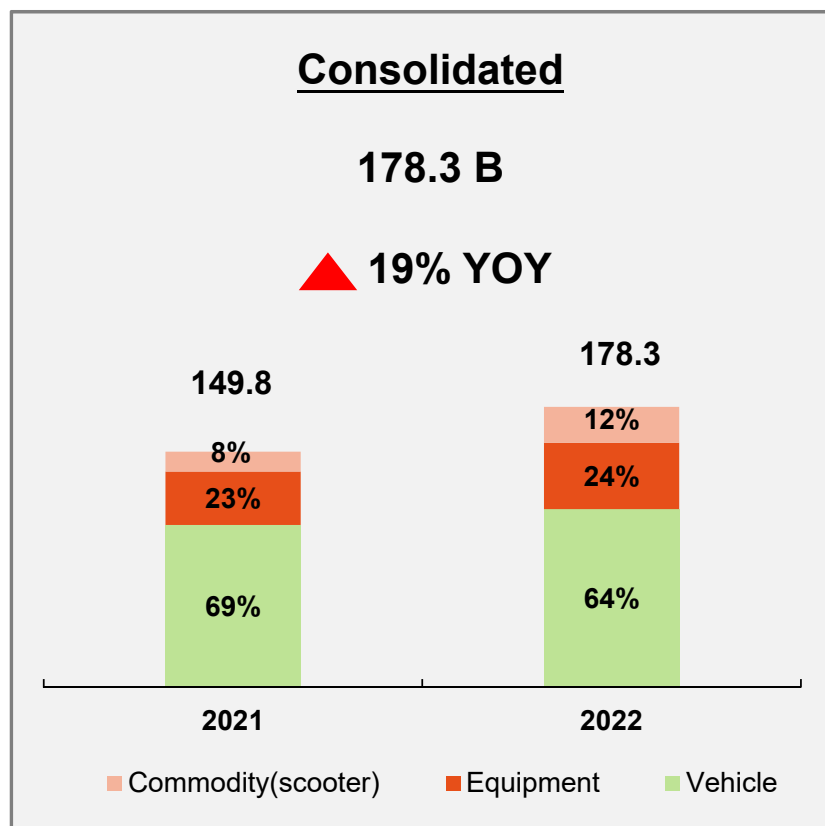
New car	2019	2020	2021	2022
Sales unit	427	444	434	415
Car loan unit	179	186	178	171
Car loan ratio	41%	42%	41%	41%
T/L car loan ratio	37%	38%	39%	39%

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

## Operation Performance Highlights

### ● Amount Financed

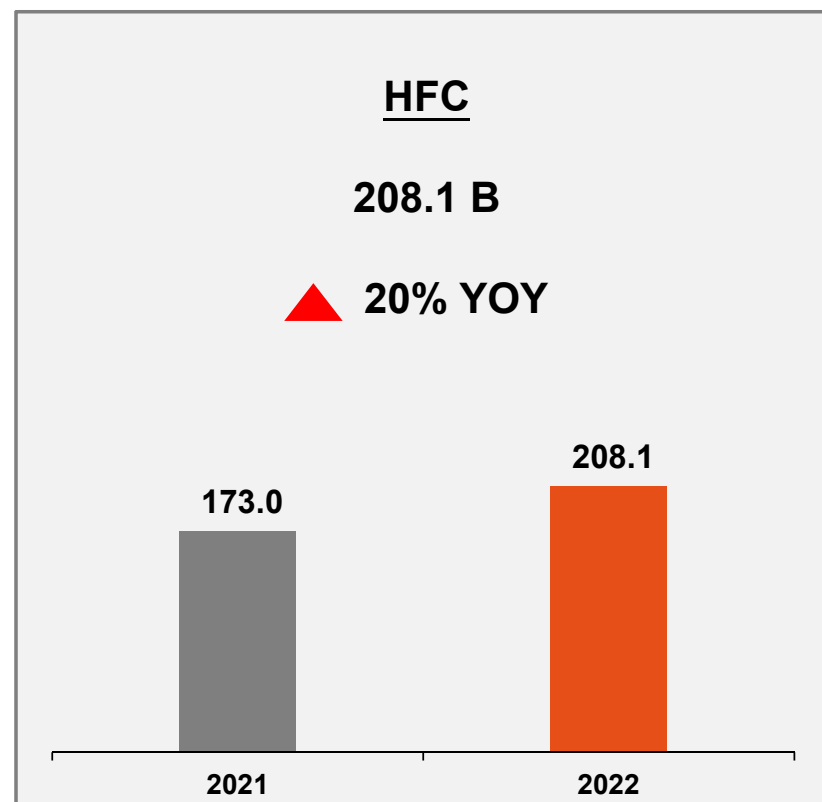
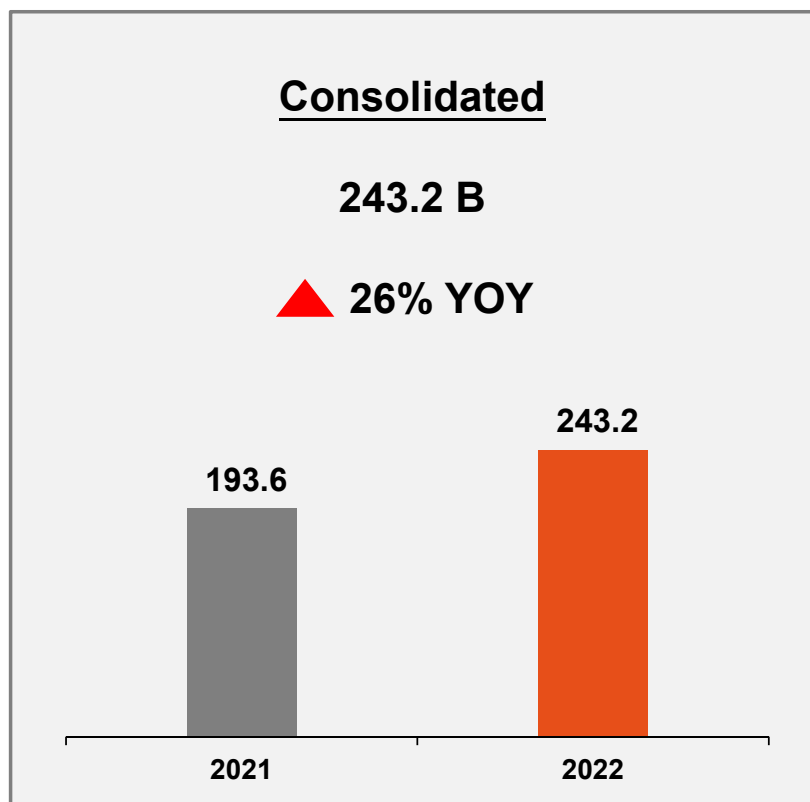
Unit : NT billion



## Consolidated Financial Indicator

### ● Accounts Receivable

Unit : NT billion



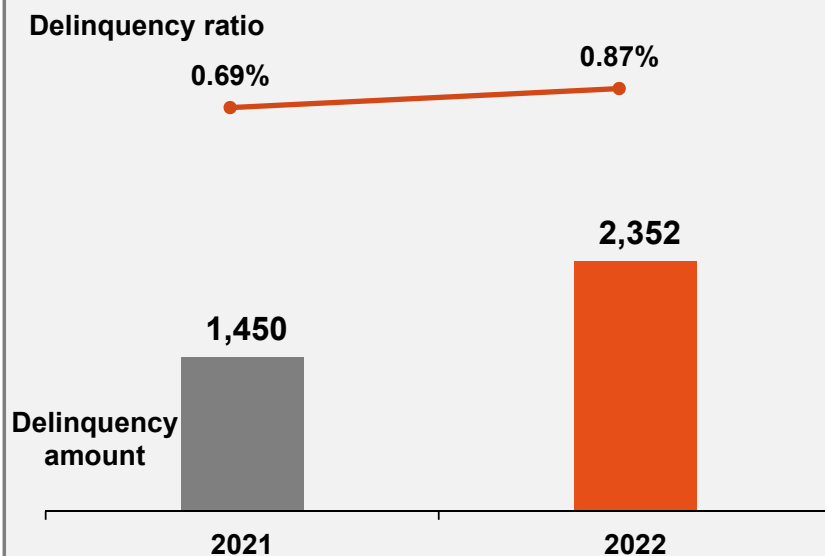
Note: AR amounts include the new car installment and the used car refinance in collaboration with banks

## 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

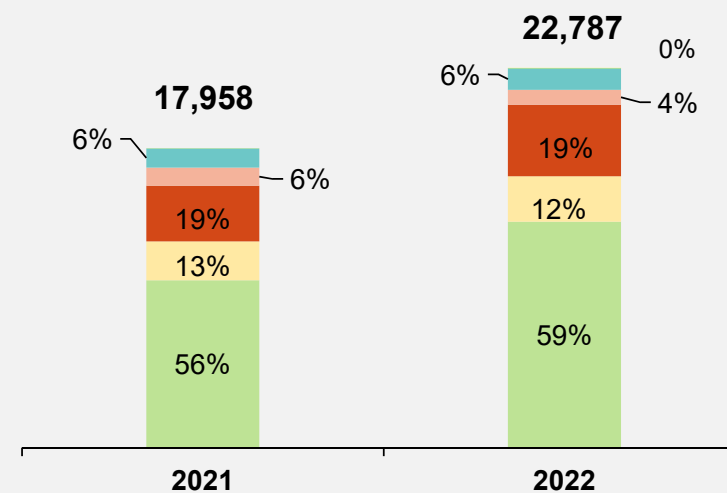


### Consolidated Revenue

22.79 B

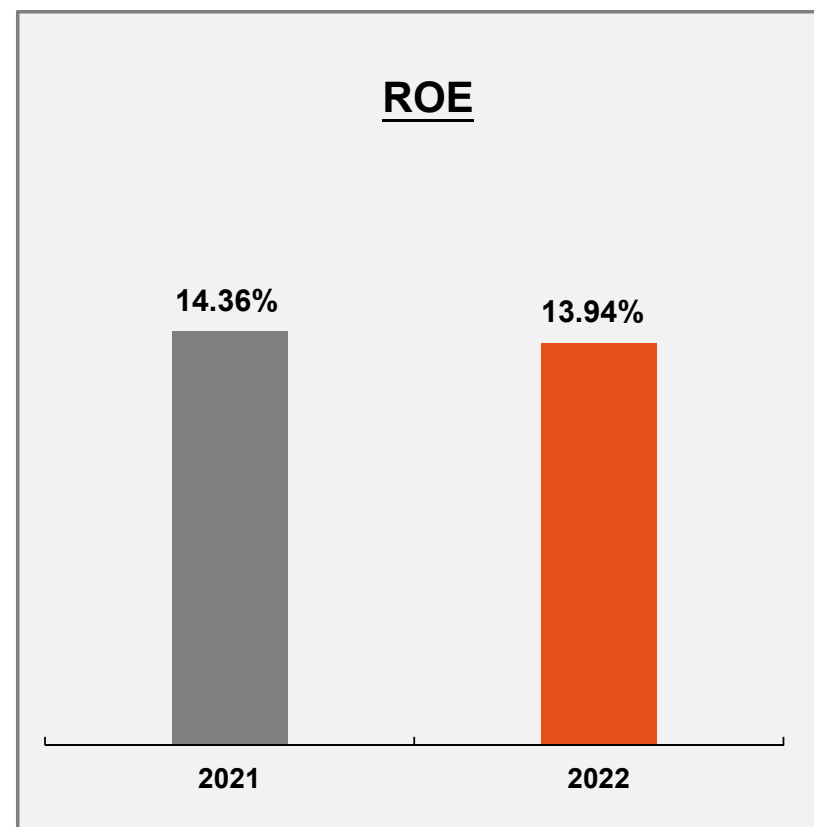
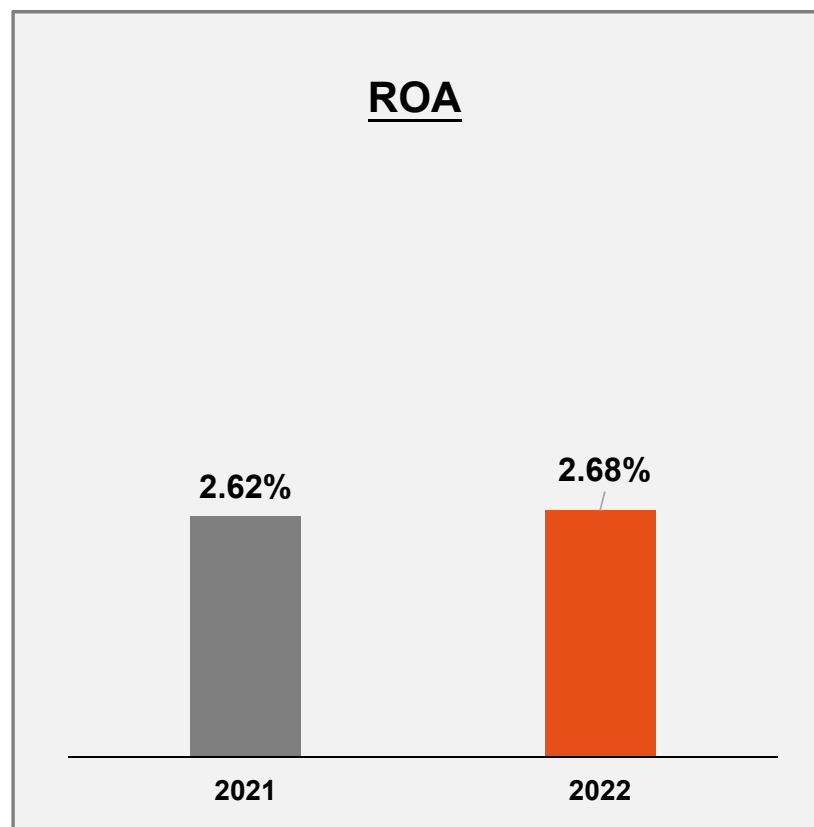
▲ 27% YOY

- 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- Environment

- **Green Initiative**

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

- **Beach Cleanup**

More than 370 employees participated in a nation-wide beach cleanup, collecting over 875kg of waste.

- **ISO 14064-1:2018**

The Company is currently undergoing the process of quantifying and reporting greenhouse gas emissions.

- **ESG Award**

A total of 906 employees participated in environmental volunteer activities, with 3,529.5 hours of service.



Chairman and employees in 2022 Earth Hour video



Employees participate in beach cleanup



## S- Society

### • Donated Taiwan Foundation for the Blind

- (1) HFC to respond to Earth Hour event for continuous two years, which is in order to donate the “Taiwan Foundation for the Blind”. The funds are used in vocational rehabilitation and training materials.
- (2) Purchased 1,848 sheltered workshop gift boxes with a total amount of \$970,000.



Employees assisted the blind in gift box packaging

### • Motorcycle Safety Promotion

Promoted the importance of motorcycle safety, and donated funds to assist underprivileged people receive motorcycle safety training.

- (1) The pioneer company in Taiwan to subsidize the driving lesson fees for underprivileged people.
- (2) Motorcycle driving lesson registration in Taipei City 20% increase YoY.
- (3) Our promotional video has over 250,000 views in 2 weeks.



Donation Ceremony at Taipei Motor Vehicles Department

## S- Society

### • Andrew Food Bank Volunteer Event

- (1) Volunteered and donated to the Andrew Food Bank for 3 consecutive years, helping 2600 families.
- (2) The encouraging cards and traffic safety painting album are inside of the food box for children. The food box is not only addressed their physical needs but also provides traffic knowledge.



Invited our suppliers to join Andrew Food Bank volunteer event



Employees participated in a volunteer activity to pack food boxes

## G- Governance

- Ranked among **top 6~20%** of enterprises in Corporate Governance Evaluation
- 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	2022		2021		YOY
	Amount	%	Amount	%	
Interest income	13,561,273	59.5%	10,047,326	55.9%	35.0%
Service revenue	1,295,592	5.7%	1,148,655	6.4%	12.8%
Finance leasing revenue	2,722,938	11.9%	2,327,949	13.0%	17.0%
Operating leasing revenue	4,297,082	18.9%	3,344,522	18.6%	28.5%
Sales revenue	891,141	3.9%	1,088,021	6.1%	-18.1%
Other revenue	19,224	0.1%	1,475	0.0%	1203.3%
<b>Operating revenue</b>	<b>22,787,250</b>	<b>100.0%</b>	<b>17,957,948</b>	<b>100.0%</b>	<b>26.9%</b>
<b>Operating gross profit</b>	<b>14,612,935</b>	<b>64.1%</b>	<b>11,929,715</b>	<b>66.4%</b>	<b>22.5%</b>
Operating expenses	8,020,449	35.2%	6,496,808	36.2%	23.5%
Expected credit losses	1,842,082	8.1%	1,110,859	6.2%	65.8%
<b>Operating profit</b>	<b>4,750,404</b>	<b>20.8%</b>	<b>4,322,048</b>	<b>24.1%</b>	<b>9.9%</b>
Non-operating income	606,114	2.7%	341,561	1.9%	77.5%
<b>Profit before income tax</b>	<b>5,356,518</b>	<b>23.5%</b>	<b>4,663,609</b>	<b>26.0%</b>	<b>14.9%</b>
<b>Profit after income tax</b>	<b>4,069,584</b>	<b>17.9%</b>	<b>3,530,192</b>	<b>19.7%</b>	<b>15.3%</b>