

**HOTAI FINANCE CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024
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INDEPENDENT AUDITORS' REVIEW REPORT
(TRANSLATED FROM CHINESE)

To the Board of Directors and Shareholders of Hotai Finance Company Limited.

Introduction

We have reviewed the accompanying consolidated balance sheets of Hotai Finance Co., Ltd. and its subsidiaries (the "Group") as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of change in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(5), the financial statements of certain insignificant consolidated subsidiaries, investments accounted for under the equity method and the information disclosed in Note 13 were not reviewed by independent auditors. Total assets of these subsidiaries and investments accounted for under the equity method amounted to NT\$20,353,972 thousand and NT\$38,092,674 thousand,

constituting 6.37% and 11.63% of the consolidated total assets as at June 30, 2025 and 2024, respectively, total liabilities amounted to NT\$12,178,729 thousand and NT\$29,446,836 thousand, constituting 4.37% and 10.25% of the consolidated total liabilities as at June 30, 2025 and 2024, respectively, and the total comprehensive income amounted to NT\$13,674 thousand, NT\$35,267 thousand, NT\$65,964 thousand and NT\$65,167 thousand, constituting 4.37%, 3.16%, 5.68% and 3.08% of the consolidated total comprehensive income for the three months and six months then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under the equity method been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Hsiao, Chun-Yuan

Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

August 5, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2025 and 2024 are reviewed, not audited)

Assets			June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 4,595,720	1	\$ 4,985,831	1	\$ 2,659,118	1
1110	Financial assets at fair value							
	through profit or loss-current		-	-	-	-	2,400,000	1
1139	Hedging financial assets-current	6(2)	106,064	-	260,887	-	622,770	-
1150	Notes receivable, net	6(3) and 8	15,881,964	5	14,662,449	4	12,449,788	4
1170	Accounts receivable, net	6(3), 7 and 8	242,980,998	76	245,016,363	75	240,642,588	73
1196	Operating lease receivable, net		3,193	-	5,546	-	176,950	-
1197	Finance lease receivable, net	6(8) and 8	25,366,314	8	32,130,469	10	32,028,428	10
1200	Other receivables		160,915	-	85,171	-	108,649	-
130X	Inventories		5,618	-	3,036	-	4,004	-
1410	Prepayments	6(4) and 7	4,686,489	2	5,527,649	2	6,228,312	2
1476	Other current financial assets	8	155,686	-	157,927	-	549,814	-
11XX	Total current assets		293,942,961	92	302,835,328	92	297,870,421	91
Non-current assets								
1517	Financial assets at fair value							
	through other comprehensive							
	income-non-current		28,225	-	35,789	-	36,168	-
1550	Investments accounted for using	6(5)						
	equity method		1,638,569	1	1,700,803	1	1,673,277	1
1600	Property, plant and equipment,	6(6) and 8						
	net		6,548,397	2	6,234,672	2	9,603,157	3
1755	Right-of-use assets	6(7)	394,391	-	412,679	-	574,398	-
1760	Investment property, net	6(9)	164,056	-	164,466	-	164,876	-
1780	Intangible assets	6(10)	497,268	-	512,220	-	527,171	-
1840	Deferred income tax assets		1,254,692	-	1,175,827	-	1,153,735	-
1930	Long-term notes and accounts	6(3)						
	receivable		11,549,842	4	12,035,072	4	13,060,826	4
194D	Long-term finance lease	6(8)						
	receivable, net		1,283,559	-	1,111,215	-	859,708	-
1990	Other non-current assets, others	8	2,082,419	1	1,961,319	1	1,931,407	1
15XX	Total non-current assets		25,441,418	8	25,344,062	8	29,584,723	9
1XXX	Total assets		\$ 319,384,379	100	\$ 328,179,390	100	\$ 327,455,144	100

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HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2025 and 2024 are reviewed, not audited)

Liabilities and Equity		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
Liabilities								
Current liabilities								
2100	Short-term loans	6(11)	\$ 97,893,506	31	\$ 120,843,955	37	\$ 115,232,300	35
2110	Short-term notes and bills payable	6(12)						
			147,903,420	46	119,849,017	37	122,112,767	37
2126	Hedging financial liabilities-current	6(2)						
			991,661	-	855,551	-	2,218,626	1
2150	Notes payable	7	844,572	-	1,224,979	-	1,655,858	1
2170	Accounts payable		434,893	-	597,438	-	769,323	-
2180	Accounts payable - related parties	7						
			233,801	-	160,050	-	297,925	-
2200	Other payables	7	5,675,371	2	3,492,067	1	5,280,018	2
2230	Current income tax liabilities		777,468	-	655,273	-	636,640	-
2280	Current lease liabilities	7	71,748	-	88,065	-	158,016	-
2320	Bonds payable	6(13)	14,200,000	5	31,200,000	10	31,200,000	10
2320	Long-term liabilities, current portion	6(14)						
			203,776	-	231,003	-	397,533	-
2370	Current financial guarantee liabilities		23,429	-	24,664	-	26,206	-
2399	Guanrantee deposits received-current	6(15)	3,730,694	1	4,426,509	1	4,514,330	1
2399	Other current liabilities, others		93,700	-	64,761	-	84,439	-
21XX	Total current liabilities		<u>273,078,039</u>	<u>85</u>	<u>283,713,332</u>	<u>86</u>	<u>284,583,981</u>	<u>87</u>
Non-current liabilities								
2540	Long-term loans	6(14)	4,508,429	2	1,474,127	1	1,437,015	1
2570	Deferred income tax liabilities		589,255	-	555,257	-	530,494	-
2580	Lease liabilities-non-current	7	319,314	-	321,429	-	415,714	-
2645	Guarantee deposits received-non-current	6(15)						
			366,651	-	448,662	-	328,520	-
25XX	Total non-current liabilities		<u>5,783,649</u>	<u>2</u>	<u>2,799,475</u>	<u>1</u>	<u>2,711,743</u>	<u>1</u>
2XXX	Total liabilities		<u>278,861,688</u>	<u>87</u>	<u>286,512,807</u>	<u>87</u>	<u>287,295,724</u>	<u>88</u>
Equity								
Equity attributable to owners of parent								
	Share capital	6(17)						
3110	Common stock		6,231,505	2	6,231,505	2	5,665,004	2
3120	Preference stock		1,000,000	-	1,000,000	1	1,000,000	-
3150	Stock dividend to be distributed		-	-	-	-	566,501	-
	Capital surplus	6(18)						
3200	Capital surplus		17,139,974	6	17,139,974	5	17,011,338	5
	Retained earnings	6(19)						
3310	Legal reserve		3,120,400	1	2,814,851	1	2,814,851	1
3320	Special reserve		53,645	-	114,895	-	114,895	-
3350	Unappropriated earnings		9,189,740	3	10,108,913	3	8,917,521	3
	Other equity interest							
3400	Other equity interest		(298,286)	-	(53,645)	-	(51,774)	-
31XX	Total equity attributable to shareholders of the parent		<u>36,436,978</u>	<u>12</u>	<u>37,356,493</u>	<u>12</u>	<u>36,038,336</u>	<u>11</u>
36XX	Non-controlling interest		<u>4,085,713</u>	<u>1</u>	<u>4,310,090</u>	<u>1</u>	<u>4,121,084</u>	<u>1</u>
3XXX	Total equity		<u>40,522,691</u>	<u>13</u>	<u>41,666,583</u>	<u>13</u>	<u>40,159,420</u>	<u>12</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant event after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 319,384,379</u>	<u>100</u>	<u>\$ 328,179,390</u>	<u>100</u>	<u>\$ 327,455,144</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)
(Reviewed, not audited)

	Items	Notes	Three months ended June 30,				Six months ended June 30,			
			2025		2024		2025		2024	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6(20) and 7	\$ 5,997,404	100	\$ 7,684,197	100	\$ 12,083,138	100	\$ 15,467,908	100
5000	Operating costs	6(21) and 7	(2,416,066)	(40)	(3,589,746)	(47)	(4,766,428)	(40)	(6,835,193)	(44)
5900	Gross profit		3,581,338	60	4,094,451	53	7,316,710	60	8,632,715	56
	Operating expenses	6(26)(27) and 7								
6100	Selling expenses		(811,885)	(14)	(1,520,881)	(20)	(1,696,674)	(14)	(3,110,568)	(20)
6200	General and administrative expenses		(490,199)	(8)	(577,321)	(7)	(1,003,333)	(8)	(1,124,710)	(8)
6450	Expected credit losses		(1,252,026)	(21)	(1,283,859)	(17)	(2,627,337)	(22)	(2,460,234)	(16)
6000	Total operating expenses		(2,554,110)	(43)	(3,382,061)	(44)	(5,327,344)	(44)	(6,695,512)	(44)
6900	Operating profit		1,027,228	17	712,390	9	1,989,366	16	1,937,203	12
	Non-operating income and expenses									
7100	Interest income	6(22)	9,274	-	11,759	-	14,571	-	17,027	-
7010	Other income	6(23)	41,712	1	47,142	1	125,653	1	89,996	1
7020	Other gains and losses	6(24)	545	-	480,090	6	(7,314)	-	481,385	3
7050	Finance costs	6(25)	(2,094)	-	(2,562)	-	(4,330)	-	(4,615)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(4,321)	-	(1,457)	-	(8,668)	-	(3,013)	-
7000	Total non-operating income and expenses		45,116	1	534,972	7	119,912	1	580,780	4
7900	Profit before income tax		1,072,344	18	1,247,362	16	2,109,278	17	2,517,983	16
7950	Income tax expense	6(28)	(136,102)	(3)	(182,707)	(2)	(400,652)	(3)	(551,420)	(3)
8200	Profit for the period		\$ 936,242	15	\$ 1,064,655	14	\$ 1,708,626	14	\$ 1,966,563	13

(Continued)

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)
(Reviewed, not audited)

Items	Notes	Three months ended June 30,				Six months ended June 30,			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income (loss) for the period									
Components of other comprehensive income that may not be reclassified to profit or loss									
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income		\$ 386	-	\$ 330	-	\$ 436	-	\$ 512	-
8310 Total components of other comprehensive income that may not be reclassified to profit or loss		386	-	330	-	436	-	512	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361 Financial statement translation differences of foreign operations		(749,838)	(12)	48,356	1	(627,367)	(5)	190,838	1
8368 Gains (losses) on hedging instrument	6(2)	163,112	3	2,355	-	108,485	1	(47,659)	-
8399 Income tax related to components of other comprehensive (loss) income that will be reclassified to profit or loss	6(28)	(36,846)	(1)	(531)	-	(29,621)	-	7,284	-
8360 Total components of other comprehensive income (loss) that will be reclassified to profit or loss		(623,572)	(10)	50,180	1	(548,503)	(4)	150,463	1
8300 Other comprehensive (loss) income for the period, net of tax		(\$ 623,186)	(10)	\$ 50,510	1	(\$ 548,067)	(4)	\$ 150,975	1
8500 Total comprehensive income for the period		\$ 313,056	5	\$ 1,115,165	15	\$ 1,160,559	10	\$ 2,117,538	14
Profit, attributable to:									
8610 Owners of the parent		\$ 902,488	14	\$ 1,024,216	13	\$ 1,629,577	13	\$ 1,864,099	12
8620 Non-controlling interests		33,754	1	40,439	1	79,049	1	102,464	1
		\$ 936,242	15	\$ 1,064,655	14	\$ 1,708,626	14	\$ 1,966,563	13
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		\$ 632,627	10	\$ 1,052,531	14	\$ 1,384,936	12	\$ 1,927,220	13
8720 Non-controlling interests		(319,571)	(5)	62,634	1	(224,377)	(2)	190,318	1
		\$ 313,056	5	\$ 1,115,165	15	\$ 1,160,559	10	\$ 2,117,538	14
Earnings per share (in dollars)									
9750 Basic earnings per share	6(29)	\$ 1.45		\$ 1.64		\$ 1.92		\$ 2.53	
9850 Diluted earnings per share	6(29)	\$ 1.45		\$ 1.64		\$ 1.92		\$ 2.53	

The accompanying notes are an integral part of these consolidated financial statements.

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

Equity attributable to owners of the parent													
	Share capital				Retained earnings			Other equity interest					

The accompanying notes are an integral part of these consolidated financial statements.

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	Six months ended June 30, 2025	2024
<u>Cash Flows From Operating Activities</u>			
Profit before tax		\$ 2,109,278	\$ 2,517,983
Adjustments to reconcile net profit to net cash from (used in) operating activities			
Income and expenses having no effect on cash flows			
Expected credit losses and financial guarantee expenses		3,436,861	3,065,989
Depreciation	6(26)	363,891	770,425
Amortization	6(10)(26)	14,952	14,123
Reversal of impairment loss recognized on leased assets	6(6)	(130)	(851)
Gains on financial assets at fair value through profit or loss	6(24)	(342)	(6,300)
Net gains on disposals of property, plant and equipment	6(24)	(3,530)	(221,078)
Net gains on disposals of investment property	6(24)	-	(255,515)
Losses on disposals of investments	6(24)	6,880	-
Interest expense	6(21)(25)	2,947,925	2,759,467
Interest income	6(20)(22)	(10,656,328)	(11,557,655)
Dividend income		-	(454)
(Profit) loss from lease modification	6(7)	(39)	10
Share of profit or loss of associates accounted for using equity method	6(5)	8,668	3,013
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		342	(2,393,700)
Notes and accounts receivable		4,458,383	(15,318,903)
Other receivables		51,948	(5,791)
Inventories		70,481	528,148
Prepayments		841,160	523,724
Other financial assets		2,241	2,399
Net changes in liabilities relating to operating activities			
Notes and accounts payable		(452,030)	503,254
Other payables		(39,543)	(117,170)
Current financial guarantee liabilities		(1,235)	(1,280)
Other current liabilities, others		28,939	38,330
Cash inflow (outflow) generated from operations		3,188,772	(19,151,832)
Cash dividends received		-	454
Interest received		10,528,636	11,535,040
Interest paid		(2,944,940)	(2,818,410)
Income tax paid		(352,945)	(885,588)
Net cash flows from (used in) operating activities		10,419,523	(11,320,336)
<u>Cash Flows From Investing Activities</u>			
Acquisition of property, plant and equipment	6(31)	(602,170)	(1,282,486)
Acquisition of financial assets at fair value through other comprehensive income		-	(16,000)
Acquisition of investments accounted for using equity method	6(5)	-	(539,286)
Proceeds from disposal of property, plant and equipment		8,917	326,697
Proceeds from disposal of investment property		-	372,501
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		8,000	-
Net cash flow from acquisition of subsidiaries		-	(216,578)
Increase in other non-current assets		(334,713)	(147,326)
Net cash flows used in investing activities		(919,966)	(1,502,478)
<u>Cash Flows From Financing Activities</u>			
(Decrease) increase in short-term loans	6(31)	(22,551,031)	23,453,369
Increase (decrease) in short-term notes and bills payable	6(31)	28,091,092	(11,368,000)
Proceeds from long-term loans	6(31)	3,426,173	430,851
Repayments of long-term loans	6(31)	(419,098)	(427,327)
Repayments of bonds payable	6(13)(31)	(17,000,000)	-
(Decrease) increase in guarantee deposits received	6(31)	(777,826)	182,246
(Decrease) increase in other payables	6(31) and 7	(121,278)	28,292
Repayment of principal portion of lease liabilities	6(31)	(46,775)	(81,623)
Change in non-controlling interest		-	33,600
Net cash flows (used in) from financing activities		(9,398,743)	12,251,408
Effect of exchange rate changes		(490,925)	352,340
Decrease in cash and cash equivalents		(390,111)	(219,066)
Cash and cash equivalents at beginning of period		4,985,831	2,878,184
Cash and cash equivalents at end of period		\$ 4,595,720	\$ 2,659,118

The accompanying notes are an integral part of these consolidated financial statements.

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Reviewed, not audited)

1. HISTORY AND ORGANIZATION

Hotai Finance Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in installment sales and leases of vehicles and equipment. Hozan Investment Co., Ltd. holds 45.395% ordinary equity interest in the Company. Hotai Motor Co. Ltd. is the Group’s ultimate parent company.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorised for issuance by the Board of Directors on August 5, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments that came into effect as endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim Financial Reporting’ that came into effect as endorsed by the FSC.
- B. The consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Hedging financial assets and liabilities.
 - (b) Financial assets at fair value through profit or loss.
 - (c) Financial assets at fair value through other comprehensive income.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to

the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- (f) For the six months ended June 30, 2025, except for Hoyun International Limited, Hoyun International Leasing Co., Ltd., He Jing Co., Ltd., which were evaluated and disclosed based on their reviewed financial statements, other subsidiaries included in the consolidated financial statements were evaluated and disclosed based on their unreviewed financial statements. For the six months ended June 30, 2024, except for Hoyun International Limited, Hoyun International Leasing Co., Ltd., Hoing Mobility Service Co., Ltd., which were evaluated and disclosed based on their reviewed financial statements, other subsidiaries included in the consolidated financial statements were evaluated and disclosed based on their unreviewed financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Hotai Finance Co., Ltd.	Hoyun International Limited	General investment	50.50	50.50	50.50	
Hotai Finance Co., Ltd.	Hoing Mobility Service Co., Ltd.	Leasing of light passenger vehicles	-	-	50.82	Note 1
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Installment sales of various vehicles	81.00	81.00	81.00	
Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Solar energy business	80.00	80.00	80.00	
Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Installment sales of various equipment	100.00	100.00	100.00	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Energy storage business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Solar energy business	96.97	96.97	96.97	
He Jun Energy Co., Ltd.	Guang Yang Energy Co., Ltd.	Solar energy business	99.00	99.00	99.00	
He Jun Energy Co., Ltd.	XianYao Energy Co., Ltd.	Solar energy business	99.00	99.00	99.00	
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Electricity retailing business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Solar energy business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Tung Ching Green Energy Co., Ltd.	Solar energy business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Solar energy business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Cheng Yo Technology Co., Ltd.	Solar energy business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Pacific One Energy Ltd.	Solar energy business	100.00	100.00	100.00	Note 3
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Solar energy business	100.00	100.00	100.00	Note 3
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Solar energy business	70.00	70.00	70.00	Note 4
Cheng Yo Technology Co., Ltd.	Hon Yang Energy Co., Ltd.	Solar energy business	100.00	100.00	100.00	
Hoyun International Limited	Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail of and support service for vehicles	100.00	100.00	100.00	
Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring service	100.00	100.00	100.00	
Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Vehicle Leasing Co., Ltd.	Leasing of vehicles	100.00	100.00	100.00	
Hoyun International Leasing Co., Ltd.	Hangzhou Yiyou Network Technology Co., Ltd.	Leasing business	-	100.00	100.00	Note 5
Hoyun International Leasing Co., Ltd.	Hangzhou Wangyou Technology Co., Ltd.	Leasing business	-	100.00	100.00	Note 5
Hoyun International Leasing Co., Ltd.	Hemei International Trade (Suzhou) Co., Ltd.	Goods trading business	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Hoyun International Leasing Co., Ltd.	Hoyun International Leasing Co., Ltd. Trust of Asset-Backed Commercial Paper for Supporting Industrial Upgrading of Small and Micro Enterprises in the First Quarter of 2024	Structured entity	-	-	-	Note 6

Note 1: In August 2024, the Group disposed of all the equity of Hoing Mobility Service Co, Ltd. to Hotai Leasing Co., Ltd.

Note 2: Established in January 2024.

Note 3: Acquired in March 2024.

Note 4: Established in April 2024.

Note 5: Completed dissolution and liquidation in February 2025.

Note 6: The structured entity was a trust established in September 2024, which the Group does not have any direct or indirect shareholding. The structured entity is consolidated since the assessment of risks and rewards disclosed that the Group has control over the structured entity. Please refer to Note 6(8).

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: Not applicable.

E. Significant restrictions: Not applicable.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of June 30, 2025, December 31, 2024 and June 30, 2024, the non-controlling interest amounted to \$4,085,713, \$4,310,090 and \$4,121,084, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		June 30, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
Hoyun International Limited	China	\$ 2,891,983	49.50%	\$ 3,133,583	49.50%

Name of subsidiary	Principal place of business	Non-controlling interest June 30, 2024	
		Amount	Ownership (%)
Hoyun International Limited	China	\$ 3,036,369	49.50%

Summarised financial information of the subsidiaries:

Balance sheets

		Hoyun International Limited		
		June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$	30,806,002	\$ 40,149,285	\$ 37,151,289
Non-current assets		4,177,979	4,218,884	3,835,270
Current liabilities	(	28,806,960)	(37,615,331)	(34,476,796)
Non-current liabilities	(	334,630)	(422,367)	(375,685)
Total net assets	\$	<u>5,842,391</u>	<u>\$ 6,330,471</u>	<u>\$ 6,134,078</u>

Statements of comprehensive income

		Hoyun International Limited	
		Three months ended June 30,	
		2025	2024
Revenue	\$	<u>1,057,580</u>	<u>\$ 1,206,907</u>
Profit before income tax		55,009	227,449
Income tax expense	(	14,825)	(61,612)
Profit for the period		<u>40,184</u>	<u>165,837</u>
Other comprehensive (loss) income, net of tax	(	714,847)	44,867
Total comprehensive (loss) income for the period	(\$	<u>674,663)</u>	<u>\$ 210,704</u>
Comprehensive (loss) income attributable to non-controlling interest	(\$	<u>333,958)</u>	<u>\$ 104,300</u>

		Hoyun International Limited	
		Six months ended June 30,	
		2025	2024
Revenue	\$	<u>2,212,223</u>	<u>\$ 2,384,854</u>
Profit before income tax		169,859	458,292
Income tax expense	(	44,003)	(119,722)
Profit for the period		<u>125,856</u>	<u>338,570</u>
Other comprehensive (loss) income, net of tax	(	613,936)	176,165
Total comprehensive (loss) income for the period	(\$	<u>488,080)</u>	<u>\$ 514,735</u>
Comprehensive (loss) income attributable to non-controlling interest	(\$	<u>241,600)</u>	<u>\$ 254,795</u>

Statements of cash flows

	Hoyun International Limited	
	Six months ended June 30,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 1,193,523	(\$ 2,875,469)
Net cash provided by (used in) investing activities	6,477,350	(410,439)
Net cash (used in) provided by financing activities	(8,383,160)	2,242,690
Effect of exchange rates on cash and cash equivalents	(490,925)	352,340
Decrease in cash and cash equivalents	(1,203,212)	(690,878)
Cash and cash equivalents, beginning of period	3,809,914	2,261,968
Cash and cash equivalents, end of period	<u>\$ 2,606,702</u>	<u>\$ 1,571,090</u>

(4) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	25 ~50 years
Furniture and fixtures (including office equipment)	5 ~25 years
Transportation equipment	1 ~ 8 years
Leasehold improvements	3 ~10 years

(5) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize any gain or loss relating to the partial or full termination of the lease in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(6) Income tax

A. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The additional disclosures are set out below. For the rest of the information, please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

Reasons and effects of changes in accounting estimates

The Group reviews the estimated useful lives of its property, plant, and equipment at each balance sheet date. To more accurately reflect the actual usage of major assets and report the financial status, operating performance, and changes in the financial condition of the company, the Group has extended the useful life of solar power equipment to 25 years, effective from July 1, 2024. The impact of this change in accounting estimate on depreciation expense for the year 2025 and future years is as follows:

	Six months ended	Years ended December 31,		
	June 30, 2025	2026	2027	2028~
Changes in depreciation	(\$ 23,964)	(\$ 47,928)	(\$ 47,928)	\$ 143,784

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,857	\$ 1,657	\$ 3,362
Checking accounts and demand deposits	4,593,863	4,982,174	2,655,756
Cash equivalents	-	2,000	-
Time deposits	-	-	-
	<u>\$ 4,595,720</u>	<u>\$ 4,985,831</u>	<u>\$ 2,659,118</u>

The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(2) Hedging financial assets and liabilities

	June 30, 2025		December 31, 2024	
	Current assets	Current liabilities	Current assets	Current liabilities
Cash flow hedges:				
<u>Exchange rate risk and interest rate risk</u>				
Cross-currency swaps	\$ 79,695	(\$ 991,661)	\$ 260,887	(\$ 855,551)
Interest rate swaps	26,369	-	-	-
	<u>\$ 106,064</u>	<u>(\$ 991,661)</u>	<u>\$ 260,887</u>	<u>(\$ 855,551)</u>
			June 30, 2024	
			Current assets	Current liabilities
Cash flow hedges:				
<u>Exchange rate risk and interest rate risk</u>				
Cross-currency swaps			\$ 622,770	(\$ 2,218,626)

A. Hedge accounting is applied to remove the accounting inconsistency between the hedging instrument and the hedged item. As the Group's foreign currency denominated loans are exposed to the impact of variable exchange rate and interest rates, the Group uses interest rate swaps and cross-currency swaps to control the exchange rate risk and interest rates under their acceptable range.

B. Transaction information associated with the Group adopting hedge accounting is as follows:

		June 30, 2025					Six months ended June 30, 2025			
Hedging instruments	Notional amount (in thousand dollars)		Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognizing hedge ineffectiveness basis	Average exchange rates	Average interest rates	Gains (losses) on valuation of ineffective hedge that will be recognized in financial assets/liabilities at fair value through profit or loss	
Cash flow hedges:										
<u>Exchange rate risk</u>										
<u>Interest rate risk</u>										
Cross-currency swap transactions	USD	102,000	2024/3/28~2026/3/27	\$ -	(\$ 240,374)	\$ -	31.96~32.55	1.77~1.84	\$ -	-
	USD	20,000	2025/4/8~2025/7/10	-	(59,373)	-	33.05	1.90	-	-
	JPY	47,729,948	2024/2/20~2026/2/12	-	(602,154)	-	0.21~0.23	1.92~2.36	-	-
	JPY	31,353,000	2023/10/23~2028/6/9	79,695	(89,760)	-	0.05	3.31~4.20	-	-
Interest rate swap trasactions	TWD	22,250,000	2025/4/24~2027/6/28	26,369	-	-	-	1.44~1.48	-	-
December 31, 2024							Year ended December 31, 2024			
Hedging instruments	Notional amount (in thousand dollars)		Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognizing hedge ineffectiveness basis	Average exchange rates	Average interest rates	Gains (losses) on valuation of ineffective hedge that will be recognized in financial assets/liabilities at fair value through profit or loss	
Cash flow hedges:										
<u>Exchange rate risk</u>										
<u>Interest rate risk</u>										
Cross-currency swap transactions	USD	31,250	2022/1/12~2025/1/13	\$ 124,918	\$ -	\$ -	6.37~6.38	4.11~4.19	\$ -	-
	USD	102,000	2024/3/28~2026/3/27	67,899	-	-	31.96~32.50	1.84~1.93	-	-
	JPY	51,529,948	2023/5/2~2026/2/12	-	(473,522)	-	0.21~0.23	1.92~2.36	-	-
	JPY	24,028,000	2023/10/23~2027/12/7	68,070	(382,029)	-	0.05	3.71~4.20	-	-

		June 30, 2024					Six months ended June 30, 2024			
Hedging instruments	Notional amount (in thousand dollars)		Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognizing hedge ineffectiveness basis	Average exchange rates	Average interest rates	Gains (losses) on valuation of ineffective hedge that will be recognized in financial assets/liabilities at fair value through profit or loss	
Cash flow hedges:										
<u>Exchange rate risk</u>										
<u>Interest rate risk</u>										
Cross-currency swap transactions	USD	66,800	2022/1/12~2025/1/13	\$ 251,492	\$ -	\$ -	6.33~6.55	4.11~5.30	\$	-
	USD	102,000	2023/9/7~2026/3/27	59,150	-	-	31.96~32.12	1.82~1.85	-	-
	JPY	69,900,000	2021/9/30~2026/2/12	-	(2,043,159)	-	0.21~0.25	0.83~2.32	-	-
	JPY	6,000,000	2023/10/23~2027/3/10	-	(175,467)	-	0.05	3.83~4.20	-	-
	EUR	75,000	2022/9/12~2024/9/12	312,128	-	-	30.60	2.04	-	-

		June 30, 2025	
Hedged items		Liabilities carrying amount	Valuation on liabilities' carrying amount due to fair value hedges
Cash flow hedges:			
<u>Exchange rate risk and interest rate risk</u>			
Long-term and short-term loans		\$ 42,841,231	(\$ 908,483)

		December 31, 2024	
Hedged items		Liabilities carrying amount	Valuation on liabilities' carrying amount due to fair value hedges
Cash flow hedges:			
<u>Exchange rate risk and interest rate risk</u>			
Long-term and short-term loans		\$ 20,668,117	(\$ 494,313)

		June 30, 2024	
Hedged items		Liabilities carrying amount	Valuation on liabilities' carrying amount due to fair value hedges
Cash flow hedges:			
<u>Exchange rate risk and interest rate risk</u>			
Long-term and short-term loans		\$ 24,907,842	(\$ 1,543,559)

C. Cash flow hedges

	<u>Six months ended June 30, 2025</u>
<u>Other equity - cash flow hedge reserve</u>	
At January 1	(\$ 102,049)
Add: Gains on hedge effectiveness recognized in other comprehensive income	154,524
Less: Reclassified to profit or loss as the hedged item has affected the profit and loss	(46,039)
Less: Income tax relating to the hedge effectiveness recognized in other comprehensive income	(29,621)
At June 30	<u>(\$ 23,185)</u>
	<u>Six months ended June 30, 2024</u>
<u>Other equity - cash flow hedge reserve</u>	
At January 1	(\$ 11,922)
Less: Losses on hedge effectiveness recognized in other comprehensive income	(63,650)
Add: Reclassified to profit or loss as the hedged item has affected the profit and loss	15,991
Add: Income tax relating to the hedge effectiveness recognized in other comprehensive income	7,284
At June 30	<u>(\$ 52,297)</u>

To hedge exposed exchange rate risk and interest rate risk arising from loans, the Group entered into interest rate swap and cross-currency swap agreements. The effective portion with respect to the changes in the fair value of the hedging instruments is deferred as cash flow hedge reserve, which is recognized under other comprehensive income, and will be directly included in the exchange gains (loss) on foreign currency and finance costs when the hedged items are subsequently paid the principal or interest.

(3) Notes and accounts receivable, net (including long-term notes and accounts receivable)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Installment notes receivable	\$ 16,162,644	\$ 14,985,193	\$ 12,498,610
Notes receivable	234,900	72,140	-
Installment accounts receivable	290,207,081	295,346,829	296,436,396
Accounts receivable	682,376	929,731	80,420
Less: Unrealized interest revenue	(31,981,599)	(34,763,857)	(38,125,469)
	275,305,402	276,570,036	270,889,957
Less: Allowance for doubtful accounts	(4,892,598)	(4,856,152)	(4,736,755)
Notes and accounts receivable, net	<u>\$ 270,412,804</u>	<u>\$ 271,713,884</u>	<u>\$ 266,153,202</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, notes and accounts receivable pledged as collaterals for loans and commercial papers to banks amounted to \$5,510,082, \$5,729,534 and \$6,006,995 respectively. Please refer to Note 8 for the related information.

A. The ageing analysis of accounts and notes receivable that were past due but not impaired is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	\$ 271,993,797	\$ 272,739,351	\$ 267,056,087
31 to 60 days	1,149,440	1,490,160	1,554,648
61 to 90 days	794,506	715,154	724,926
91 to 120 days	495,422	650,935	528,124
121 to 150 days	523,584	569,817	513,007
Over 151 days	348,653	404,619	513,165
	<u>\$ 275,305,402</u>	<u>\$ 276,570,036</u>	<u>\$ 270,889,957</u>

The above ageing analysis was based on past due date. Additionally, 31 days overdue shall be defined as delinquent based on the risk management policy.

B. The expected recovery of the Group's installment notes and accounts receivable is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not later than one year	\$ 108,206,547	\$ 106,499,684	\$ 102,760,970
Over 1 year	198,163,178	203,832,338	206,174,036
	<u>\$ 306,369,725</u>	<u>\$ 310,332,022</u>	<u>\$ 308,935,006</u>

C. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments	\$ 2,793,211	\$ 3,294,947	\$ 3,173,337
Prepaid commission	1,332,238	1,689,857	2,088,418
Prepaid insurance premiums	55,582	66,095	215,106
Others	505,458	476,750	751,451
	<u>\$ 4,686,489</u>	<u>\$ 5,527,649</u>	<u>\$ 6,228,312</u>

(5) Investments accounted for using equity method

	June 30, 2025	December 31, 2024	June 30, 2024
HFC (Cambodia) Microfinance PLC. (Note)	\$ 509,965	\$ 559,387	\$ 557,897
Heng Fong Energy Co., Ltd.	395,333	400,500	403,281
Kai Lan Power Co., Ltd	359,460	360,475	321,944
Grinnodot Inc.	148,191	148,014	148,928
Zheng-Ren Energy Co., Ltd.	132,207	135,426	139,549
Hotai Mobility Service Co., Ltd.	73,484	72,925	74,928
Gochabar Co., Ltd.	19,929	24,076	26,750
	<u>\$ 1,638,569</u>	<u>\$ 1,700,803</u>	<u>\$ 1,673,277</u>

Note : To expand its business, Ly Hour Leasing PLC was renamed as HFC (Cambodia) Microfinance PLC. in August 2024.

A. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$1,638,569, \$1,700,803 and \$1,673,277 respectively.

	Three months ended June 30,	
	2025	2024
Comprehensive (loss) income for the period	(\$ 60,931)	\$ 1,746
	Six months ended June 30,	
	2025	2024
Comprehensive loss for the period	(\$ 62,234)	(\$ 302)

B. The Group's investments have no quoted market price. The share of profit or loss of investments accounted for using the equity method amounted to (\$4,321), (\$1,457), (\$8,668), and (\$3,013) for the three months and six months ended June 30, 2025 and 2024, respectively, and were recognized based on the financial statements audited by other independent auditors.

C. In May 2024, the Group participated in a cash capital increase of Kai Lan Power Co., Ltd. amounting to \$321,944 and a shareholding ratio of 40%. In July 2024, the Group participated in another cash capital increase of Kai Lan Power Co., Ltd. with an amount of \$38,056. The shareholding ratio remained unchanged.

D. In April 2024, the Group acquired 5% of the shareholding of Grinnodot Inc. amounting to \$37,273 and participated in a cash capital increase of the company amounting to \$111,819. As a result, shareholding ratio increased to 20%.

- E. In January 2024, the Group participated in a cash capital increase of Zheng-Ren Energy Co., Ltd. amounting to \$68,250. The shareholding ratio remained unchanged at 35%. Although the Group is the single largest shareholder of Zheng-Ren Energy Co., Ltd., the combined shareholdings of the other two major shareholders (not related parties) exceed the Group's shareholdings, which indicates that the Group has no real ability to direct the relevant activities and therefore assessed that it does not have control over the company and only has significant influence over it.

(6) Property, plant and equipment

2025

			Furniture and fixtures (including office equipment)			Transportation equipment			Leasehold improvements	Total
	Land	Buildings and structures	Owner- occupied	Lease (Note 1)	Subtotal	Owner- occupied	Lease (Note 1)	Subtotal		
At January 1										
Cost	\$ 1,096,073	\$ 273,529	\$ 4,289,298	\$ 236,180	\$ 4,525,478	\$ 143,941	\$ 1,952,909	\$ 2,096,850	\$ 99,662	\$ 8,091,592
Accumulated depreciation and impairment	-	(18,173)	(582,726)	(159,453)	(742,179)	(49,996)	(1,011,713)	(1,061,709)	(34,859)	(1,856,920)
	<u>\$ 1,096,073</u>	<u>\$ 255,356</u>	<u>\$ 3,706,572</u>	<u>\$ 76,727</u>	<u>\$ 3,783,299</u>	<u>\$ 93,945</u>	<u>\$ 941,196</u>	<u>\$ 1,035,141</u>	<u>\$ 64,803</u>	<u>\$ 6,234,672</u>
Opening net book amount as at January 1	\$ 1,096,073	\$ 255,356	\$ 3,706,572	\$ 76,727	\$ 3,783,299	\$ 93,945	\$ 941,196	\$ 1,035,141	\$ 64,803	\$ 6,234,672
Additions	32,805	45,557	421,589	8,134	429,723	4,352	59,705	64,057	12,857	584,999
Disposal	-	-	(8)	-	(8)	(5,087)	-	(5,087)	(292)	(5,387)
Reclassifications	-	-	-	(3,807)	(3,807)	(43)	(69,213)	(69,256)	-	(73,063)
Transfers from prepayments for business facilities	-	-	192,788	-	192,788	-	13,945	13,945	-	206,733
Depreciation	-	(3,134)	(92,850)	(24,869)	(117,719)	(14,054)	(173,477)	(187,531)	(8,042)	(316,426)
Gain on reversal of impairment loss	-	-	-	130	130	-	-	-	-	130
Net exchange differences	-	-	(1,165)	-	(1,165)	(7,391)	(72,643)	(80,034)	(2,062)	(83,261)
Closing net book amount as at June 30	<u>\$ 1,128,878</u>	<u>\$ 297,779</u>	<u>\$ 4,226,926</u>	<u>\$ 56,315</u>	<u>\$ 4,283,241</u>	<u>\$ 71,722</u>	<u>\$ 699,513</u>	<u>\$ 771,235</u>	<u>\$ 67,264</u>	<u>\$ 6,548,397</u>
At June 30										
Cost	\$ 1,128,878	\$ 319,086	\$ 4,900,430	\$ 150,835	\$ 5,051,265	\$ 115,162	\$ 1,698,524	\$ 1,813,686	\$ 104,900	\$ 8,417,815
Accumulated depreciation and impairment	-	(21,307)	(673,504)	(94,520)	(768,024)	(43,440)	(999,011)	(1,042,451)	(37,636)	(1,869,418)
	<u>\$ 1,128,878</u>	<u>\$ 297,779</u>	<u>\$ 4,226,926</u>	<u>\$ 56,315</u>	<u>\$ 4,283,241</u>	<u>\$ 71,722</u>	<u>\$ 699,513</u>	<u>\$ 771,235</u>	<u>\$ 67,264</u>	<u>\$ 6,548,397</u>

Note 1: The assets are for lease purposes offered by the Company and the subsidiary. When the leased assets are available to be sold instead of leasing to others, the carrying amounts are recorded as inventories. When they are sold, the payments arising from the sales and related costs are reclassified as sales revenue and cost of sales.

Note 2: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

Note 3: The borrowing costs capitalised as part of property, plant and equipment amounted to \$2,784 and the range of the interest rates for such capitalisation is 2.2055%~2.2865%.

	Furniture and fixtures (including office equipment) Transportation equipment									Total
	Land	Buildings and structures	Owner-occupied	Lease (Note 1)	Subtotal	Owner-occupied	Lease (Note 1)	Subtotal	Leasehold improvements	
At January 1										
Cost	\$ 1,187,698	\$ 294,952	\$ 2,755,859	\$ 305,519	\$ 3,061,378	\$ 159,525	\$ 7,472,469	\$ 7,631,994	\$ 155,555	\$ 12,331,577
Accumulated depreciation and impairment	-	(23,873)	(369,936)	(175,405)	(545,341)	(90,340)	(2,494,526)	(2,584,866)	(87,428)	(3,241,508)
	<u>\$ 1,187,698</u>	<u>\$ 271,079</u>	<u>\$ 2,385,923</u>	<u>\$ 130,114</u>	<u>\$ 2,516,037</u>	<u>\$ 69,185</u>	<u>\$ 4,977,943</u>	<u>\$ 5,047,128</u>	<u>\$ 68,127</u>	<u>\$ 9,090,069</u>
Opening net book amount as at January 1	\$ 1,187,698	\$ 271,079	\$ 2,385,923	\$ 130,114	\$ 2,516,037	\$ 69,185	\$ 4,977,943	\$ 5,047,128	\$ 68,127	\$ 9,090,069
Additions	-	-	387,315	19,133	406,448	15,481	827,248	842,729	22,671	1,271,848
Acquired from business combinations	-	-	429,290	-	429,290	-	-	-	-	429,290
Disposal	(91,625)	(9,462)	(808)	-	(808)	(1,806)	(1,918)	(3,724)	-	(105,619)
Reclassifications	-	-	-	(1,978)	(1,978)	-	(525,212)	(525,212)	-	(527,190)
Transfers from prepayments for business facilities	-	-	93,311	-	93,311	-	7,868	7,868	-	101,179
Depreciation	-	(3,275)	(95,705)	(40,351)	(136,056)	(11,993)	(523,297)	(535,290)	(14,530)	(689,151)
Gain on reversal of impairment loss	-	-	-	851	851	-	-	-	-	851
Net exchange differences	-	-	287	-	287	2,262	28,603	30,865	728	31,880
Closing net book amount as at June 30	<u>\$ 1,096,073</u>	<u>\$ 258,342</u>	<u>\$ 3,199,613</u>	<u>\$ 107,769</u>	<u>\$ 3,307,382</u>	<u>\$ 73,129</u>	<u>\$ 4,791,235</u>	<u>\$ 4,864,364</u>	<u>\$ 76,996</u>	<u>\$ 9,603,157</u>
At June 30										
Cost	\$ 1,096,073	\$ 273,529	\$ 3,735,535	\$ 270,994	\$ 4,006,529	\$ 169,405	\$ 7,308,273	\$ 7,477,678	\$ 175,663	\$ 13,029,472
Accumulated depreciation and impairment	-	(15,187)	(535,922)	(163,225)	(699,147)	(96,276)	(2,517,038)	(2,613,314)	(98,667)	(3,426,315)
	<u>\$ 1,096,073</u>	<u>\$ 258,342</u>	<u>\$ 3,199,613</u>	<u>\$ 107,769</u>	<u>\$ 3,307,382</u>	<u>\$ 73,129</u>	<u>\$ 4,791,235</u>	<u>\$ 4,864,364</u>	<u>\$ 76,996</u>	<u>\$ 9,603,157</u>

Note 1: The assets are for lease purposes offered by the Company and the subsidiary. When the leased assets are available to be sold instead of leasing to others, the carrying amounts are recorded as inventories. When they are sold, the payments arising from the sales and related costs are reclassified as sales revenue and cost of sales.

Note 2: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

Note 3: The borrowing costs capitalised as part of property, plant and equipment amounted to \$222 and the range of the interest rates for such capitalisation is 1.8419%~2.0428%

(7) Lease transactions - lessee

- A. The Group leases various assets including buildings, equipment and parking spaces. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 48,218	\$ 47,861	\$ 53,747
Buildings and structures	346,173	364,818	520,103
Machinery and equipment	-	-	548
	<u>\$ 394,391</u>	<u>\$ 412,679</u>	<u>\$ 574,398</u>

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 811	\$ 1,457
Buildings and structures	22,355	39,495
Machinery and equipment	-	274
	<u>\$ 23,166</u>	<u>\$ 41,226</u>

	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,597	\$ 2,627
Buildings and structures	45,458	77,354
Machinery and equipment	-	548
	<u>\$ 47,055</u>	<u>\$ 80,529</u>

- C. For the three months and six months ended June 30, 2025 and 2024, the additions to right-of-use assets were \$13,035, \$112,820, \$39,981, and \$128,325, respectively.

D. The information on profit or loss in relation to lease contracts is as follows:

	Three months ended June 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,094	\$ 2,562
Expense on short-term lease contracts and leases of low-value assets	3,443	13,765
Profit from lease modification	-	7
Expense on variable lease payments	12,758	5,286
	Six months ended June 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,330	\$ 4,615
Expense on short-term lease contracts and leases of low-value assets	6,969	18,152
Profit (loss) from lease modification	39 (	10)
Expense on variable lease payments	22,362	11,232

E. For the six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$80,436 and \$115,622, respectively.

(8) Leasing arrangements - lessor

- A. The Group leases various assets including machinery and equipment, vehicles and multifunction printers. Rental contracts are typically made for periods of 1 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. The Group leases machinery and equipment and vehicles under a finance lease. Based on the terms of the lease contract, the ownership of the assets will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	Three months ended June 30,	
	2025	2024
Finance income from the net investment in the finance lease	\$ 813,529	\$ 940,168
	Six months ended June 30,	
	2025	2024
Finance income from the net investment in the finance lease	\$ 1,733,780	\$ 1,862,542

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Next 1 year	\$ 20,271,830	\$ 24,829,159	\$ 24,773,942
Next 2 years	6,823,892	9,243,905	9,372,142
Next 3 years	2,123,567	2,690,705	2,459,968
Next 4 years	861,985	835,420	698,785
Next 5 years	430,392	308,767	223,902
Next 6 years	145,248	93,728	38,223
	<u>\$ 30,656,914</u>	<u>\$ 38,001,684</u>	<u>\$ 37,566,962</u>

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Undiscounted lease payments	\$ 30,656,914	\$ 38,001,684	\$ 37,566,962
Less : Unearned finance income	(3,150,566)	(3,866,183)	(3,760,598)
	27,506,348	34,135,501	33,806,364
Less : Allowance for doubtful accounts	(856,475)	(893,817)	(918,228)
Net investment in the lease	<u>\$ 26,649,873</u>	<u>\$ 33,241,684</u>	<u>\$ 32,888,136</u>

(a) In September 2024, the Group securitized its financial assets by transferring financing lease receivables with an aggregate carrying amount of RMB 1.5 billion to HUANENG GUICHENG TRUST CORP., LTD. These assets were placed into a trust for the issuance of asset-backed securities. The trust qualifies as a structured entity, as defined, with stringent contractual clauses that restrict the decision-making powers of the entity. The significant activities are predetermined in the contract, which is directed by the Group, thereby granting the Group control over the structured entity. As described in Note 4(3), the structured entity is included in the consolidated financial statements.

The issued asset-backed securities were divided into senior tranches amounting to RMB 1.11 billion and subordinated tranches amounting to RMB 390 million. The Group subscribed to all of the subordinated asset-backed securities, thereby receiving RMB 1.11 billion in cash, which was recognized as short-term borrowings. The key characteristics of the issued asset-backed securities are as follows:

Class of asset-backed securities	Issue amount (In thousands)	Expected due date	Interest rate	Payment frequency
Senior	RMB 1,110,000	September 27, 2025	3.15%	Monthly
Subordinated	RMB 390,000	April 27, 2029	None	None (Note)

Note: The principal and interest payments of the subordinate asset-backed notes will commence after the principal and interest of the senior notes have been fully paid.

(b) As of June 30, 2025, December 31, 2024 and June 30, 2024, leasing notes receivable and lease receivable pledged as collaterals for loans and commercial papers to banks amounted to \$8,923,568, \$14,354,136 and \$7,442,336, respectively. Please refer to Note 8 for the related information.

E. The ageing analysis of lease receivable that were past due but not impaired is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	\$ 26,138,409	\$ 33,136,332	\$ 33,029,982
31 to 60 days	307,864	225,055	182,955
61 to 90 days	239,298	156,065	126,394
91 to 120 days	162,915	241,666	131,921
121 to 150 days	182,452	155,346	132,313
Over 151 days	475,410	221,037	202,799
	<u>\$ 27,506,348</u>	<u>\$ 34,135,501</u>	<u>\$ 33,806,364</u>

The above ageing analysis was based on past due date. In addition, 31 days overdue shall be defined as delinquent based on the risk management policy.

F. For the three months and six months ended June 30, 2025 and 2024, the Group recognized rent income in the amounts of \$165,006, \$1,142,466, \$347,420 and \$2,370,233, respectively, based on the operating lease agreement, which does not include variable lease payments.

G. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Next 1 year	\$ 214,790	\$ 254,105	\$ 449,837
Next 2 years	119,183	140,655	143,682
Next 3 years	43,501	67,541	66,577
Next 4 years	9,647	23,472	26,031
Next 5 years	2,878	3,803	6,163
Beyond next 6 years	4,651	4,872	2,088
	<u>\$ 394,650</u>	<u>\$ 494,448</u>	<u>\$ 694,378</u>

(9) Investment property

	2025		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 125,590	\$ 41,887	\$ 167,477
Accumulated depreciation	-	(3,011)	(3,011)
	<u>\$ 125,590</u>	<u>\$ 38,876</u>	<u>\$ 164,466</u>
At January 1	\$ 125,590	\$ 38,876	\$ 164,466
Depreciation charge	-	(410)	(410)
At June 30	<u>\$ 125,590</u>	<u>\$ 38,466</u>	<u>\$ 164,056</u>
At June 30			
Cost	\$ 125,590	\$ 41,887	\$ 167,477
Accumulated depreciation	-	(3,421)	(3,421)
	<u>\$ 125,590</u>	<u>\$ 38,466</u>	<u>\$ 164,056</u>
	2024		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 231,623	\$ 66,678	\$ 298,301
Accumulated depreciation	-	(15,694)	(15,694)
	<u>\$ 231,623</u>	<u>\$ 50,984</u>	<u>\$ 282,607</u>
At January 1	\$ 231,623	\$ 50,984	\$ 282,607
Depreciation charge	-	(745)	(745)
Disposal	(106,033)	(10,953)	(116,986)
At June 30	<u>\$ 125,590</u>	<u>\$ 39,286</u>	<u>\$ 164,876</u>
At June 30			
Cost	\$ 125,590	\$ 41,887	\$ 167,477
Accumulated depreciation	-	(2,601)	(2,601)
	<u>\$ 125,590</u>	<u>\$ 39,286</u>	<u>\$ 164,876</u>

- A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three months ended June 30,	
	2025	2024
Rental income from investment property	\$ 829	\$ 1,812
Direct operating expenses arising from the investment property that generated rental income during the period (including depreciation expense)	\$ 552	\$ 694
	Six months ended June 30,	
	2025	2024
Rental income from investment property	\$ 1,658	\$ 3,624
Direct operating expenses arising from the investment property that generated rental income during the period (including depreciation expense)	\$ 757	\$ 1,234

- B. The fair value of the investment property held by the Group was \$168,004, \$168,880 and \$171,486 as at June 30, 2025, December 31, 2024 and June 30, 2024, respectively. The values are based on the recent transaction prices of similar properties in the respective regions of investment properties, taking into account factors such as location, scale, and usage. The appraisal belonged to the third level of fair value.

(10) Intangible assets

	2025		
	Goodwill	Purchase agreements	Total
At January 1			
Cost	\$ 69,597	\$ 484,165	\$ 553,762
Accumulated amortization and impairment	-	(41,542)	(41,542)
	<u>\$ 69,597</u>	<u>\$ 442,623</u>	<u>\$ 512,220</u>
At January 1	\$ 69,597	\$ 442,623	\$ 512,220
Amortization charge	-	(14,952)	(14,952)
Closing net book amount as at June 30	<u>\$ 69,597</u>	<u>\$ 427,671</u>	<u>\$ 497,268</u>
At June 30			
Cost	\$ 69,597	\$ 484,165	\$ 553,762
Accumulated amortization and impairment	-	(56,494)	(56,494)
	<u>\$ 69,597</u>	<u>\$ 427,671</u>	<u>\$ 497,268</u>

	2024		
	Goodwill	Purchase agreements	Total
At January 1			
Cost	\$ 56,807	\$ 398,949	\$ 455,756
Accumulated amortization and impairment	-	(12,468)	(12,468)
	<u>\$ 56,807</u>	<u>\$ 386,481</u>	<u>\$ 443,288</u>
At January 1	\$ 56,807	\$ 386,481	\$ 443,288
Additions — acquired through business combinations	12,790	85,216	98,006
Amortization charge	-	(14,123)	(14,123)
Closing net book amount as at June 30	<u>\$ 69,597</u>	<u>\$ 457,574</u>	<u>\$ 527,171</u>
At June 30			
Cost	\$ 69,597	\$ 484,165	\$ 553,762
Accumulated amortization and impairment	-	(26,591)	(26,591)
	<u>\$ 69,597</u>	<u>\$ 457,574</u>	<u>\$ 527,171</u>

Details of amortization on intangible assets are as follows:

	Three months ended June 30,	
	2025	2024
Operating costs	\$ 7,476	\$ 7,196
	Six months ended June 30,	
	2025	2024
Operating costs	\$ 14,952	\$ 14,123

(11) Short-term loans

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Type of loans</u>			
Bank loans			
Credit loans	\$ 44,882,850	\$ 69,993,377	\$ 66,778,891
Pledged loans	-	2,500,000	7,103,052
Mid-term syndicated loans for working capital	52,612,676	45,390,498	41,350,357
Notes payable from securitization	340,336	2,892,728	-
Other short-term loans	57,644	67,352	-
	<u>\$ 97,893,506</u>	<u>\$ 120,843,955</u>	<u>\$ 115,232,300</u>
Interest rates	<u>0.77%~4.80%</u>	<u>0.50%~5.11%</u>	<u>0.49%~6.33%</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the descriptions of borrowings are as follows:

- A. The Group uses interest rate swap and cross currency swap agreement to control the exchange rate risk and interest rate risk. After the interest rate swap and cross currency swap, the rate range of short-term loans were 1.44%~4.20%, 0.50%~4.30% and 0.50%~4.40%, respectively.
- B. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 875 million with 11 financial institutions including Fubon Bank (China) Co., Ltd in order to fulfill its working capital. Within nine months from the agreement date (from April 25, 2025 to January 25, 2026), the loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the contract period.
- C. The subsidiary, Hotai Finance Development Co., Ltd., has entered into a mid-term syndicated contract for a credit line of \$10,000,000 with 11 financial institutions including Yuanta Commercial Bank Co., Ltd. and Bank Sinopac Company Co., Ltd. in order to fulfill its working capital. The duration is 36 months (from March 21, 2025 to March 21, 2028). The loan can be drawn several times. Of the total loan, \$4,400,000 is non-revolving and the payment term is to repay the full drawn amount at the maturity date. The remaining amount of \$5,600,000 is revolving and the payment term is to repay the full drawn amount at the maturity date.
- D. The Company has entered into a mid-term syndicated contract for a credit line of JPY 35 billion with 13 financial institutions including Mizuho Bank, Ltd., in order to fulfill its working capital. The duration is 36 months (from February 26, 2025 to May 26, 2028). The loan can be drawn several times but is non-revolving. The payment term is to repay the full drawn amount at the maturity date.
- E. The Company has entered into a mid-term syndicated contract for a credit line of JPY 25 billion with 9 financial institutions including Mizuho Bank, Ltd., in order to fulfill its working capital. The duration is 10.5 months (from December 6, 2024 to October 20, 2025). The loan can be drawn several times but is non-revolving. The payment term is to repay the full drawn amount at the maturity date.
- F. The Company has entered into a mid-term syndicated contract for a credit line of \$29,500,000 with 11 financial institutions including CTBC Bank Co., Ltd., in order to fulfill its working capital. The duration is 36 months (from June 28, 2024 to June 28, 2027). The loan can be drawn several times. Of the total loan, \$14,750,000 is non-revolving and the payment term is to repay the full drawn amount at the maturity date. The remaining amount of \$14,750,000 is revolving and the payment term is to repay the full drawn amount at the maturity date.

- G. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 1.33 billion with 5 financial institutions including Mizuho Bank, Ltd. in order to fulfill its working capital. Within six months from the agreement date (from May 9, 2024 to November 8, 2024), the loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the contract period.
- H. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 510 million with 6 financial institutions including E.SUN Commercial Bank Co., Ltd. in order to fulfill its working capital. Within twelve months from the first withdrawal date (from March 25, 2024 to March 24, 2025), the loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the contract period.
- I. The subsidiary, He Jing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of \$10,000,000 with 12 financial institutions including Mega International Commercial Bank Co., Ltd. in order to fulfill its working capital. The duration is 36 months (from July 12, 2023 to July 12, 2026), the loan can be drawn several times and is revolving. The payment term is to repay the full drawn amount at the maturity date.
- J. The Company has entered into a mid-term syndicated contract for a credit line of \$14,000,000 with 13 financial institutions including Bank of Taiwan, in order to fulfill its working capital. The duration is 36 months (from February 24, 2023 to February 24, 2026). The loan can be drawn several times. Of the total loan, \$6,025,000 is non-revolving and the payment term is to repay the drawn amounts in installments at the maturity date. The remaining amount of \$7,975,000 is revolving and the payment term is to repay the full drawn amount at the maturity date.
- K. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 1 billion with 13 financial institutions including Mizuho Bank, Ltd. in order to fulfill its working capital. The duration is 36 months (from July 3, 2023 to July 27, 2026). The loan can be drawn several times but is non-revolving. The payment term is to repay the drawn amounts in installments within the contract period.
- L. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 980 million with 12 financial institutions including Mizuho Bank, Ltd. in order to fulfill its working capital. Within six months from the contract signing date (from July 26, 2022 to January 26, 2023), the loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the contract period.

- M. The Company has entered into a mid-term syndicated contract for a credit line of \$15,000,000 with 18 financial institutions including CTBC Bank Co., Ltd., in order to fulfill its working capital. The duration is 36 months (from June 29, 2022 to June 27, 2025). The loan can be drawn several times. Of the total loan, \$7,056,600 is non-revolving and the payment term is to repay the drawn amounts in installments within the contract period. The remaining amount of \$7,943,400 is revolving and the payment term is to repay the full drawn amount at the maturity date.
- N. The Company has entered into a mid-term syndicated contract for a credit line of JPY 30 billion with 19 financial institutions including Mizuho Bank, Ltd. in order to fulfill its working capital. The duration is 36 months (from September 9, 2021 to September 9, 2024). The loan can be drawn several times but is non-revolving. The payment term is to repay the full drawn amount at the maturity date.
- O. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 500 million with 6 financial institutions including CTBC Bank Co., Ltd., in order to fulfill its working capital. The duration is 36 months (from March 31, 2021 to March 29, 2024). The loan can be drawn several times but is non-revolving. The payment term is to repay the drawn amounts in installments within the contract period.
- P. Information relating to notes payable from securitization is provided in Note 6(8)4.
- Q. For the abovementioned syndicated loans and partial loans from other financial institutions during the contract periods, the Group is required to maintain specific current ratio, owner's capital ratio, interest coverage ratio, net value, net tangible assets, debt to equity ratio, equity to assets ratio, net tangible assets to assets ratio and non-performing loan ratio.

As of June 30, 2025, the Group met all the financial commitments stated in the contract.

(12) Short-term notes and bill payable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Commercial paper payable	\$ 148,085,000	\$ 119,993,400	\$ 122,283,400
Less: Unamortized discount	(181,580)	(144,383)	(170,633)
	<u>\$ 147,903,420</u>	<u>\$ 119,849,017</u>	<u>\$ 122,112,767</u>
Interest rates	<u>1.58%~2.22%</u>	<u>1.86%~2.24%</u>	<u>1.60%~2.23%</u>

(13) Bonds payable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Bonds payable	<u>\$ 14,200,000</u>	<u>\$ 31,200,000</u>	<u>\$ 31,200,000</u>

Information on the Company's issuance of bonds as approved by the regulatory authority is summarized below:

- A. The Company issued \$5,000,000, 1.49% second secured ordinary bonds in 2023. The bonds mature 2 years from the issue date (October 27, 2023 ~ October 27, 2025) and will be redeemed in cash at face value at the maturity date.
- B. The Company issued \$4,000,000, 1.50% first unsecured ordinary bonds in 2023. The bonds mature 5 years from the issue date (March 28, 2023 ~ March 28, 2028) and will be redeemed in cash at face value at the maturity date.
- C. The Company issued \$7,000,000, 1.50% second secured ordinary bonds in 2022. The bonds mature 3 years from the issue date (June 6, 2022 ~ June 6, 2025) and will be redeemed in cash at face value at the maturity date. The bonds were fully paid at the maturity date.
- D. The Company issued \$3,000,000, 0.57% first secured ordinary bonds in 2022. The bonds mature 3 years from the issue date (January 13, 2022 ~ January 13, 2025) and will be redeemed in cash at face value at the maturity date. The bonds were fully paid at the maturity date.
- E. The Company issued \$3,000,000, 0.56% second unsecured ordinary bonds in 2021. The bonds mature 5 years from the issue date (July 22, 2021 ~ July 22, 2026) and will be redeemed in cash at face value at the maturity date.
- F. The Company issued \$2,200,000, 0.55% first unsecured ordinary bonds in 2021. The bonds mature 5 years from the issue date (April 15, 2021 ~ April 15, 2026) and will be redeemed in cash at face value at the maturity date.
- G. The Company issued \$7,000,000, 0.70% first unsecured ordinary bonds in 2020. The bonds mature 5 years from the issue date (April 22, 2020 ~ April 22, 2025) and will be redeemed in cash at face value at the maturity date. The bonds were fully paid at the maturity date.

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	June 30, 2025	December 31, 2024	June 30, 2024
Long-term bank borrowings					
Secured borrowings (Note)	Borrowing period is from October 2020 to December 2031; interest is repayable monthly, repayment of principal	1.67%~2.68%	\$ 1,311,611	\$ -	\$ -
	Borrowing period is from October 2020 to August 2031; interest is repayable monthly, repayment of principal	1.67%~2.68%	-	1,280,085	-
Unsecured borrowings	Borrowing period is from July 2019 to March 2031; interest is repayable monthly, repayment of principal	1.67%~2.81%	-	-	1,144,926
	Borrowing period is from December 2023 to April 2030; interest is repayable monthly, repayment of principal	2.43%~2.48%	427,351	-	-
	Borrowing period is from December 2023 to December 2029; interest is repayable monthly, repayment of principal	2.29%~2.48%	-	425,045	-
	Borrowing period is from January 2023 to June 2029; interest is repayable monthly, repayment of principal	2.29%~2.74%	-	-	536,920
	USD 4,800 thousand; borrowing period is from October 2021 to October 2024; interest is repayable quarterly	1.20%~6.47%	-	-	152,702
Mid-term syndicated loans for working capital	Borrowing period is from March 2025 to March 2028; interest is repayable monthly, repayment of principal at the maturity date	2.33%~2.41%	2,973,243	-	-
			4,712,205	1,705,130	1,834,548
Less : Long-term liabilities, current portion			(203,776)	(231,003)	(397,533)
			<u>\$ 4,508,429</u>	<u>\$ 1,474,127</u>	<u>\$ 1,437,015</u>

Note: For details of collateral information, please refer Note 8.

A. The Group uses cross-currency swap agreements to control the exchange rate risk and interest rate risk. After the cross-currency swap, the interest rate range of long-term loans as of June 30, 2024 was 1.67%~5.30%;

B. As of June 30, 2025, the maturities of long-term borrowings are as follows:

<u>Duration of maturity</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Up to 1 year	\$ 203,776	\$ 231,003	\$ 397,533
1 to 2 years	324,702	172,173	122,293
Over 2 years	4,183,727	1,301,954	1,314,722
	<u>\$ 4,712,205</u>	<u>\$ 1,705,130</u>	<u>\$ 1,834,548</u>

C. For the information of the subsidiary, Hotai Finance Development Co., Ltd., entering into a mid-term syndicated loan for working capital, please refer Note 6(11). The loan period is from March 2025 to March 2028.

(15) Guarantee deposits received

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current	\$ 3,730,694	\$ 4,426,509	\$ 4,514,330
Non-current	366,651	448,662	328,520
	<u>\$ 4,097,345</u>	<u>\$ 4,875,171</u>	<u>\$ 4,842,850</u>

It mainly refers to the guarantee deposits from vehicles and equipment leasing.

(16) Pensions

Defined contribution pension plan

- A. Effective July 1, 2005, the Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The Company’s mainland China subsidiary, Hoyun International Leasing Co., Ltd., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The average contribution percentage for the six months ended June 30, 2025 and 2024 was both 15%. Other than the monthly contributions, the Group has no further obligations.
- C. The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were \$35,434, \$44,986, \$72,035, and \$87,265 respectively.

(17) Share capital

- A. As of June 30, 2025 and 2024, the Company's authorized capital were both \$10,000,000, consisting of 1,000,000 thousand shares of ordinary stock. The Company's issued and outstanding capital stock amounted to 723,150 and 666,500 thousand shares, with par value of NT\$10 per share, respectively. All proceeds from shares issued have been collected.
- B. On May 31, 2023, the Company, through a resolution of the shareholders' meeting, decided to execute a capital increase for the issuance of new shares based on undistributed earnings of \$515,000. This involved issuing 51,500 thousand new shares with a par value of \$10 per share. The capital increase was approved by the Financial Supervisory Commission and became effective on July 21, 2023.
- C. On May 29, 2024, the Company, through a resolution of the shareholders' meeting, decided to execute a capital increase for the issuance of new shares based on undistributed earnings of \$566,501. This involved issuing 56,650 thousand new shares with a par value of \$10 per share. The capital increase was approved by the Financial Supervisory Commission and became effective on July 22, 2024.
- D. On June 23, 2022, the Board of Directors resolved to increase the Company's capital in the amount of \$5,000,000 by issuing 50 million shares of Class A preference shares with a par value of \$10 (in dollars) per share issued at \$100 (in dollars) per share. The capital injection was approved by the FSC on August 10, 2022, and the effective date was set on September 21, 2022. The rights and obligations of these outstanding preference shares are as follows:
 - (a) Expiration date: The Company's Class A preference shares are perpetual but all or certain parts are callable at any time from the next day of five years after issuance at the actual issue price. The outstanding Class A preference shares sustained all the rights and obligations specified in the issuance terms. Dividends payable as of the redemption date shall be calculated based on the actual outstanding days if the Board of Directors resolved to distribute the current year's dividends.
 - (b) Dividends: Dividends are calculated at 4.2% per annum, consisting of five-year IRS rate of 1.1175% on pricing effective date (August 19, 2022) and specific markup of 3.0825%, based on the issue price per share. The five-year IRS rate will be reset on the next business day of five years since issuance and every subsequent five years and the pricing effective date for rate reset is two Taipei financial industry business days prior to the IRS rate reset date. The rate index, five-year IRS rate, is the arithmetic mean of five-year IRS rates appearing on Reuters pages "PYTWD01" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing effective date of rate reset. If such rate cannot be obtained, the Company will determine the rate based on the reasonable market price with good faith.

- (c) Dividend distribution: Dividends are distributed once per year in the form of cash. The effective date for distributing previous year's distributable dividends will be set by the Board of Directors. Dividend distributions in the issuance and redemption years are calculated based on the actual outstanding days. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then the remaining amount shall be set aside as legal reserve, and shall be set aside as special reserve as required by the regulations when necessary. The remainder, if any in the current year, can be distributed as dividends of Class A preference shares in first priority.
- The Company has discretion in dividend distribution of Class A preference shares. The Company could choose not to distribute dividends of preferred shares, which would not lead to default if the Company has no or has insufficient current year's earnings for distribution. In addition, the amounts of undistributed dividends or insufficient distributed dividends will not become deferred payments in future years when the Company has earnings.
- (d) Excess dividend distribution: Besides the aforementioned dividends, the shareholders of Class A preference shares could not participate in the distribution of cash and capitalised assets for common shares derived from earnings and capital surplus.
- (e) Residual property distribution: The shareholders of Class A preference shares have priority over shareholders of common stocks in distributing the Company's residual properties and have the same priority with other preferred shareholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preference shares issued and the issue price when distributing.
- (f) Right to vote and be elected: The shareholders of Class A preference shares have no right to vote and be elected in the shareholders' meeting of the Company but have the right to vote in the shareholders' meeting for shareholders of preference shares and shareholders' meeting regarding to rights and obligations of shareholders of preference shares.
- (g) Conversion to common shares: Class A preference shares could not be converted to common shares. The stockholders of Class A preference shares cannot request the Company to retire the stocks they hold.
- (h) The preemptive rights for shareholders of Class A preference shares are the same as of common shareholders when the Company increases its capital by issuing new shares.
- E. On May 4, 2023, the Board of Directors resolved to increase the Company's capital in the amount of \$5,000,000 by issuing 50 million shares of Class B preference shares with a par value of \$10 (in dollars) per share issued at \$100 (in dollars) per share. The capital injection was approved by the FSC on July 19, 2023, and the effective date was set on August 29, 2023. The rights and obligations of these outstanding preference shares are as follows:

- (a) Expiration date: The Company's Class B preference shares are perpetual but all or certain parts are callable at any time from the next day of five years after issuance at the actual issue price. The outstanding Class B preference shares sustained all the rights and obligations specified in the issuance terms. Dividends payable as of the redemption date shall be calculated based on the actual outstanding days if the Board of Directors resolved to distribute the current year's dividends.
- (b) Dividends: Dividends are calculated at 4.5% per annum, consisting of five-year IRS rate of 1.4325% on pricing effective date (July 28, 2023) and specific markup of 3.0675%, based on the issue price per share. The five-year IRS rate will be reset on the next business day of five years since issuance and every subsequent five years and the pricing effective date for rate reset is two Taipei financial industry business days prior to the IRS rate reset date. The rate index, five-year IRS rate, is the arithmetic mean of five-year IRS rates appearing on Reuters pages "PYTWD01" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing effective date of rate reset. If such rate cannot be obtained, the Company will determine the rate based on the reasonable market price with good faith.
- (c) Dividend distribution: Dividends are distributed once per year in the form of cash. The effective date for distributing previous year's distributable dividends will be set by the Board of Directors. Dividend distributions in the issuance and redemption years are calculated based on the actual outstanding days. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then the remaining amount shall be set aside as legal reserve, and shall be set aside as special reserve as required by the regulations when necessary. The remainder, if any in the current year, can be distributed as dividends of Class B preference shares in first priority.
- The Company has discretion in dividend distribution of Class B preference shares. The Company could choose not to distribute dividends of preferred shares, which would not lead to default if the Company has no or has insufficient current year's earnings for distribution. In addition, the amounts of undistributed dividends or insufficient distributed dividends will not become deferred payments in future years when the Company has earnings.
- (d) Excess dividend distribution: Besides the aforementioned dividends, the shareholders of Class B preference shares could not participate in the distribution of cash and capitalised assets for common shares derived from earnings and capital surplus.

- (e) Residual property distribution: The shareholders of Class B preference shares have priority over shareholders of common stocks in distributing the Company's residual properties and have the same priority with other preferred shareholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preference shares issued and the issue price when distributing.
- (f) Right to vote and be elected: The shareholders of Class B preference shares have no right to vote and be elected in the shareholders' meeting of the Company but have the right to vote in the shareholders' meeting for shareholders of preference shares and shareholders' meeting regarding to rights and obligations of shareholders of preference shares.
- (g) Conversion to common shares: Class B preference shares could not be converted to common shares. The stockholders of Class B preference shares cannot request the Company to retire the stocks they hold.
- (h) The preemptive rights for shareholders of Class B preference shares are the same as of common shareholders when the Company increases its capital by issuing new shares.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount shall be set aside as legal reserve, and shall be set aside as special reserve as required by the regulations when necessary and preferential distribution of special shares. The appropriation of the remaining earnings, if any, shall be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. The dividends to be distributed to the shareholders shall account for at least 50% of the remaining earnings, and cash dividends shall account for at least 10% of the total dividends distributed.
- B. The Board of Directors can distribute all or part of the distributable legal reserve, capital surplus, dividends or bonus in the form of cash as resolved by a majority vote at their meeting attended by two-thirds of the total number of directors and reported to the shareholders. The aforesaid requirement on obtaining resolution from the shareholders is not applicable.

- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. On May 27, 2025 and May 29, 2024, the shareholders resolved the distribution of earnings for the year of 2024 and 2023 as follows:

	<u>Year ended December 31, 2024</u>		<u>Year ended December 31, 2023</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 305,549		\$ 368,981	
Special reserve	(61,250)		91,163	
Dividend on preferred stock, Class A	210,000	\$ 4.20	210,000	\$ 4.20
Dividend on preferred stock, Class B	225,000	4.50	77,055	1.54
Cash dividend on common stock	1,869,451	3.00	1,699,501	3.00
Stock dividend on common stock	-	-	566,501	1.00
	<u>\$ 2,548,750</u>		<u>\$ 3,013,201</u>	

- F. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(27).

(20) Operating revenue

	Three months ended June 30,	
	2025	2024
Revenue from contracts with customers	\$ 610,104	\$ 824,447
Other operating revenue		
Interest income	4,409,812	4,779,849
Revenue from finance leases	813,529	940,168
Revenue from operating leases	163,959	1,139,733
	<u>\$ 5,997,404</u>	<u>\$ 7,684,197</u>
	Six months ended June 30,	
	2025	2024
Revenue from contracts with customers	\$ 1,096,058	\$ 1,563,065
Other operating revenue		
Interest income	8,907,977	9,678,086
Revenue from finance leases	1,733,780	1,862,542
Revenue from operating leases	345,323	2,364,215
	<u>\$ 12,083,138</u>	<u>\$ 15,467,908</u>

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions:

<u>Three months ended June 30, 2025</u>	Taiwan	China	Total
Total segment revenue	\$ 538,508	\$ 71,596	\$ 610,104
Inter-segment revenue	-	-	-
Revenue from external customer contracts	<u>\$ 538,508</u>	<u>\$ 71,596</u>	<u>\$ 610,104</u>
Timing of revenue recognition			
At a point in time	\$ 345,815	\$ 71,596	\$ 417,411
Over time	192,693	-	192,693
	<u>\$ 538,508</u>	<u>\$ 71,596</u>	<u>\$ 610,104</u>

<u>Three months ended June 30, 2024</u>	Taiwan	China	Total
Total segment revenue	\$ 773,317	\$ 51,130	\$ 824,447
Inter-segment revenue	-	-	-
Revenue from external customer contracts	<u>\$ 773,317</u>	<u>\$ 51,130</u>	<u>\$ 824,447</u>
Timing of revenue recognition			
At a point in time	\$ 618,978	\$ 51,130	\$ 670,108
Over time	154,339	-	154,339
	<u>\$ 773,317</u>	<u>\$ 51,130</u>	<u>\$ 824,447</u>

<u>Six months ended June 30, 2025</u>	<u>Taiwan</u>	<u>China</u>	<u>Total</u>
Total segment revenue	\$ 980,282	\$ 115,776	\$ 1,096,058
Inter-segment revenue	-	-	-
Revenue from external customer contracts	<u>\$ 980,282</u>	<u>\$ 115,776</u>	<u>\$ 1,096,058</u>
Timing of revenue recognition			
At a point in time	\$ 649,567	\$ 115,776	\$ 765,343
Over time	<u>330,715</u>	<u>-</u>	<u>330,715</u>
	<u>\$ 980,282</u>	<u>\$ 115,776</u>	<u>\$ 1,096,058</u>

<u>Six months ended June 30, 2024</u>	<u>Taiwan</u>	<u>China</u>	<u>Total</u>
Total segment revenue	\$ 1,433,279	\$ 129,786	\$ 1,563,065
Inter-segment revenue	-	-	-
Revenue from external customer contracts	<u>\$ 1,433,279</u>	<u>\$ 129,786</u>	<u>\$ 1,563,065</u>
Timing of revenue recognition			
At a point in time	\$ 1,164,092	\$ 129,786	\$ 1,293,878
Over time	<u>269,187</u>	<u>-</u>	<u>269,187</u>
	<u>\$ 1,433,279</u>	<u>\$ 129,786</u>	<u>\$ 1,563,065</u>

(21) Operating costs

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest costs	\$ 1,449,452	\$ 1,433,852
Cost of sales	716,698	1,125,657
Rental costs	113,563	882,273
Service costs	44,054	64,892
Other costs	<u>92,299</u>	<u>83,072</u>
	<u>\$ 2,416,066</u>	<u>\$ 3,589,746</u>
	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest costs	\$ 2,943,595	\$ 2,754,852
Cost of sales	1,322,415	1,984,803
Rental costs	245,347	1,800,106
Service costs	85,857	147,463
Other costs	<u>169,214</u>	<u>147,969</u>
	<u>\$ 4,766,428</u>	<u>\$ 6,835,193</u>

(22) Interest income

	Three months ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 8,637	\$ 10,283
Interest income from short-term notes payable	508	1,381
Other interest income	129	95
	<u>\$ 9,274</u>	<u>\$ 11,759</u>
	Six months ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 13,732	\$ 14,988
Interest income from short-term notes payable	649	1,874
Other interest income	190	165
	<u>\$ 14,571</u>	<u>\$ 17,027</u>

(23) Other income

	Three months ended June 30,	
	2025	2024
Rental income	\$ 1,047	\$ 2,733
Other income - others	40,665	44,409
	<u>\$ 41,712</u>	<u>\$ 47,142</u>
	Six months ended June 30,	
	2025	2024
Rental income	\$ 2,097	\$ 6,018
Other income - others	123,556	83,978
	<u>\$ 125,653</u>	<u>\$ 89,996</u>

(24) Other gains and losses

	Three months ended June 30,	
	2025	2024
Gains on disposals of investment	\$ 269	\$ -
Gains on disposals of investment property	-	255,515
Gains on disposals of property, plant and equipment	1,488	220,939
Gains on financial assets at fair value through profit or loss	14	4,250
Foreign exchange (losses) gains	(6)	11
Others	(1,220)	(625)
	<u>\$ 545</u>	<u>\$ 480,090</u>

	Six months ended June 30,	
	2025	2024
Losses on disposals of investment	(\$ 6,880)	\$ -
Gains on disposals of investment property	-	255,515
Gains on disposals of property, plant and equipment	3,530	221,078
Gains on financial assets at fair value through profit or loss	342	6,300
Foreign exchange (losses) gains	(10)	15
Others	(4,296)	(1,523)
	<u>(\$ 7,314)</u>	<u>\$ 481,385</u>

(25) Finance costs

	Three months ended June 30,	
	2025	2024
Finance expense, others	<u>\$ 2,094</u>	<u>\$ 2,562</u>

	Six months ended June 30,	
	2025	2024
Finance expense, others	<u>\$ 4,330</u>	<u>\$ 4,615</u>

(26) Expenses by nature

	Three months ended June 30,	
	2025	2024
Employee benefit expense	<u>\$ 687,424</u>	<u>\$ 893,862</u>
Depreciation charges on right-of-use assets	<u>\$ 23,166</u>	<u>\$ 41,226</u>
Depreciation charges on property, plant and equipment	<u>\$ 152,251</u>	<u>\$ 345,664</u>
Depreciation charges on investment property	<u>\$ 205</u>	<u>\$ 205</u>
Amotization charges on intangible assets	<u>\$ 7,476</u>	<u>\$ 7,196</u>

	Six months ended June 30,	
	2025	2024
Employee benefit expense	<u>\$ 1,396,733</u>	<u>\$ 1,787,054</u>
Depreciation charges on right-of-use assets	<u>\$ 47,055</u>	<u>\$ 80,529</u>
Depreciation charges on property, plant and equipment	<u>\$ 316,426</u>	<u>\$ 689,151</u>
Depreciation charges on investment property	<u>\$ 410</u>	<u>\$ 745</u>
Amotization charges on intangible assets	<u>\$ 14,952</u>	<u>\$ 14,123</u>

(27) Employee benefit expense

	Three months ended June 30,	
	2025	2024
Wages and salaries	\$ 555,570	\$ 725,350
Labor and health insurance fees	53,631	69,536
Pension costs	35,434	44,986
Directors' and supervisors' remuneration	3,190	3,339
Other personnel expenses	39,599	50,651
	<u>\$ 687,424</u>	<u>\$ 893,862</u>
	Six months ended June 30,	
	2025	2024
Wages and salaries	\$ 1,129,702	\$ 1,451,848
Labor and health insurance fees	107,643	138,826
Pension costs	72,035	87,265
Directors' and supervisors' remuneration	6,886	6,956
Other personnel expenses	80,467	102,159
	<u>\$ 1,396,733</u>	<u>\$ 1,787,054</u>

A. According to the Articles of Incorporation of the Company, a percentage of distributable profit of the current year, shall be distributed as employees' remuneration. The percentage shall be 1% for employees' remuneration. If a company has accumulated deficit, earnings should be channeled to cover losses. The ratio shall not be lower than 50% for employees' compensation. A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' remuneration distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

B. For the three months and six months ended June 30, 2025 and 2024, employees' remuneration were accrued at \$10,242, \$11,497, \$19,734, and \$23,012, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' remuneration was estimated and accrued based on 1% of distributable profit of current year for the six months ended June 30, 2025.

Employees' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognized in salary expenses of 2024.

Information about employees' remuneration of the Company as resolved by the Board of Directors meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 355,298	\$ 235,612
Tax on undistributed surplus earnings	25,338	33,831
Prior year income tax overestimation	(269,613)	(54,065)
Total current tax	<u>111,023</u>	<u>215,378</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>25,079</u>	(<u>32,671</u>)
Total deferred tax	<u>25,079</u>	(<u>32,671</u>)
Income tax expense	<u>\$ 136,102</u>	<u>\$ 182,707</u>

	Six months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 719,414	\$ 656,691
Tax on undistributed surplus earnings	25,338	33,831
Prior year income tax overestimation	(269,613)	(54,065)
Total current tax	<u>475,139</u>	<u>636,457</u>
Deferred tax:		
Origination and reversal of temporary differences	(<u>74,487</u>)	(<u>85,037</u>)
Total deferred tax	(<u>74,487</u>)	(<u>85,037</u>)
Income tax expense	<u>\$ 400,652</u>	<u>\$ 551,420</u>

(b) The income tax credit/(charge) relating to components of other comprehensive income is as follows:

	Three months ended June 30,	
	2025	2024
Cash flow hedges	<u>\$ 36,846</u>	<u>\$ 531</u>

	Six months ended June 30,	
	2025	2024
Cash flow hedges	<u>\$ 29,621</u>	(<u>\$ 7,284</u>)

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(29) Earnings per share

Three months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 902,488		
Less: Dividend on preferred stock	-		
Profit attributable to ordinary shareholders of the parent	<u>\$ 902,488</u>	<u>623,150</u>	<u>\$ 1.45</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 902,488	623,150	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	152	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 902,488</u>	<u>623,302</u>	<u>\$ 1.45</u>
Three months ended June 30, 2024			
	Amount after tax	Retrospective adjusted weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 1,024,216		
Less: Dividend on preferred stock	-		
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,024,216</u>	<u>623,150</u>	<u>\$ 1.64</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,024,216	623,150	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	112	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,024,216</u>	<u>623,262</u>	<u>\$ 1.64</u>

Six months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 1,629,577		
Less: Dividend on preferred stock	(435,000)		
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,194,577</u>	<u>623,150</u>	<u>\$ 1.92</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,194,577	623,150	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>470</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,194,577</u>	<u>623,620</u>	<u>\$ 1.92</u>
Six months ended June 30, 2024			
	Amount after tax	Retrospective adjusted weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 1,864,099		
Less: Dividend on preferred stock	(287,055)		
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,577,044</u>	<u>623,150</u>	<u>\$ 2.53</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,577,044	623,150	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>409</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,577,044</u>	<u>623,559</u>	<u>\$ 2.53</u>

(30) Supplemental cash flow information

Investing activities with partial cash payments

	Six months ended June 30,	
	2025	2024
Purchase of property, plant and equipment	\$ 584,999	\$ 1,271,848
Add: Opening balance of payable on equipment (Shown as 'Accounts payable')	233,468	174,800
Less: Ending balance of payable on equipment (Shown as 'Accounts payable')	(216,297)	(164,162)
Cash paid during the period	<u>\$ 602,170</u>	<u>\$ 1,282,486</u>

(31) Changes in liabilities from financing activities

	2025								
	Short-term loans	Short-term notes and bills payable	Bonds payable	Long-term loans	Guarantee deposits received	Other payables	Lease liabilities	Dividends payable	Liabilities from financing activities-gross
At January 1	\$ 120,843,955	\$ 119,849,017	\$ 31,200,000	\$ 1,705,130	\$ 4,875,171	\$ 898,022	\$ 409,494	\$ -	\$ 279,780,789
Changes in cash flow from financing activities	(22,551,031)	28,091,092	(17,000,000)	3,007,075	(777,826)	(121,278)	(46,775)	-	(9,398,743)
Impact of changes in foreign exchange rate	(1,119,590)	-	-	-	-	-	(6,809)	-	(1,126,399)
Others	720,172	(36,689)	-	-	-	-	35,152	2,304,451	3,023,086
At June 30	<u>\$ 97,893,506</u>	<u>\$ 147,903,420</u>	<u>\$ 14,200,000</u>	<u>\$ 4,712,205</u>	<u>\$ 4,097,345</u>	<u>\$ 776,744</u>	<u>\$ 391,062</u>	<u>\$ 2,304,451</u>	<u>\$ 272,278,733</u>
	2024								
	Short-term loans	Short-term notes and bills payable	Bonds payable	Long-term loans	Guarantee deposits received	Other payables	Lease liabilities	Dividends payable	Liabilities from financing activities-gross
At January 1	\$ 92,619,765	\$ 133,524,317	\$ 31,200,000	\$ 1,531,415	\$ 4,660,604	\$ 864,479	\$ 498,366	\$ -	\$ 264,898,946
Changes in cash flow from financing activities	23,453,369	(11,368,000)	-	3,524	182,246	28,292	(81,623)	-	12,217,808
Impact of changes in foreign exchange rate	191,210	-	-	4,809	-	-	2,947	-	198,966
Others	(1,032,044)	(43,550)	-	294,800	-	-	154,040	1,986,556	1,359,802
At June 30	<u>\$ 115,232,300</u>	<u>\$ 122,112,767</u>	<u>\$ 31,200,000</u>	<u>\$ 1,834,548</u>	<u>\$ 4,842,850</u>	<u>\$ 892,771</u>	<u>\$ 573,730</u>	<u>\$ 1,986,556</u>	<u>\$ 278,675,522</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by Hozan Investment Co., Ltd. which holds 45.395% ordinary equity interest in the Company. Hotai Motor Co., Ltd. is the Company's ultimate parent company.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Hotai Motor Co., Ltd.	The ultimate parent
Hozan Investment Co., Ltd.	Parent
Hoing Mobility Service Co., Ltd.	Other related parties
Taipei Toyota Motor Co., Ltd. (Taipei Motor)	Other related parties
Tau Miao Motor Co., Ltd.	Other related parties
Kuotu Motor Co., Ltd. (Kuotu)	Other related parties

Names of related parties	Relationship with the Group
Central Motor Co., Ltd.	Other related parties
Nan Du Motor Co., Ltd.	Other related parties
Kau Du Automobile Co., Ltd. (Kau Du)	Other related parties
Ho Yu Investment Co., Ltd.	Other related parties
Hotai Leasing Co., Ltd.	Other related parties
Toyota Material Handling Taiwan Ltd.	Other related parties
Hotong Motor Investment Co., Ltd. (Hotong)	Other related parties
Lang Yang Toyota Motor Co., Ltd.	Other related parties
Eastern Motor Co., Ltd.	Other related parties
Chang Yuan Motor Co., Ltd.	Other related parties
Carmax Co., Ltd.	Other related parties
Ho An Insurance Agency Co., Ltd.	Other related parties
Hotai Insurance Co., Ltd.	Other related parties
Ho Tai Development Co., Ltd.	Other related parties
Ho Tai Service & Marketing Co., Ltd.	Other related parties
Hotai Connected Co., Ltd. (Hotai Connected)	Other related parties
Smart Design Technology Co., Ltd.	Other related parties
Formosa Flexible Packaging Co., Ltd.	Other related parties
Ho Cheng Auto Parts Co., Ltd.	Other related parties
Innovation Auto Parts Co., Ltd.	Other related parties
Zhongyang Motor Co., Ltd.	Other related parties
Triple S Digital Co., Ltd.	Other related parties
Hotai AutoBody Manufacturing Co., Ltd.	Other related parties
Kuozui Motors, Ltd.	Other related parties
Hotai Mobility Service Co., Ltd.	Other related parties
Quan An Transportation Co., Ltd.	Other related parties
Yu Cheng Transportation Co., Ltd.	Other related parties
Hozao Enterprise Co., Ltd.	Other related parties
Ho Young Travel Agency Co., Ltd.	Other related parties
Zheng-Ren Energy Co., Ltd. (Zheng-Ren)	Other related parties
Kai Lan Power Co., Ltd.	Other related parties
Gochabar Co., Ltd. (Gochabar)	Other related parties
Grinnodot Inc. (Grinnodot)	Other related parties
Engod Corporation (Engod)	Other related parties
Formosa Container Transportation Company Limited	Other related parties
Shi-ho Screw Industrial Co., Ltd.	Other related parties
Doroman AutoParts Co., Ltd.	Other related parties
Shanghai Hozhan Motor Service Co., Ltd. (Shanghai Hozhan)	Other related parties
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Other related parties
Shanghai Heling Motor Service Co., Ltd. (Shanghai Heling)	Other related parties

Names of related parties	Relationship with the Group
Shanghai Ho-mian Motor Technology Co., Ltd.	Other related parties
Shanghai Hoyu Motor Service Co., Ltd. (Shanghai Hoyu)	Other related parties
Tianjin Hozhan Motor Service Co., Ltd.	Other related parties
Tianjin Ho-yu Motor Sales & Service Co., Ltd. (Tianjin Ho-yu)	Other related parties
Tianjin Binhai Heling LEXUS Motor Service Co., Ltd.	Other related parties
Tianjin Heyi International Trading Co., Ltd.	Other related parties
Chongqing Yurun Toyota Automobile Service Co., Ltd.	Other related parties
ChongQing Heling Lexus Motor Service Co, Ltd.(ChongQing Heling)	Other related parties
Nanjing HoZhan Motor Sales and Service Co., Ltd.	Other related parties
Guangzhou Gac Changho Autotech Corporation	Other related parties
Tangshan Heling Lexus Car Dealer Co., Ltd.	Other related parties
Nanchang Heling Lexus Motor Service Co, Ltd.(Nanchang Heling)	Other related parties

(3) Significant related party transactions and balances

A. Revenue

(a) Compensation of installment sale price spread

	Three months ended June 30,	
	2025	2024
- The ultimate parent	\$ 41,878	\$ 28,150
- Other related parties	98,534	84,373
	<u>\$ 140,412</u>	<u>\$ 112,523</u>
	Six months ended June 30,	
	2025	2024
- The ultimate parent	\$ 78,523	\$ 53,220
- Other related parties	194,652	143,860
	<u>\$ 273,175</u>	<u>\$ 197,080</u>

The Company's compensation from specified vehicle promotion activities received from above related parties are recognized as unrealized interest income and amortized by installment.

(b) Rental assets income

Three months ended June 30,	
2025	2024
- The ultimate parent	\$ 497
- Other related parties	731
	\$ 1,228
	\$ 934
	29,305
	\$ 30,239
Six months ended June 30,	
2025	2024
- The ultimate parent	\$ 994
- Other related parties	1,395
	\$ 2,389
	\$ 1,550
	53,490
	\$ 55,040

B. Expenses

(a) Cost of rental sales

Three months ended June 30,	
2025	2024
- The ultimate parent	\$ -
- Other related parties	700
	\$ 700
	\$ 24
	148,538
	\$ 148,562
Six months ended June 30,	
2025	2024
- The ultimate parent	\$ -
- Other related parties	8,829
	\$ 8,829
	\$ 24
	281,741
	\$ 281,765

(b) Administrative service fee

Three months ended June 30,	
2025	2024
- The ultimate parent	\$ 62
- Other related parties	639
	\$ 701
	\$ 9,915
	3,053
	\$ 12,968
Six months ended June 30,	
2025	2024
- The ultimate parent	\$ 109
- Other related parties	1,317
	\$ 1,426
	\$ 13,875
	4,193
	\$ 18,068

(c) Commission expense

	Three months ended June 30,	
	2025	2024
- Other related parties	\$ 77,873	\$ 71,437
	Six months ended June 30,	
	2025	2024
- Other related parties	\$ 151,614	\$ 137,906

(d) Advertisement expense

	Three months ended June 30,	
	2025	2024
- Other related parties		
Hotai Connected	\$ 1,849	\$ 4,193
Others	40	100
	\$ 1,889	\$ 4,293
	Six months ended June 30,	
	2025	2024
- Other related parties		
Hotai Connected	\$ 3,697	\$ 13,509
Others	100	100
	\$ 3,797	\$ 13,609

(e) Chattel custody service fee

	Three months ended June 30,	
	2025	2024
- Other related parties	\$ 11,262	\$ 11,149
	Six months ended June 30,	
	2025	2024
- Other related parties	\$ 23,232	\$ 21,886

(f) Others

	Three months ended June 30,	
	2025	2024
- The ultimate parent	\$ 3,010	\$ -
- Other related parties		
Kuotu	2,119,303	1,909,841
Others	3,242,652	3,243,544
	\$ 5,364,965	\$ 5,153,385

	Six months ended June 30,	
	2025	2024
- The ultimate parent	\$ 3,781	\$ -
- Other related parties		
Kuotu	4,347,457	3,683,218
Others	6,238,889	6,234,929
	<u>\$ 10,590,127</u>	<u>\$ 9,918,147</u>

As described in Note 4(30) in the consolidated financial statements for the year ended December 31, 2024, installment sales of the Company are intended primarily to earn interest revenue. Sales revenue and the cost of goods sold from installment sales are presented in net amount and movable properties arising from transaction are all pledged as collateral. The credit terms to related parties were the same as those to third parties.

C. Receivables from (payables to) related parties

(a) Receivables from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
- The ultimate parent	\$ 58,786	\$ 20,275	\$ 20,569
- Other related parties	101,629	106,387	93,564
	<u>\$ 160,415</u>	<u>\$ 126,662</u>	<u>\$ 114,133</u>

(b) Notes payable

	June 30, 2025	December 31, 2024	June 30, 2024
- Other related parties	\$ -	\$ -	\$ 38,617

(c) Accounts payable

	June 30, 2025	December 31, 2024	June 30, 2024
- The ultimate parent	\$ -	\$ -	\$ 4,815
- Other related parties			
Kuotu	149,599	77,320	180,545
Others	84,202	82,730	112,565
	<u>\$ 233,801</u>	<u>\$ 160,050</u>	<u>\$ 297,925</u>

(d) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
- The ultimate parent	\$ 542	\$ 6,404	\$ 8,409
- Other related parties	6,629	7,276	29,420
	<u>\$ 7,171</u>	<u>\$ 13,680</u>	<u>\$ 37,829</u>

(e) Prepayments

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
- Other related parties	<u>\$ 8,778</u>	<u>\$ 6,442</u>	<u>\$ 7,333</u>

D. Contract liabilities (shown as other current liabilities)

	<u>June 30, 2025</u>
- The ultimate parent	<u>\$ 55,783</u>

E. Property transactions – Acquisition of furniture and fixtures and transportation equipment

(a) Lease

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
- The ultimate parent	\$ -	\$ 11,573
- Other related parties		
Nanchang Heling	6,494	-
Shanghai Heling	2,771	19,551
Shanghai Hozhan	5,710	4,861
Chongqing Heling	(197)	-
Shanghai Hoyu	4,071	1,042
Kuotu	-	-
Taipei Motor	-	-
Others	1,282	105
	<u>\$ 20,131</u>	<u>\$ 37,132</u>

	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
- The ultimate parent	\$ -	\$ 110,302
- Other related parties		
Nanchang Heling	15,936	-
Shanghai Heling	7,796	27,830
Shanghai Hozhan	8,495	8,068
Chongqing Heling	6,738	-
Shanghai Hoyu	4,644	9,664
Kuotu	-	105,863
Taipei Motor	-	61,176
Others	2,519	109,958
	<u>\$ 46,128</u>	<u>\$ 432,861</u>

(b) Owner-occupied

		Three months ended June 30,	
		2025	2024
- Other related parties			
Grinnodot	\$	33,291	\$ -
Engod		17,133	-
Gochabar		1,455	4,902
Shanghai Hozhan		-	998
Tianjin Ho-Yu		-	423
Others		518	4
	\$	<u>52,397</u>	<u>\$ 6,327</u>
		Six months ended June 30,	
		2025	2024
- Other related parties			
Grinnodot	\$	56,962	\$ -
Engod		25,918	-
Gochabar		1,455	5,063
Shanghai Hozhan		-	2,743
Tianjin Ho-Yu		-	1,667
Others		518	423
	\$	<u>84,853</u>	<u>\$ 9,896</u>

F. Property transactions – Disposal of property, plant and equipment

		Six months ended June 30, 2024	
		Disposal proceeds	Gain on disposal
- Other related parties			
Kau Du	\$	<u>327,302</u>	<u>\$ 220,796</u>

G. Property transactions – Disposal of investment property

		Six months ended June 30, 2024	
		Disposal proceeds	Gain on disposal
- Other related parties			
Kau Du	\$	<u>378,698</u>	<u>\$ 255,515</u>

H. Property transactions – Acquisition of financial assets

		Six months ended		
		Item	Shares	Transaction
		recognised	traded	target
				June 30, 2024
				Consideration
- Other related parties				
Zheng-Ren	Investment accounted			
	using the equity method	6,825,000	Shares	\$ <u>68,250</u>

I. Lease transactions – Lessee

(a) The Group entered into lease agreements using market quotes with related parties and pays rent monthly based on the payment terms.

(b) Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
- The ultimate parent	\$ 5,903	\$ 7,841	\$ 9,765
- Other related parties	20,676	39,986	47,272
	<u>\$ 26,579</u>	<u>\$ 47,827</u>	<u>\$ 57,037</u>

J. Loans from related parties

Loans from related parties

Outstanding balance:

	June 30, 2025	December 31, 2024	June 30, 2024
- Other related parties			
Hotong	\$ 776,744	\$ 898,022	\$ 892,771

The loans from related parties are repayable in full amount at the maturity date and carry interest at 2.60%~2.95% per annum, which is shown as ‘Other payables.’

K. Significant unrecognized contract commitments

As of June 30, 2025, the amount that the Group has signed equipment purchase contracts and engineering project payments that have not yet resulted in capital expenditures is as follows:

	June 30, 2025
- Other related parties	
Grinnodot	\$ 74,264
Engod	36,103
	<u>\$ 110,367</u>

(4) Key management compensation

	Three months ended June 30,	
	2025	2024
Wages, salaries and other short-term employee benefits	\$ 21,509	\$ 22,830
Post-employment benefits	216	216
	<u>\$ 21,725</u>	<u>\$ 23,046</u>
	Six months ended June 30,	
	2025	2024
Wages, salaries and others short-term employee benefits	\$ 47,813	\$ 51,592
Post-employment benefits	432	432
	<u>\$ 48,245</u>	<u>\$ 52,024</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Items	June 30, 2025	December 31, 2024	June 30, 2024	Purpose
Pledged assets (Note)				
- Pledged time deposits	\$ 63,461	\$ 3,200	\$ 158,237	Guarantee deposit for credit line on gasoline purchases, pledged to banks as collateral for acceptance bill and lease deposit
- Pledged savings account	92,825	155,327	410,217	Pledged to banks as collateral for short-term borrowings, commercial paper payable, acceptance bill and performance guarantee
	<u>\$ 156,286</u>	<u>\$ 158,527</u>	<u>\$ 568,454</u>	
Notes and accounts receivable, net				
- Notes receivable from installment sales	\$ 5,510,082	\$ 5,729,534	\$ 6,006,995	Pledged to banks as collateral for short-term borrowings and commercial paper payable
- Notes receivable from leases	34,301	41,617	57,020	"
- Lease payments receivable				Credit enhancement for asset-backed note borrowing, short-term bank loans, and secondary collateral for commercial paper payable.
	8,889,267	14,312,519	7,385,316	
	<u>\$ 14,433,650</u>	<u>\$ 20,083,670</u>	<u>\$ 13,449,331</u>	
Property, plant and equipment				Collateral for long-term borrowings
	<u>\$ 1,254,739</u>	<u>\$ 983,176</u>	<u>\$ 1,637,349</u>	

Note: Shown as 'Other current financial assets' and 'Other non-current assets, others'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Please refer to Note 6(8) for the operating leases agreement.

(2) As of June 30, 2025, the Group had entered into contracts for the purchase and installation of equipment and the purchase of real estate but not yet acquired amounting to \$1,328,327 and \$691,810, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On May 8, 2025, the Board of Directors of the Company resolved to issue secured corporate bonds in the amount of \$3,000,000. The issuance of the secured bonds was approved by the FSC on July 10, 2025.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital and to support operations and maximize returns for shareholders.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Equity instrument mandatorily measured at fair value through profit or loss	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,400,000</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 28,225</u>	<u>\$ 35,789</u>	<u>\$ 36,168</u>
Financial assets at amortized cost/ Loans and receivables			
Cash and cash equivalents	\$ 4,595,720	\$ 4,985,831	\$ 2,659,118
Notes receivable	15,881,964	14,662,449	12,449,788
Accounts receivable	242,980,998	245,016,363	240,642,588
Operating lease receivable	3,193	5,546	176,950
Finance lease receivable	25,366,314	32,130,469	32,028,428
Other receivables	160,915	85,171	108,649
Guarantee deposits paid	174,103	189,606	284,489
Other financial assets	156,286	158,527	568,454
Long-term notes and accounts receivable	11,549,842	12,035,072	13,060,826
Long-term finance lease receivable, net	<u>1,283,559</u>	<u>1,111,215</u>	<u>859,708</u>
	<u>\$ 302,152,894</u>	<u>\$ 310,380,249</u>	<u>\$ 302,838,998</u>
Hedging financial assets	<u>\$ 106,064</u>	<u>\$ 260,887</u>	<u>\$ 622,770</u>

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term loans	\$ 97,893,506	\$ 120,843,955	\$ 115,232,300
Short-term notes and bills payable	147,903,420	119,849,017	122,112,767
Notes payable	844,572	1,224,979	1,655,858
Accounts payable (including related parties)	668,694	757,488	1,067,248
Other payables	5,675,371	3,492,067	5,280,018
Bonds payable	14,200,000	31,200,000	31,200,000
Long-term loans (including current portion)	4,712,205	1,705,130	1,834,548
Guarantee deposits received	4,097,345	4,875,171	4,842,850
Financial guarantee liabilities	23,429	24,664	26,206
	<u>\$ 276,018,542</u>	<u>\$ 283,972,471</u>	<u>\$ 283,251,795</u>
Lease liabilities	<u>\$ 391,062</u>	<u>\$ 409,494</u>	<u>\$ 573,730</u>
Hedging financial liabilities	<u>\$ 991,661</u>	<u>\$ 855,551</u>	<u>\$ 2,218,626</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as interest rate swap and cross-currency swap are used to hedge certain exchange rate risk, and variable future cash flows are transferred to fix. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by each assigned department of companies within the Group under policies approved by the Board of Directors. The finance departments identify, evaluate and hedge financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the RMB. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group entered into cross-currency swaps with financial institutions to hedge the foreign exchange rate risk arising from loans, and are shown as financial assets and liabilities for hedging. Please refer to Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD). Considering the cross-currency swap transactions, the Group does not have any material foreign exchange risk.
- v. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the six months ended June 30, 2025 and 2024, amounted to (\$10) and \$15, respectively.

Cash flow and fair value Interest rate risk

- i. The Group main interest rate risk arises from the floating rate loans with financial institutions, which exposes the Group to cash flow interest rate risk.
- ii. The Group uses the method of PVBP (Present Value of Basis Point) to evaluate the market risk of interest rate swap (IRS) and cross-currency swap (CCS) transactions. As the amounts, periods, contract dates, contract renewing dates, receipts / payments of interest, indices used to measure interest rate of the nominal principal of IRS and hedged liabilities are equivalent, the market risk could be offset. Thus, the Group estimates there would be no material market risk.
- iii. If the borrowing interest rate had increased / decreased by 1% with all other variables held constant and considering the interest rate swap and cross-currency swap transactions the Group is engaged in, profit after tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$492,218 and \$966,802, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. The Group has lower significant concentrations of agreements with single clients and the Group will evaluate the financial credit status of the clients (including the borrowers who assist the banks in promoting automobile installment loans and credit loans business). Most of the Group's receivables have proper collaterals. Therefore, credit risk of receivables is low. The maximum loss to the Group is the total book value of receivables.
- ii. The Group engages in interest rate swap and cross-currency swap transactions with good credit standing financial institutions. Therefore, the Group expects the credit risk of the counterparties to be low.
- iii. The Group provides guarantees for bank financing to Hoyun (Shanghai) Commercial Factoring Co., Ltd., Hotai Finance Development Co., Ltd. , He Jun Energy Co., Ltd., and Hoyun (Shanghai) Vehicle Leasing Co., Ltd., the subsidiaries of the Group, in accordance with the "Procedures Governing Endorsements and Guarantees". Since the Group can control these subsidiaries' credit, collaterals are not asked. In the event that these related parties fail to comply with loan agreements with banks, the maximum loss to the Group is the total amount of loan guarantees.
- iv. The Group entered into contracts with banks to introduce customers to avail of car mortgage loan with the banks. According to the contract signed by the Group and the banks, if any customer car loans payment is delayed, the Group is required to reimburse the unpaid balance. Upon such payment, the Group takes over the remaining creditor rights on the delinquent loan. As of June 30, 2025, December 31, 2024 and June 30, 2024, the outstanding amount of the customers' mortgaged loans with the banks were \$1,818,819, \$2,010,675 and \$2,349,127, respectively; and the amount of notes receivable received by the Group from the customers were \$24,014, \$19,227 and \$20,018, respectively. The Group assesses financial guarantee contract liabilities which may arise from rendering the above services based on historical experience and recognizes financial guarantee expense which is shown as 'Financial guarantee liabilities'.
- v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 61 days.
- vi. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 31days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer or the borrower will enter bankruptcy or other financial reorganization due to their financial difficulties;

- (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. The Group classifies customers' installment accounts and notes receivable and lease payments and notes receivable in accordance with situation of default. The Group uses deferral days and case assessment to estimate expected credit loss under the provision matrix basis.
- ix. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- x. For accounts receivable and notes payable, the credit rating levels are as follows:

	12 months	Lifetime			Total
		Significant increase in credit risk	Impairment of credit	Simplified approach	
<u>June 30, 2025</u>					
Neither past due nor impaired	\$298,007,422	\$ -	\$ -	\$ 127,977	\$ 298,135,399
Past due or case assessment	-	1,457,304	3,222,240	-	4,679,544
	<u>\$298,007,422</u>	<u>\$ 1,457,304</u>	<u>\$ 3,222,240</u>	<u>\$ 127,977</u>	<u>\$ 302,814,943</u>
<u>December 31, 2024</u>					
Neither past due nor impaired	\$305,806,564	\$ -	\$ -	\$ 74,665	\$ 305,881,229
Past due or case assessment	-	1,535,826	3,294,028	-	4,829,854
	<u>\$305,806,564</u>	<u>\$ 1,535,826</u>	<u>\$ 3,294,028</u>	<u>\$ 74,665</u>	<u>\$ 310,711,083</u>
<u>June 30, 2024</u>					
Neither past due nor impaired	\$299,982,398	\$ -	\$ -	\$ 280,621	\$ 300,263,019
Past due or case assessment	-	1,688,623	2,921,629	-	4,610,252
	<u>\$299,982,398</u>	<u>\$ 1,688,623</u>	<u>\$ 2,921,629</u>	<u>\$ 280,621</u>	<u>\$ 304,873,271</u>

- xi. The Group used historical expense and the forward-looking information, such as forecastability of future economic environment to assess the default possibility. As of June 30, 2025 and 2024, the movements of the loss allowance are as follows:

	Six months ended June 30, 2025			
	Lifetime			
	12 months	Significant increase in credit risk	Impairment of credit	Total
At January 1	\$ 3,411,606	\$ 599,045	\$ 1,739,318	\$ 5,749,969
Transfer and measurement stages	(50,566)	(100,528)	151,094	-
Provision for impairment	(57,262)	(22,159)	3,502,126	3,422,705
Write-offs	-	-	(3,338,738)	(3,338,738)
Effect of foreign exchange	(18,868)	(8,910)	(57,085)	(84,863)
At June 30	<u>\$ 3,284,910</u>	<u>\$ 467,448</u>	<u>\$ 1,996,715</u>	<u>\$ 5,749,073</u>
	Six months ended June 30, 2024			
	Lifetime			
	12 months	Significant increase in credit risk	Impairment of credit	Total
At January 1	\$ 3,373,672	\$ 520,169	\$ 1,510,069	\$ 5,403,910
Transfer and measurement stages	(46,771)	14,864	31,907	-
Provision for impairment	(276,417)	111,458	3,217,237	3,052,278
Write-offs	-	-	(2,835,652)	(2,835,652)
Effect of foreign exchange	19,134	2,583	12,730	34,447
At June 30	<u>\$ 3,069,618</u>	<u>\$ 649,074</u>	<u>\$ 1,936,291</u>	<u>\$ 5,654,983</u>

For the six months ended June 30, 2025 and 2024, gains on reversal of bad debts amounted to \$795,368 and \$592,044, respectively, and recognized as deduction on expected credit impairment loss.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by finance departments of companies within the Group. Finance departments of companies within the Group monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Between		
		Within 1 year	1 and 2 years	Over 2 years
June 30, 2025				
<u>Non-derivative financial liabilities:</u>				
Short-term loans	\$ 82,003,721	\$ 12,074,479	\$ 5,178,381	
Short-term notes and bills payable	127,655,963	18,776,107	2,559,308	
Notes payable	844,572	-	-	
Accounts payable (including related parties)	668,694	-	-	
Other payables	5,675,534	-	-	
Bonds payable	7,310,670	3,061,013	4,044,712	
Lease liabilities	96,316	49,467	297,600	
Long-term loans	285,516	399,876	4,330,066	
<u>Derivative financial liabilities:</u>				
Cross-currency swap	\$ 901,901	\$ 22,030	\$ 67,730	
December 31, 2024				
<u>Non-derivative financial liabilities:</u>				
Short-term loans	\$ 97,294,033	\$ 12,467,621	\$ 12,911,412	
Short-term notes and bills payable	93,307,936	10,034,447	18,029,325	
Notes payable	1,224,979	-	-	
Accounts payable (including related parties)	757,488	-	-	
Other payables	3,500,553	-	-	
Bonds payable	22,211,262	5,272,824	4,074,466	
Lease liabilities	98,080	59,867	303,738	
Long-term loans	266,695	356,764	1,211,142	
<u>Derivative financial liabilities:</u>				
Cross-currency swap	\$ 468,646	\$ 107,010	\$ 279,895	

June 30, 2024		Between	
	<u>Within 1 year</u>	<u>1 and 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 102,688,656	\$ 11,479,805	\$ 2,641,195
Short-term notes and bills payable	91,172,875	12,039,241	20,821,552
Notes payable	1,655,858	-	-
Accounts payable (including related parties)	1,067,248	-	-
Other payables	5,309,938	-	-
Bonds payable	17,315,320	7,310,670	7,105,725
Lease liabilities	162,536	120,378	338,869
Long-term loans	414,612	134,520	1,340,091
<u>Derivative financial liabilities:</u>			
Cross-currency swap	\$ 2,010,236	\$ 32,923	\$ 175,467

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

- B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, other financial assets, short-term loans, short-term notes and bills payable, notes payable, accounts payable, other payables, bonds payable, long-term loans (including current portion) and lease liabilities are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2025, December 31, 2024 and June 30, 2024 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

June 30, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Hedging financial assets	\$ -	\$ 106,064	\$ -	\$ 106,064
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	28,225	28,225
Total	<u>\$ -</u>	<u>\$ 106,064</u>	<u>\$ 28,225</u>	<u>\$ 134,289</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Hedging financial liabilities	<u>\$ -</u>	<u>\$ 991,661</u>	<u>\$ -</u>	<u>\$ 991,661</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Hedging financial assets	\$ -	\$ 260,887	\$ -	\$ 260,887
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	35,789	35,789
Total	<u>\$ -</u>	<u>\$ 260,887</u>	<u>\$ 35,789</u>	<u>\$ 296,676</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Hedging financial liabilities	<u>\$ -</u>	<u>\$ 855,551</u>	<u>\$ -</u>	<u>\$ 855,551</u>
June 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Hedging financial assets	\$ -	\$ 622,770	\$ -	\$ 622,770
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	36,168	36,168
Total	<u>\$ -</u>	<u>\$ 622,770</u>	<u>\$ 36,168</u>	<u>\$ 658,938</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Hedging financial liabilities	<u>\$ -</u>	<u>\$2,218,626</u>	<u>\$ -</u>	<u>\$2,218,626</u>

- (b) The methods and assumptions the Group used to measure fair value are as follows:
- i. The fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
 - ii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts and foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iii. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- D. For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1, Level 2 and Level 3.
- E. The financial department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

		Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative						
- equity instrument:						
Unlisted shares	\$	28,225	Net worth method, Discounted cash flow	Net asset value, long-term net operating profit before income tax	-	The higher the net asset value and long-term net operating profit before income tax, the higher the fair value
		Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative						
- equity instrument:						
Unlisted shares	\$	35,789	Net worth method, Discounted cash flow	Net asset value, long-term net operating profit before income tax	-	The higher the net asset value and long-term net operating profit before income tax, the higher the fair value
		Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative						
- equity instrument:						
Unlisted shares	\$	36,168	Net worth method, Discounted cash flow	Net asset value, long-term net operating profit before income tax	-	The higher the net asset value and long-term net operating profit before income tax, the higher the fair value

G. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. If the inputs used to valuation models increase/decrease by 1%, there is no significant effect to other comprehensive income.

(4) The Group's current assets and liabilities within or over 12 months after the balance sheet date are as follows:

June 30, 2025	Book value	Within 12 months	Over 12 months
<u>Assets</u>			
Cash and cash equivalents	\$ 4,595,720	\$ 4,595,720	\$ -
Hedging financial assets - current	106,064	23,929	82,135
Accounts and notes receivable, net	258,862,962	94,035,264	164,827,698
Operating lease receivable, net	3,193	3,193	-
Finance lease receivable, net	25,366,314	4,547,864	20,818,450
Other receivables	160,915	160,915	-
Inventories	5,681	5,681	-
Prepayments	4,686,489	3,902,584	783,905
Other current financial assets	155,686	155,686	-
<u>Liabilities</u>			
Short-term loans	\$ 97,893,506	\$ 81,110,543	\$ 16,782,963
Short-term notes and bills payable	147,903,420	126,919,089	20,984,331
Hedging financial liabilities-current	991,661	901,901	89,760
Notes payable	844,572	844,572	-
Accounts payable (including related parties)	668,694	668,694	-
Other payables	5,675,371	5,675,371	-
Current income tax liabilities	777,468	777,468	-
Lease liabilities-current	71,748	71,748	-
Bonds payable	14,200,000	7,200,000	7,000,000
Financial guarantee liabilities-current	23,429	23,429	-
Guarantee deposits received-current	3,730,694	1,929,747	1,800,947
Other current liabilities, others	93,700	93,700	-

December 31, 2024	Book value	Within 12 months	Over 12 months
Assets			
Cash and cash equivalents	\$ 4,985,831	\$ 4,985,831	\$ -
Hedging financial assets - current	260,887	237,073	23,814
Accounts and notes receivable, net	259,678,812	91,391,884	168,286,928
Operating lease receivable, net	5,546	5,546	-
Finance lease receivable, net	32,130,469	21,718,127	10,412,342
Other receivables	85,171	85,171	-
Inventories	3,036	3,036	-
Prepayments	5,527,649	4,451,078	1,076,571
Other current financial assets	157,927	157,927	-
Liabilities			
Short-term loans	\$ 120,843,955	\$ 95,992,880	\$ 24,851,075
Short-term notes and bills payable	119,849,017	92,379,006	27,470,011
Hedging financial liabilities-current	855,551	468,646	386,905
Notes payable	1,224,979	1,224,979	-
Accounts payable (including related parties)	757,488	757,488	-
Other payables	3,492,067	3,492,067	-
Current income tax liabilities	655,273	655,273	-
Lease liabilities-current	88,065	88,065	-
Bonds payable	31,200,000	22,000,000	9,200,000
Financial guarantee liabilities-current	24,664	24,664	-
Guarantee deposits received-current	4,426,509	2,020,754	2,405,755
Other current liabilities, others	64,761	64,761	-
June 30, 2024	Book value	Within 12 months	Over 12 months
Assets			
Cash and cash equivalents	\$ 2,659,118	\$ 2,659,118	\$ -
Hedging financial assets - current	622,770	608,981	13,789
Accounts and notes receivable, net	253,092,376	85,959,967	167,132,409
Operating lease receivable, net	176,950	176,950	-
Finance lease receivable, net	32,028,428	21,692,173	10,336,255
Other receivables	108,649	108,649	-
Inventories	4,004	4,004	-
Prepayments	6,228,312	4,899,784	1,328,528
Other current financial assets	549,814	549,814	-
Liabilities			
Short-term loans	\$ 115,232,300	\$ 101,384,944	\$ 13,847,356
Short-term notes and bills payable	122,112,767	90,140,277	31,972,490
Hedging financial liabilities-current	2,218,626	2,010,236	208,390
Notes payable	1,655,858	1,655,858	-
Accounts payable (including related parties)	1,067,248	1,067,248	-
Other payables	5,280,018	5,280,018	-
Current income tax liabilities	636,640	636,640	-
Lease liabilities-current	158,016	158,016	-
Bonds payable	31,200,000	17,000,000	14,200,000
Financial guarantee liabilities-current	26,206	26,206	-
Guarantee deposits received-current	4,514,330	2,052,697	2,461,633
Other current liabilities, others	84,439	84,439	-

13. SUPPLEMENTARY DISCLOSURES

The information of significant transactions for the six months ended June 30, 2025, is as follows:

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting period: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees companies in the Mainland Area) : Please refer to table 4.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 5.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:
 - (a) Amount and percentage of purchase and its balance percentage of the payables: None.
 - (b) Amount and percentage of sales and its balance percentage of the payables: None.
 - (c) Property transaction amount and profit or loss arises from: None.
 - (d) Ending balance and purpose of notes endorsed, guaranteed or pledged as collateral: Please refer to table 2.
 - (e) Maximum balance, ending balance, interest rate range and total interest of financing during the period: Please refer to table 1.
 - (f) Other transactions having significant to profit or loss or financial status, i.e. services rendering or receiving: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group considers the business from a geographical perspective, and the reportable operating segments are as follows:

- A. Taiwan: installment sales and leasing of various vehicles and equipment.
- B. China: leasing of various vehicles and equipment.

(2) Measurement of segment information

- A. The accounting policies of operating segments are the same with the material accounting policies summarized in Note 4.

B. The pre-tax net income is used to measure the Group's operating segment profit (loss) and performance of the operating segments.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Items	Six months ended June 30, 2025			
	Taiwan	Mainland China	Reconciliation and elimination	Total
Revenue from external customers				
Revenue from installment business	\$ 9,567,455	\$ 75,495	\$ -	\$ 9,642,950
Revenue from rental business	33,441	2,136,728	-	2,170,169
Revenue from other business	270,019	-	-	270,019
Inter-segment revenue	-	-	-	-
Total segment revenue	<u>\$ 9,870,915</u>	<u>\$ 2,212,223</u>	<u>\$ -</u>	<u>\$ 12,083,138</u>
Segment income	<u>\$ 2,002,976</u>	<u>\$ 169,859</u>	<u>(\$ 63,557)</u>	<u>\$ 2,109,278</u>
Segment assets	<u>\$ 287,351,432</u>	<u>\$ 34,983,981</u>	<u>(\$ 2,951,034)</u>	<u>\$ 319,384,379</u>

Items	Six months ended June 30, 2024			
	Taiwan	Mainland China	Reconciliation and elimination	Total
Revenue from external customers				
Revenue from installment business	\$ 10,495,966	\$ 64,434	\$ -	\$ 10,560,400
Revenue from rental business	2,436,646	2,284,420	-	4,721,066
Revenue from other business	186,442	-	-	186,442
Inter-segment revenue	-	-	-	-
Total segment revenue	<u>\$ 13,119,054</u>	<u>\$ 2,348,854</u>	<u>\$ -</u>	<u>\$ 15,467,908</u>
Segment income	<u>\$ 2,230,669</u>	<u>\$ 458,292</u>	<u>(\$ 170,978)</u>	<u>\$ 2,517,983</u>
Segment assets	<u>\$ 289,566,921</u>	<u>\$ 40,986,559</u>	<u>(\$ 3,098,336)</u>	<u>\$ 327,455,144</u>

(4) Reconciliation for segment income (loss)

- A. The Group's chief operating decision-maker assesses performance of operating segments and allocates resources based on pre-tax net income, thus, reconciliation is not needed.
- B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the financial statements.

Hotai Finance Co., Ltd.
Loans to others
Six months ended June 30, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2025	Balance at June 30, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Other receivables	Y	\$ 914,638	\$ 817,625	\$ -	3.55%	Short-term financing	\$ -	Operational needs	\$ -	None	\$ -	\$ 5,842,391	\$ 11,684,780	Note 1
1	Hoyun International Leasing Co., Ltd.	Hemei International Trade (Suzhou) Co., Ltd.	Other receivables	Y	457,319	408,812	-	3.55%	Short-term financing	-	Operational needs	-	None	-	5,842,391	11,684,780	Note 1
2	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Other receivables	Y	30,000	30,000	30,000	2.48%	Short-term financing	-	Operational needs	-	None	-	271,558	543,116	Note 2
2	He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Other receivables	Y	10,000	10,000	-	1.85%	Short-term financing	-	Operational needs	-	None	-	271,558	543,116	Note 2
2	He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Other receivables	Y	13,000	13,000	-	1.85%	Short-term financing	-	Operational needs	-	None	-	271,558	543,116	Note 2
3	He Jing Co., Ltd.	D	Accounts receivable	N	70,000	69,202	69,202	6~10%	Short-term financing	-	Operational needs	955	Real estate	64,690	643,467	1,286,935	Note 3
3	He Jing Co., Ltd.	E	Accounts receivable	N	30,000	-	-	-	Short-term financing	-	Operational needs	-	None	-	643,467	1,286,935	Note 3
3	He Jing Co., Ltd.	F	Accounts receivable	N	30,000	-	-	-	Short-term financing	-	Operational needs	-	None	-	643,467	1,286,935	Note 3
3	He Jing Co., Ltd.	G	Accounts receivable	N	300,000	-	-	-	Short-term financing	-	Operational needs	-	None	-	643,467	1,286,935	Note 3
3	He Jing Co., Ltd.	H	Accounts receivable	N	300,000	300,000	233,901	5~10%	Short-term financing	-	Operational needs	3,228	Stock	372,600	643,467	1,286,935	Note 3
4	Hotai Finance Development Co., Ltd.	A	Accounts receivable	N	70,000	-	-	-	Short-term financing	-	Operational needs	-	None	-	592,950	1,185,900	Note 4
4	Hotai Finance Development Co., Ltd.	B	Accounts receivable	N	15,000	-	-	-	Short-term financing	-	Operational needs	-	None	-	592,950	1,185,900	Note 4
4	Hotai Finance Development Co., Ltd.	D	Accounts receivable	N	48,237	46,759	46,759	5~10%	Short-term financing	-	Operational needs	327	Golf license	42,600	592,950	1,185,900	Note 4

Hotai Finance Co., Ltd.
Loans to others
Six months ended June 30, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2025	Balance at June 30, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
4	Hotai Finance Development Co., Ltd.	F	Accounts receivable	N	250,000	221,149	221,149	5~10%	Short-term financing	-	Operational needs	1,548	Real estate	297,000	592,950	1,185,900	Note 4
4	Hotai Finance Development Co., Ltd.	L	Accounts receivable	N	119,976	119,785	119,785	5~10%	Short-term financing	-	Operational needs	838	Stock	149,400	592,950	1,185,900	Note 4
4	Hotai Finance Development Co., Ltd.	H	Accounts receivable	N	90,000	90,000	30,000	5~10%	Short-term financing	-	Operational needs	210	Real estate	66,000	592,950	1,185,900	Note 4
4	Hotai Finance Development Co., Ltd.	I	Accounts receivable	N	26,000	13,241	13,241	5~10%	Short-term financing	-	Operational needs	93	Real estate	21,000	592,950	1,185,900	Note 4
4	Hotai Finance Development Co., Ltd.	J	Accounts receivable	N	55,000	-	-	-	Short-term financing	-	Operational needs	-	None	-	592,950	1,185,900	Note 4
4	Hotai Finance Development Co., Ltd.	K	Accounts receivable	N	50,000	41,879	41,879	5~10%	Short-term financing	-	Operational needs	293	Stock	61,275	592,950	1,185,900	Note 4

Note 1: For loans granted by Hoyun International Leasing Co., Ltd. to foreign companies whose voting rights are 100% owned directly and indirectly by the parent company, ceiling on total loans granted is 200% of the total shareholders' equity and limit on loans granted to a single party is 100% of the total shareholders' equity.

Note 2: For the short-term financing granted by the creditor (He Jun Energy Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 20% of net worth granted and limit on loans granted to a single party is 10% of net worth.

Note 3: For the short-term financing granted by the creditor (He Jing Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 40% of net worth and limit on loans granted to a single party is 20% of net worth.

Note 4: For the short-term financing granted by the creditor (Hotai Finance Development Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 40% of net worth and limit on loans granted to a single party is 20% of net worth.

Hotai Finance Co., Ltd.
Provision of endorsements and guarantees to others
Six months ended June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2025	Outstanding endorsement/ guarantee amount at June 30, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Subsidiary	\$ 36,436,978	\$ 15,720,000	\$ 15,720,000	\$ 6,500,000	\$ -	43.14%	\$ 36,436,978	Y	N	N	Note 2
0	Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Subsidiary	36,436,978	3,000,000	3,000,000	608,084	-	8.23%	36,436,978	Y	N	N	Note 2
0	Hotai Finance Co., Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Subsidiary of a subsidiary	36,436,978	1,338,151	1,192,387	316,952	-	3.27%	36,436,978	Y	N	Y	Note 2
1	Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Vehicle Leasing Co., Ltd.	Subsidiary	2,804,347	137,196	122,644	57,643	-	0.34%	2,921,195	Y	N	Y	Note 2

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Ceiling on total endorsements is 100% of the total shareholders' equity. Limit on endorsement/guarantee to a single party is 100% of the total shareholders' equity. The net assets are based on the latest audited or reviewed financial statements.

Note 3: Ceiling on total endorsements is 50% of the total shareholders' equity (Hoyun International Leasing Co., Ltd.). Limit on endorsement/guarantee to a single party is 48% of the total shareholders' equity.

Hotai Finance Co., Ltd.
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2025

Table 3 Expressed in thousands of NTD
(Except as otherwise indicated)

Transaction							
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Hotai Finance Co., Ltd.	Hoyun International Leasing Co., Ltd.	1	Management fee and other income	\$ 35,100	Transaction by contracts	0.29%
0	Hotai Finance Co., Ltd.	Hoyun International Leasing Co., Ltd.	1	Other receivables	35,100	Transaction by contracts	0.01%
0	Hotai Finance Co., Ltd.	He Jing Co., Ltd.	1	Management fee and other income	34,620	Transaction by contracts	0.29%
0	Hotai Finance Co., Ltd.	He Jing Co., Ltd.	1	Other receivables	15,014	Transaction by contracts	0.00%
1	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	3	Other receivables	30,000	Note 5	0.01%
2	He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	3	Other income	10,191	Transaction by contracts	0.08%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the materiality principle.

Note 5: Result of receivable on loan financing.

Hotai Finance Co., Ltd.
Information on investees
Six months ended June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025					Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value					
Hotai Finance Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	\$ 1,183,720	\$ 1,183,720	40,400,000	50.50	\$ 2,951,034	\$	125,856	\$	63,557	Subsidiary
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Taiwan	Installment sales of various vehicles	2,430,000	2,430,000	244,610,118	81.00	2,603,718		65,856		53,343	Subsidiary
Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar energy business	2,240,000	2,240,000	224,000,000	80.00	2,190,626		22,919		18,335	Subsidiary
Hotai Finance Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	120,000	120,000	12,000,000	27.40	73,484		2,040		559	Associate
Hotai Finance Co., Ltd.	HFC (Cambodia) Microfinance PLC.	Cambodia	Leasing of car	498,100	498,100	5,600,000	35.00	509,965		11,851		4,145	Associate
Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Taiwan	Installment sales of various equipments	3,000,000	3,000,000	300,000,000	100.00	2,981,977		17,228		17,228	Subsidiary
He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Taiwan	Energy storage business	22,000	22,000	2,200,000	100.00	9,867	(	4,105)		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Zheng-Ren Energy Co., Ltd.	Taiwan	Solar energy business	154,980	154,980	15,498,000	35.00	132,207	(	9,198)		-	Associate
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Taiwan	Solar energy business	32,781	32,781	3,200,000	96.97	32,570		415		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Guang Yang Energy Co., Ltd.	Taiwan	Solar energy business	20,816	20,816	2,079,000	99.00	21,182		273		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	XianYao Energy Co., Ltd.	Taiwan	Solar energy business	27,706	27,706	2,673,000	99.00	23,938	(	636)		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Heng Fong Energy Co., Ltd.	Taiwan	Energy storage business	410,000	410,000	41,000,000	20.00	395,333	(	28,676)		-	Associate
He Jun Energy Co., Ltd.	Gochabar Co., Ltd.	Taiwan	Charging system technical service	36,000	36,000	3,600,000	30.00	19,929	(	11,640)		-	Associate
He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Taiwan	Solar energy business	42,227	42,227	4,000,000	100.00	40,839		434		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Taiwan	Electricity retailing business	10,000	1,000	1,000,000	100.00	10,764		1,116		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Tung Ching Green Energy Co., Ltd.	Taiwan	Solar energy business	88,685	88,685	9,200,000	100.00	93,343		1,145		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Taiwan	Solar energy business	163,017	163,017	10,000,000	100.00	159,199		4,852		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Cheng Yo Technology Co., Ltd.	Taiwan	Solar energy business	474,783	474,783	5,000,000	100.00	438,661		16,039		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Pacific One Energy Ltd.	Taiwan	Solar energy business	162,216	162,216	94,011	100.00	161,763		5,821		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Taiwan	Solar energy business	81,202	81,202	4,000,000	100.00	78,113		1,518		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Taiwan	Solar energy business	78,400	78,400	7,840,000	70.00	77,714	(	1,183)		-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Grinnodot Inc.	Taiwan	Solar energy business	149,092	149,092	3,046,679	20.00	148,191		1,601		-	Associate
He Jun Energy Co., Ltd.	Kai Lan Power Co., Ltd.	Taiwan	Energy storage business	360,000	360,000	36,000,000	40.00	359,460	(	3,530)		-	Associate
Cheng Yo Technology Co., Ltd.	Hon Yang Energy Co., Ltd.	Taiwan	Solar energy business	27,037	27,037	2,000,000	100.00	27,863		4,750		-	Subsidiary of a subsidiary

Hotai Finance Co., Ltd.
Information on investments in Mainland China
Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2025			Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee as of June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income recognised by the Company for the six months ended June 30, 2025	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
				Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan							
Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail of and support service for vehicles	\$ 2,344,000	Note 1(2)	\$ 1,183,720	\$ -	\$ -	\$ 1,183,720	\$ 125,856	50.50	\$ 63,557	\$ 2,951,034	\$ 231,834	Note 2(1)
Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring service	817,625	Note 1(3)	-	-	-	-	30,774	50.50	15,541	487,350	-	Note 2(3)
Hoyun (Shanghai) Vehicle Leasing Co., Ltd.	Leasing of vehicles	613,219	Note 1(3)	-	-	-	-	38,573	50.50	19,480	334,608	-	Note 2(3)
Hangzhou Yiyou Network Technology Co., Ltd.	Leasing of license plate	-	Note 1(3)	-	-	-	-	-	-	-	-	-	Note 3
Hangzhou Wangyou Technology Co., Ltd.	Leasing of license plate	-	Note 1(3)	-	-	-	-	-	-	-	-	-	Note 3
Hemei International Trade (Suzhou) Co., Ltd.	Goods trading business	204,406	Note 1(3)	-	-	-	-	5,893	50.50	2,976	105,604	-	Note 2(3)
Hoyun International Leasing Co., Ltd. Trust of Asset-Backed Commercial Paper for Supporting Industrial Upgrading of Small and Micro Enterprises in the First Quarter of 2024	Structured entity	-	Note 1(3)	-	-	-	-	-	-	-	-	-	Note 4

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly investment in Mainland China.
- (2) Investment in Mainland China companies through a company invested and established in a third region.
- (3) Others.

Note 2: The amount of investment income (loss) recognized for the six months ended June 30, 2025 is based on:

- (1) The financial statements were reviewed by R.O.C parent company's CPA.
- (2) The financial statements were reviewed by other independent auditors.
- (3) Others.

Note 3: Completed dissolution and liquidation in February 2025.

Note 4: The trust meets the definition of a structured entity. Please refer to Note 6(8).

Note 5: The numbers in this table are expressed in New Taiwan Dollars.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Hotai Finance Co., Ltd.	\$ 1,183,720	\$ 1,184,926	\$ 24,313,615