

**HOTAI FINANCE CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2026 AND 2025**

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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  
MARCH 31, 2026 AND 2025 CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
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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 March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three 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\$6,569,809 thousand and NT\$18,510,671 thousand, constituting 1.99% and 5.70% of the consolidated total assets as at March 31, 2026 and 2025, respectively,

total liabilities amounted to NT\$2,911,874 thousand and NT\$10,133,724 thousand, constituting 1.01% and 3.56% of the consolidated total liabilities as at March 31, 2026 and 2025, respectively, and the total comprehensive income amounted to NT\$27,318 thousand and NT\$52,290 thousand, constituting 2.27% and 6.17% of the consolidated total comprehensive income for the three 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 March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three 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.

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Wang, Fang-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

May 7, 2026

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Lin, Chia-Hung

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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 Taiwan 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**  
**MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of March 31, 2026 and 2025 are reviewed, not audited)

Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 7,386,317	2	\$ 4,631,325	2	\$ 5,006,867	1
1136	Current financial assets at amortised cost		355,787	-	387,446	-	-	-
1139	Hedging financial assets-current	6(2)	230,338	-	146,193	-	360,012	-
1150	Notes receivable, net	6(3) and 8	18,468,884	6	18,537,954	6	15,128,957	5
1170	Accounts receivable, net	6(3), 7 and 8	245,492,903	74	246,178,599	75	243,301,767	75
1196	Operating lease receivable, net		1,336	-	1,318	-	3,751	-
1197	Finance lease receivable, net	6(8) and 8	25,143,897	8	26,827,522	8	30,063,052	9
1200	Other receivables		169,743	-	148,511	-	82,558	-
130X	Inventories		5,955	-	6,930	-	5,402	-
1410	Prepayments	6(4) and 7	3,786,415	1	4,576,001	1	5,056,069	2
1476	Other current financial assets	8	314,723	-	196,177	-	150,982	-
11XX	<b>Total current assets</b>		<u>301,356,298</u>	<u>91</u>	<u>301,637,976</u>	<u>92</u>	<u>299,159,417</u>	<u>92</u>
<b>Non-current assets</b>								
1517	Financial assets at fair value through other comprehensive income-non-current		139,701	-	139,286	-	35,839	-
1535	Non-current financial assets at amortised cost		395,466	-	400,547	-	-	-
1550	Investments accounted for using equity method	6(5)	967,162	-	979,537	-	1,699,500	1
1600	Property, plant and equipment, net	6(6) and 8	7,207,515	2	7,036,809	2	6,261,295	2
1755	Right-of-use assets	6(7)	461,678	-	431,065	-	412,376	-
1760	Investment property, net	6(9)	163,439	-	163,644	-	164,261	-
1780	Intangible assets	6(10)	1,820,105	1	1,842,580	1	504,744	-
1840	Deferred income tax assets		1,511,610	1	1,369,947	-	1,285,482	-
1930	Long-term notes and accounts receivable	6(3)	12,343,928	4	11,874,209	4	11,501,646	4
194D	Long-term finance lease receivable, net	6(8)	1,461,359	-	1,489,355	-	1,283,334	-
1990	Other non-current assets, others	8	2,301,395	1	2,220,538	1	2,206,745	1
15XX	<b>Total non-current assets</b>		<u>28,773,358</u>	<u>9</u>	<u>27,947,517</u>	<u>8</u>	<u>25,355,222</u>	<u>8</u>
1XXX	<b>Total assets</b>		<u>\$ 330,129,656</u>	<u>100</u>	<u>\$ 329,585,493</u>	<u>100</u>	<u>\$ 324,514,639</u>	<u>100</u>

(Continued)

**HOTAI FINANCE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025**  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of March 31, 2026 and 2025 are reviewed, not audited)

Liabilities and Equity		Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			Amount	%	Amount	%	Amount	%
<b>Liabilities</b>								
<b>Current liabilities</b>								
2100	Short-term loans	6(11)	\$ 102,306,502	31	\$ 100,930,048	31	\$ 120,336,852	37
2110	Short-term notes and bills payable	6(12)	138,681,391	42	145,508,216	44	118,855,263	37
2126	Hedging financial liabilities-current	6(2)	871,520	-	687,433	-	230,965	-
2150	Notes payable		1,408,717	1	1,326,948	1	1,142,690	1
2170	Accounts payable		363,870	-	413,479	-	389,394	-
2180	Accounts payable - related parties	7	198,790	-	147,966	-	189,861	-
2200	Other payables	7	6,021,575	2	3,597,697	1	5,565,592	2
2230	Current income tax liabilities		1,237,970	-	872,384	-	978,710	-
2280	Current lease liabilities	7	76,020	-	72,510	-	81,125	-
2320	Bonds payable	6(13)	21,950,000	7	17,800,000	6	28,200,000	9
2320	Long-term liabilities, current portion	6(14)	7,728,934	2	343,689	-	203,692	-
2370	Current financial guarantee liabilities		25,403	-	23,273	-	23,305	-
2399	Guarantee deposits received-current	6(15)	3,946,658	1	4,164,386	1	4,241,327	1
2399	Other current liabilities, others	7	54,951	-	138,147	-	79,084	-
21XX	<b>Total current liabilities</b>		<u>284,872,301</u>	<u>86</u>	<u>276,026,176</u>	<u>84</u>	<u>280,517,860</u>	<u>87</u>
<b>Non-current liabilities</b>								
2540	Long-term loans	6(14)	1,403,494	1	8,733,259	3	2,487,041	1
2570	Deferred income tax liabilities		828,929	-	805,840	-	558,121	-
2580	Lease liabilities-non-current	7	383,206	-	355,390	-	328,011	-
2645	Guarantee deposits received-non-current	6(15)	344,279	-	268,572	-	413,971	-
25XX	<b>Total non-current liabilities</b>		<u>2,959,908</u>	<u>1</u>	<u>10,163,061</u>	<u>3</u>	<u>3,787,144</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>287,832,209</u>	<u>87</u>	<u>286,189,237</u>	<u>87</u>	<u>284,305,004</u>	<u>88</u>
<b>Equity</b>								
<b>Equity attributable to owners of parent</b>								
Share capital								
3110	Common stock	6(17)	6,231,505	2	6,231,505	2	6,231,505	2
3120	Preference stock		1,000,000	-	1,000,000	-	1,000,000	-
Capital surplus								
3200	Capital surplus	6(18)	17,139,974	5	17,139,974	5	17,139,974	5
Retained earnings								
3310	Legal reserve	6(19)	3,120,400	1	3,120,400	1	2,814,851	1
3320	Special reserve		53,645	-	53,645	-	114,895	-
3350	Unappropriated earnings		9,539,712	3	10,936,093	4	8,531,551	3
Other equity interest								
3400	Other equity interest		203,170	-	4,478	-	(28,425)	-
31XX	<b>Total equity attributable to shareholders of the parent</b>		<u>37,288,406</u>	<u>11</u>	<u>38,486,095</u>	<u>12</u>	<u>35,804,351</u>	<u>11</u>
36XX	Non-controlling interest		5,009,041	2	4,910,161	1	4,405,284	1
3XXX	<b>Total equity</b>		<u>42,297,447</u>	<u>13</u>	<u>43,396,256</u>	<u>13</u>	<u>40,209,635</u>	<u>12</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 330,129,656</u>	<u>100</u>	<u>\$ 329,585,493</u>	<u>100</u>	<u>\$ 324,514,639</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 ENDED MARCH 31, 2026 AND 2025**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)  
(Reviewed, not audited)

Items	Notes	Three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000 Operating revenue	6(20) and 7	\$ 5,805,627	100	\$ 6,085,734	100
5000 Operating costs	6(21) and 7	( 2,216,350)	( 38)	( 2,350,362)	( 39)
5900 Gross profit		<u>3,589,277</u>	<u>62</u>	<u>3,735,372</u>	<u>61</u>
Operating expenses	6(26)(27) and 7				
6100 Selling expenses		( 773,217)	( 13)	( 884,789)	( 14)
6200 General and administrative expenses		( 684,340)	( 12)	( 513,134)	( 8)
6450 Expected credit losses		( 1,019,051)	( 18)	( 1,375,311)	( 23)
6000 Total operating expenses		( 2,476,608)	( 43)	( 2,773,234)	( 45)
6900 Operating profit		<u>1,112,669</u>	<u>19</u>	<u>962,138</u>	<u>16</u>
Non-operating income and expenses					
7100 Interest income	6(22)	4,473	-	5,297	-
7010 Other income	6(23)	76,629	1	83,941	1
7020 Other gains and losses	6(24)	20,574	1	( 7,859)	-
7050 Finance costs	6(25)	( 2,282)	-	( 2,236)	-
7060 Share of loss of associates and joint ventures accounted for using equity method	6(5)	( 12,375)	-	( 4,347)	-
7000 Total non-operating income and expenses		<u>87,019</u>	<u>2</u>	<u>74,796</u>	<u>1</u>
7900 Profit before income tax		1,199,688	21	1,036,934	17
7950 Income tax expense	6(28)	( 276,772)	( 5)	( 264,550)	( 4)
8200 Profit for the period		<u>\$ 922,916</u>	<u>16</u>	<u>\$ 772,384</u>	<u>13</u>

(Continued)

**HOTAI FINANCE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2026 AND 2025**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)  
(Reviewed, not audited)

	Items	Notes	Three months ended March 31			
			2026		2025	
			Amount	%	Amount	%
	<b>Other comprehensive income for the period</b>					
	<b>Components of other comprehensive income that may not be reclassified to profit or loss</b>					
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income		\$ 415	-	\$ 50	-
8310	Total components of other comprehensive income that may not be reclassified to profit or loss		<u>415</u>	-	<u>50</u>	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statement translation differences of foreign operations		220,421	4	122,471	2
8368	Gains (losses) on hedging instrument	6(2)	89,092	1	( 54,627)	( 1)
8399	Income tax related to components of other comprehensive (income) loss that will be reclassified to profit or loss	6(28)	( 27,202)	-	7,225	-
8360	Total components of other comprehensive income that will be reclassified to profit or loss		<u>282,311</u>	<u>5</u>	<u>75,069</u>	<u>1</u>
8300	<b>Other comprehensive income for the period, net of tax</b>		<u>\$ 282,726</u>	<u>5</u>	<u>\$ 75,119</u>	<u>1</u>
8500	<b>Total comprehensive income for the period</b>		<u>\$ 1,205,642</u>	<u>21</u>	<u>\$ 847,503</u>	<u>14</u>
	Profit, attributable to					
8610	Owners of the parent		\$ 908,070	16	\$ 727,089	12
8620	Non-controlling interests		14,846	-	45,295	1
			<u>\$ 922,916</u>	<u>16</u>	<u>\$ 772,384</u>	<u>13</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 1,106,762	19	\$ 752,309	12
8720	Non-controlling interests		98,880	2	95,194	2
			<u>\$ 1,205,642</u>	<u>21</u>	<u>\$ 847,503</u>	<u>14</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(29)	\$ 0.76		\$ 0.47	
9850	Diluted earnings per share	6(29)	\$ 0.76		\$ 0.47	

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED MARCH 31, 2026 AND 2025  
(Expressed in thousands of New Taiwan dollars)  
(Reviewed, not audited)

	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Share capital			Retained earnings				Other equity interest					
	Notes	Common stock	Preference stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total		
<u>Three months ended March 31, 2025</u>													
		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 2,814,851	\$ 114,895	\$ 10,108,913	(\$ 10,583)	\$ 3,619	(\$ 46,681)	\$ 37,356,493	\$ 4,310,090	\$ 41,666,583
		-	-	-	-	-	727,089	-	-	-	727,089	45,295	772,384
		-	-	-	-	-	-	63,348	115	( 38,243)	25,220	49,899	75,119
		-	-	-	-	-	727,089	63,348	115	( 38,243)	752,309	95,194	847,503
Appropriation and distribution of retained earnings													
	6(19)	-	-	-	-	( 435,000)	-	-	-	-	( 435,000)	-	( 435,000)
	6(19)	-	-	-	-	( 1,869,451)	-	-	-	-	( 1,869,451)	-	( 1,869,451)
		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 2,814,851	\$ 114,895	\$ 8,531,551	\$ 52,765	\$ 3,734	(\$ 84,924)	\$ 35,804,351	\$ 4,405,284	\$ 40,209,635
<u>Three months ended March 31, 2026</u>													
		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 3,120,400	\$ 53,645	\$ 10,936,093	(\$ 12,376)	\$ 4,899	\$ 11,955	\$ 38,486,095	\$ 4,910,161	\$ 43,396,256
		-	-	-	-	-	908,070	-	-	-	908,070	14,846	922,916
		-	-	-	-	-	-	113,162	415	85,115	198,692	84,034	282,726
		-	-	-	-	-	908,070	113,162	415	85,115	1,106,762	98,880	1,205,642
Appropriation and distribution of retained earnings													
	6(19)	-	-	-	-	( 435,000)	-	-	-	-	( 435,000)	-	( 435,000)
	6(19)	-	-	-	-	( 1,869,451)	-	-	-	-	( 1,869,451)	-	( 1,869,451)
		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 3,120,400	\$ 53,645	\$ 9,539,712	\$ 100,786	\$ 5,314	\$ 97,070	\$ 37,288,406	\$ 5,009,041	\$ 42,297,447

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2026 AND 2025  
(Expressed in thousands of New Taiwan dollar)  
(Reviewed, not audited)

	Notes	Three months ended March 31,	
		2026	2025
<u>Cash Flows From Operating Activities</u>			
Profit before tax		\$ 1,199,688	\$ 1,036,934
Adjustments to reconcile net profit to net cash from operating activities			
Income and expenses having no effect on cash flows			
Expected credit losses and financial guarantee expenses		1,626,759	1,780,401
Depreciation	6(26)	166,094	188,269
Amortization	6(10)(26)	22,486	7,476
Reversal of impairment loss recognized on leased assets	6(6)	( 18 )	( 94 )
Gains on financial assets at fair value through profit or loss	6(24)	( 11 )	( 328 )
Net losses (gains) on disposals of property, plant and equipment	6(24)	778	( 2,042 )
Loss on disposal of investments	6(24)	-	7,149
Interest expense	6(21)(25)	1,464,377	1,496,379
Interest income	6(20)(22)	( 5,077,700 )	( 5,423,713 )
Profit from lease modification	6(7)	-	( 39 )
Share of profit or loss of associates accounted for using equity method	6(5)	12,375	4,347
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		11	328
Notes and accounts receivable		370,005	1,898,206
Other receivables		( 14,289 )	2,613
Inventories		24,674	20,218
Prepayments		789,586	471,580
Net changes in liabilities relating to operating activities			
Notes and accounts payable		76,249	( 190,335 )
Other payables		65,830	( 251,882 )
Current financial guarantee liabilities		2,130	( 1,359 )
Other current liabilities, others		( 83,196 )	14,323
Cash inflow generated from operations		645,828	1,058,431
Interest received		5,070,757	5,423,713
Interest paid		( 1,364,479 )	( 1,565,531 )
Income tax paid		( 56,962 )	( 40,679 )
Net cash flows from operating activities		<u>4,295,144</u>	<u>4,875,934</u>
<u>Cash Flows From Investing Activities</u>			
Acquisition of property, plant and equipment	6(31)	( 226,256 )	( 156,078 )
Proceeds from disposal of property, plant and equipment		597	4,760
Proceeds from disposal of financial assets at amortised cost		36,626	-
(Increase) decrease in other financial assets		( 118,546 )	6,945
Increase in other non-current assets		( 164,950 )	( 363,897 )
Net cash flows used in investing activities		<u>( 472,529 )</u>	<u>( 508,270 )</u>
<u>Cash Flows From Financing Activities</u>			
Increase (decrease) in short-term loans	6(32)	1,565,488	( 1,285,441 )
Decrease in short-term notes and bills payable	6(32)	( 6,900,344 )	( 920,262 )
Proceeds from long-term loans	6(32)	86,635	1,046,756
Repayments of long-term loans	6(32)	( 31,155 )	( 61,153 )
Proceeds from issuance of bonds payable	6(13)(32)	4,150,000	-
Repayments of bonds payable	6(13)(32)	-	( 3,000,000 )
Decrease in guarantee deposits received	6(32)	( 142,021 )	( 219,873 )
Increase in other payables	6(32) and 7	27,218	16,616
Repayment of principal portion of lease liabilities	6(32)	( 18,109 )	( 23,887 )
Net cash flows used in financing activities		<u>( 1,262,288 )</u>	<u>( 4,447,244 )</u>
Effect of exchange rate changes		194,665	100,616
Increase in cash and cash equivalents		2,754,992	21,036
Cash and cash equivalents at beginning of period		4,631,325	4,985,831
Cash and cash equivalents at end of period		<u>\$ 7,386,317</u>	<u>\$ 5,006,867</u>

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(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 May 7, 2026.

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<sup>®</sup>”) 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 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of 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.

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

None.

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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, 2025, 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, 2025.

(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<sup>®</sup> Interpretations, and SIC<sup>®</sup> 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 three months ended March 31, 2026, except for Hoyun International Limited, Hoyun International Leasing Co., Ltd., He Jing Co., Ltd., He Jun Energy Co., Ltd., Hotai Finance Development 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 three months ended March 31, 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Hotai Finance Co., Ltd.	Hoyun International Limited	General investment	50.50	50.50	50.50	
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	
Hotai Finance Co., Ltd.	HFC (Cambodia) Microfinance PLC.	Financing and leasing business	66.00	66.00	35.00	Note 1
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	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
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	
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Solar energy business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Solar energy business	86.62	86.62	70.00	Note 2
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.	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
			March 31, 2026	December 31, 2025	March 31, 2025	
Hoyun International Leasing Co., Ltd.	Hoyun International Leasing Co., Ltd. Trust of Asset-Backed Securities for Supporting Industrial Upgrading of Small and Micro Enterprises in the Series 1 of 2024	Structured entity	-	-	-	Note 3
Hoyun International Leasing Co., Ltd.	Hoyun International Leasing Co., Ltd. Trust of Asset-Backed Securities for Hoyun Tong Ying, Series 1 of 2025	Structured entity	-	-	-	Note 4

Note 1: In December 2025, the Group acquired 31% of the shareholding of HFC (Cambodia) Microfinance PLC. amounting to US\$20,890 thousand in cash. The subsidiary is consolidated since the shareholding ratio thereafter increased to 66%, obtaining control over the subsidiary. Please refer to Note 6(30).

Note 2: In December 2025, the subsidiary, He Jun Energy Co., Ltd., acquired 16.62% of the share capital of Jun Te Energy Co., Ltd. for \$18,615 in cash. The shareholding ratio thereafter increased to 86.62%.

Note 3: 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. The relevant termination procedures were completed in September 2025. Please refer to Note 6(8).

Note 4: The structured entity was a trust established in July 2025, 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 March 31, 2026, December 31, 2025 and March 31, 2025, the non-controlling interest amounted to \$5,009,041, \$4,910,161 and \$4,405,284, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		March 31, 2026		December 31, 2025	
		Amount	Ownership (%)	Amount	Ownership (%)
Hoyun International Limited	China	\$ 3,254,014	49.50%	\$ 3,162,450	49.50%

Name of subsidiary	Principal place of business	Non-controlling interest	
		March 31, 2025	
		Amount	Ownership (%)
Hoyun International Limited	China	\$ 3,225,941	49.50%

Summarised financial information of the subsidiaries:

Balance sheets

	Hoyun International Limited		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 30,961,803	\$ 32,034,609	\$ 36,568,015
Non-current assets	4,669,532	4,607,035	4,400,973
Current liabilities	( 28,734,237)	( 29,994,197)	( 34,069,772)
Non-current liabilities	( 323,333)	( 258,659)	( 382,162)
Total net assets	<u>\$ 6,573,765</u>	<u>\$ 6,388,788</u>	<u>\$ 6,517,054</u>

Statements of comprehensive income

	Hoyun International Limited	
	Three months ended March 31,	
	2026	2025
Revenue	\$ 934,681	\$ 1,154,643
Profit before income tax	31,408	114,850
Income tax expense	( 8,170)	( 29,178)
Profit for the period	23,238	85,672
Other comprehensive income, net of tax	161,739	100,911
Total comprehensive income for the period	<u>\$ 184,977</u>	<u>\$ 186,583</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 91,564</u>	<u>\$ 92,358</u>

## Statements of cash flows

	Hoyun International Limited	
	Three months ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 2,167,678	\$ 2,814,791
Net cash used in investing activities	( 61,091)	( 256,218)
Net cash used in financing activities	( 1,338,662)	( 3,309,293)
Effect of exchange rates on cash and cash equivalents	183,104	100,616
Increase (decrease) in cash and cash equivalents	951,029	( 650,104)
Cash and cash equivalents, beginning of period	2,547,753	3,809,914
Cash and cash equivalents, end of period	<u>\$ 3,498,782</u>	<u>\$ 3,159,810</u>

### (4) 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, 2025.

### 6. DETAILS OF SIGNIFICANT ACCOUNTS

#### (1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand	\$ 2,013	\$ 2,001	\$ 1,771
Checking accounts and demand deposits	7,380,615	4,561,647	5,005,096
Cash equivalents			
Time deposits	3,689	67,677	-
	<u>\$ 7,386,317</u>	<u>\$ 4,631,325</u>	<u>\$ 5,006,867</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

	March 31, 2026		December 31, 2025	
	Current assets	Current liabilities	Current assets	Current liabilities
Cash flow hedges:				
<u>Exchange rate risk and interest rate risk</u>				
Cross-currency swaps	\$ 109,279	(\$ 871,520)	\$ 29,128	(\$ 687,433)
Interest rate swaps	121,059	-	117,065	-
	<u>\$ 230,338</u>	<u>(\$ 871,520)</u>	<u>\$ 146,193</u>	<u>(\$ 687,433)</u>

	March 31, 2025	
	Current assets	Current liabilities
Cash flow hedges:		
<u>Exchange rate risk and interest rate risk</u>		
Cross-currency swaps	<u>\$ 360,012</u>	<u>(\$ 230,965)</u>

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:

Hedging instruments	March 31, 2026				Three months ended March 31, 2026				Gains (losses) on valuation of ineffective hedge that will be recognized in financial assets/liabilities at fair value through profit or loss
	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		
Cash flow hedges:									
<u>Exchange rate risk</u>									
<u>Interest rate risk</u>									
Cross-currency swap transactions	USD	72,000	2026/3/23~2026/7/10	\$ 2,994	\$ -	\$ -	31.95	1.99	\$ -
	JPY	46,700,000	2026/2/9~2028/5/26	103,590	( 21,576)	-	0.20	2.25~2.44	-
	JPY	28,210,000	2023/10/23~2028/6/9	-	( 849,944)	-	0.05	3.31~4.20	-
	CNH	125,000	2026/3/11~2026/4/13	2,695	-	-	4.61	1.95	-
Interest rate swap transactions	TWD	22,250,000	2025/4/24~2027/6/28	121,059	-	-	-	1.44~1.48	-

		December 31, 2025				Year ended December 31, 2025				
		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	
<b>Hedging instruments</b>										
Cash flow hedges:										
<u>Exchange rate risk</u>										
<u>Interest rate risk</u>										
Cross-currency swap transactions	USD	30,000	2024/3/28~ 2026/3/27	\$ -	(\$ 15,034)	\$ -	31.96	1.84	\$ -	-
	JPY	38,800,000	2024/2/20~ 2028/5/26	29,128	( 71,799)	-	0.20~0.21	1.98~2.44		-
	JPY	28,315,000	2023/10/23~ 2028/6/9	-	( 600,600)	-	0.05	3.31~4.20		-
Interest rate swap transactions	TWD	22,250,000	2025/4/24~ 2027/6/28	117,065	-	-	-	1.44~1.48		-
				March 31, 2025			Three months ended March 31, 2025			
<b>Hedging instruments</b>										
Cash flow hedges:										
<u>Exchange rate risk</u>										
<u>Interest rate risk</u>										
Cross-currency swap transactions	USD	30,000	2024/3/28~ 2026/3/27	\$ 37,191	\$ -	\$ -	31.96	1.84	\$ -	-
	JPY	51,529,948	2023/5/2~ 2026/2/12	273,679	( 90,225)	-	0.21~0.23	1.92~2.36		-
	JPY	26,128,000	2023/10/23~ 2028/1/6	49,142	( 140,740)	-	0.05	3.71~4.20		-
				March 31, 2026						
<b>Hedged items</b>										
Cash flow hedges:										
<u>Exchange rate risk and interest rate risk</u>										
Long-term and short-term loans						\$	40,857,555	(\$	705,828)	

	<u>December 31, 2025</u>	
<b>Hedged items</b>	<u>Liabilities</u> carrying amount	<u>Valuation on</u> liabilities' fair value hedges
Cash flow hedges:		
<u>Exchange rate risk and interest rate risk</u>		
Long-term and short-term loans	\$ 37,200,151	(\$ 515,401)

	<u>March 31, 2025</u>	
<b>Hedged items</b>	<u>Liabilities</u> carrying amount	<u>Valuation on</u> liabilities' fair value hedges
Cash flow hedges:		
<u>Exchange rate risk and interest rate risk</u>		
Long-term and short-term loans	\$ 17,992,577	\$ 284,869

C. Cash flow hedges

	<u>Three months ended March 31, 2026</u>	
<u>Other equity - cash flow hedge reserve</u>		
At January 1	(\$	37,812)
Add: Gains on hedge effectiveness recognized in other comprehensive income		123,257
Less: Reclassified to profit or loss as the hedged item has affected the profit and loss	(	34,165)
Less: Income tax relating to the hedge effectiveness recognized in other comprehensive income	(	27,202)
At March 31	\$	<u>24,078</u>

	<u>Three months ended March 31, 2025</u>	
<u>Other equity - cash flow hedge reserve</u>		
At January 1	(\$	102,049)
Less: Losses on hedge effectiveness recognized in other comprehensive income	(	22,834)
Less: Reclassified to profit or loss as the hedged item has affected the profit and loss	(	31,793)
Add: Income tax relating to the hedge effectiveness recognized in other comprehensive income		<u>7,225</u>
At March 31	(\$	<u>149,451</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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Installment notes receivable	\$ 18,975,881	\$ 18,979,485	\$ 15,468,542
Installment accounts receivable	292,848,726	293,360,826	292,352,326
Accounts receivable	107,720	118,761	75,140
Less: Unrealized interest revenue	( 30,918,973)	( 31,327,613)	( 33,018,035)
	<u>281,013,354</u>	<u>281,131,459</u>	<u>274,877,973</u>
Less: Allowance for doubtful accounts	( 4,707,639)	( 4,540,697)	( 4,945,603)
Notes and accounts receivable, net	<u>\$ 276,305,715</u>	<u>\$ 276,590,762</u>	<u>\$ 269,932,370</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, notes and accounts receivable pledged as collaterals amounted to \$5,088,197, \$5,617,524 and \$6,036,934, 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:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Not past due	\$ 278,085,240	\$ 278,357,279	\$ 271,336,934
31 to 60 days	1,316,213	1,255,773	1,276,849
61 to 90 days	623,869	554,475	728,109
91 to 120 days	381,310	544,597	566,938
121 to 150 days	255,660	300,180	552,605
Over 151 days	351,062	119,155	416,538
	<u>\$ 281,013,354</u>	<u>\$ 281,131,459</u>	<u>\$ 274,877,973</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:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Not later than one year	\$ 112,345,365	\$ 112,123,039	\$ 107,969,029
Over 1 year	199,479,242	200,217,272	199,851,839
	<u>\$ 311,824,607</u>	<u>\$ 312,340,311</u>	<u>\$ 307,820,868</u>

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

(4) Prepayments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Prepayments	\$ 2,138,073	\$ 2,828,555	\$ 2,998,225
Prepaid commission	1,073,098	1,146,332	1,473,202
Prepaid insurance premiums	49,673	45,135	74,100
Others	525,571	555,979	510,542
	<u>\$ 3,786,415</u>	<u>\$ 4,576,001</u>	<u>\$ 5,056,069</u>

(5) Investments accounted for using equity method

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
HFC (Cambodia) Microfinance PLC.	\$ -	\$ -	\$ 564,309
Heng Fong Energy Co., Ltd.	381,845	389,466	398,361
Kai Lan Power Co., Ltd	350,059	353,326	360,300
Grinnodot Inc.	-	-	148,183
Zheng-Ren Energy Co., Ltd.	140,891	142,676	133,875
Hotai Mobility Service Co., Ltd.	75,084	74,311	72,482
Gochabar Co., Ltd.	19,283	19,758	21,990
	<u>\$ 967,162</u>	<u>\$ 979,537</u>	<u>\$ 1,699,500</u>

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 March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount of the Group's individually immaterial associates amounted to \$967,162, \$979,537 and \$1,699,500, respectively.

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Comprehensive loss for the period	(\$ 12,375)	(\$ 1,303)

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 (\$12,375) and (\$4,347) for the three months ended March 31, 2026 and 2025, respectively, and were recognized based on the financial statements audited by other independent auditors.

C. In December 2025, the Group acquired an additional 31% of the shareholding of HFC (Cambodia) Microfinance PLC. amounting to US\$20,890 thousand in cash. The subsidiary is consolidated since the shareholding ratio thereafter increased to 66%, obtaining control over the subsidiary.

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%. In December 2025, the Group sold its share in subsidiary Grinnodot Inc amounting to \$18,615, reducing the shareholding ratio to 17.56% and losing significant influence. As a result, the remaining investment is recognized as financial assets at fair value through other comprehensive income.

E. In September 2025 and January 2024, the Group participated in a cash capital increase of Zheng-Ren Energy Co., Ltd. amounting to \$14,000 and \$68,250, respectively. 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

2026

	2026									
	Land	Buildings and structures	Furniture and fixtures			Transportation equipment			Leasehold improvements	Total
Owner-occupied			Lease (Note 1)	Subtotal	Owner-occupied	Lease (Note 1)	Subtotal			
At January 1										
Cost	\$ 1,128,878	\$ 319,086	\$ 5,433,691	\$ 154,374	\$ 5,588,065	\$ 123,722	\$ 1,905,745	\$ 2,029,467	\$ 114,657	\$ 9,180,153
Accumulated depreciation and impairment	-	(24,739)	(780,156)	(72,511)	(852,667)	(56,366)	(1,157,422)	(1,213,788)	(52,150)	(2,143,344)
	<u>\$ 1,128,878</u>	<u>\$ 294,347</u>	<u>\$ 4,653,535</u>	<u>\$ 81,863</u>	<u>\$ 4,735,398</u>	<u>\$ 67,356</u>	<u>\$ 748,323</u>	<u>\$ 815,679</u>	<u>\$ 62,507</u>	<u>\$ 7,036,809</u>
Opening net book amount as at January 1	\$ 1,128,878	\$ 294,347	\$ 4,653,535	\$ 81,863	\$ 4,735,398	\$ 67,356	\$ 748,323	\$ 815,679	\$ 62,507	\$ 7,036,809
Additions	-	-	209,116	604	209,720	5,314	17,905	23,219	52	232,991
Disposal	-	-	(303)	-	(303)	(486)	-	(486)	(586)	(1,375)
Reclassifications	-	-	-	(306)	(306)	-	(23,393)	(23,393)	-	(23,699)
Transfers from prepayments for business facilities	-	-	76,354	-	76,354	-	7,739	7,739	-	84,093
Depreciation	-	(1,716)	(58,673)	(6,544)	(65,217)	(6,873)	(68,949)	(75,822)	(4,399)	(147,154)
Gain on reversal of impairment loss	-	-	-	18	18	-	-	-	-	18
Net exchange differences	-	-	387	-	387	2,028	22,796	24,824	621	25,832
Closing net book amount as at March 31	<u>\$ 1,128,878</u>	<u>\$ 292,631</u>	<u>\$ 4,880,416</u>	<u>\$ 75,635</u>	<u>\$ 4,956,051</u>	<u>\$ 67,339</u>	<u>\$ 704,421</u>	<u>\$ 771,760</u>	<u>\$ 58,195</u>	<u>\$ 7,207,515</u>
At March 31										
Cost	\$ 1,128,878	\$ 319,086	\$ 5,717,090	\$ 132,082	\$ 5,849,172	\$ 130,517	\$ 1,929,617	\$ 2,060,134	\$ 110,649	\$ 9,467,919
Accumulated depreciation and impairment	-	(26,455)	(836,674)	(56,447)	(893,121)	(63,178)	(1,225,196)	(1,288,374)	(52,454)	(2,260,404)
	<u>\$ 1,128,878</u>	<u>\$ 292,631</u>	<u>\$ 4,880,416</u>	<u>\$ 75,635</u>	<u>\$ 4,956,051</u>	<u>\$ 67,339</u>	<u>\$ 704,421</u>	<u>\$ 771,760</u>	<u>\$ 58,195</u>	<u>\$ 7,207,515</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 \$1,744 and the range of the interest rates for such capitalisation is 1.8980%~1.9440%.

2025

	Land	Buildings and structures	Furniture and fixtures			Transportation equipment			Leasehold improvements	Total
			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	-	-	52,708	3,620	56,328	4,479	24,592	29,071	492	85,891
Disposal	-	-	-	-	-	( 2,539)	-	( 2,539)	( 179)	( 2,718)
Reclassifications	-	-	-	( 2,989)	( 2,989)	( 45)	( 19,550)	( 19,595)	-	( 22,584)
Transfers from prepayments for business facilities	-	-	104,027	-	104,027	-	7,295	7,295	-	111,322
Depreciation	-	( 1,493)	( 44,631)	( 15,489)	( 60,120)	( 7,346)	( 91,225)	( 98,571)	( 3,991)	( 164,175)
Gain on reversal of impairment loss	-	-	-	94	94	-	-	-	-	94
Net exchange differences	-	-	250	-	250	1,671	16,447	18,118	425	18,793
Closing net book amount as at March 31	<u>\$ 1,096,073</u>	<u>\$ 253,863</u>	<u>\$ 3,818,926</u>	<u>\$ 61,963</u>	<u>\$ 3,880,889</u>	<u>\$ 90,165</u>	<u>\$ 878,755</u>	<u>\$ 968,920</u>	<u>\$ 61,550</u>	<u>\$ 6,261,295</u>
At March 31										
Cost	\$ 1,096,073	\$ 273,529	\$ 4,446,687	\$ 180,500	\$ 4,627,187	\$ 140,171	\$ 1,955,655	\$ 2,095,826	\$ 99,369	\$ 8,191,984
Accumulated depreciation and impairment	-	( 19,666)	( 627,761)	( 118,537)	( 746,298)	( 50,006)	( 1,076,900)	( 1,126,906)	( 37,819)	( 1,930,689)
	<u>\$ 1,096,073</u>	<u>\$ 253,863</u>	<u>\$ 3,818,926</u>	<u>\$ 61,963</u>	<u>\$ 3,880,889</u>	<u>\$ 90,165</u>	<u>\$ 878,755</u>	<u>\$ 968,920</u>	<u>\$ 61,550</u>	<u>\$ 6,261,295</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 \$598 and the range of the interest rates for such capitalisation is 2.2507%~2.2865%

(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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 46,008	\$ 46,822	\$ 47,075
Buildings and structures	415,670	384,243	365,301
	<u>\$ 461,678</u>	<u>\$ 431,065</u>	<u>\$ 412,376</u>

  

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 814	\$ 786
Buildings and structures	17,921	23,103
	<u>\$ 18,735</u>	<u>\$ 23,889</u>

C. For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets were \$47,702 and \$26,946, respectively.

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

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,282	\$ 2,236
Expense on short-term lease contracts and leases of low-value assets	11,021	3,526
Profit from lease modification	-	39
Expense on variable lease payments	12,410	9,604

E. For the three months ended March 31, 2026 and 2025, the Group's total cash outflow for leases were \$43,822 and \$39,253, 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 March 31,	
	2026	2025
Finance income from the net investment in the finance lease	\$ 770,525	\$ 920,251

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

	March 31, 2026	December 31, 2025	March 31, 2025
Next 1 year	\$ 20,333,129	\$ 21,212,560	\$ 23,759,080
Next 2 years	7,089,966	7,598,799	8,290,647
Next 3 years	2,410,416	2,554,846	2,517,821
Next 4 years	1,036,141	1,038,376	896,267
Next 5 years	513,346	538,218	392,199
Next 6 years	120,907	144,617	140,424
	<u>\$ 31,503,905</u>	<u>\$ 33,087,416</u>	<u>\$ 35,996,438</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Undiscounted lease payments	\$ 31,503,905	\$ 33,087,416	\$ 35,996,438
Less : Unearned finance income	( 3,308,141)	( 3,529,843)	( 3,693,466)
	28,195,764	29,557,573	32,302,972
Less : Allowance for doubtful accounts	( 1,590,508)	( 1,240,696)	( 956,586)
Net investment in the lease	<u>\$ 26,605,256</u>	<u>\$ 28,316,877</u>	<u>\$ 31,346,386</u>

- (a) In July 2025, the Group securitized its financial assets by transferring financing lease receivables with an aggregate carrying amount of RMB 997 million 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 740 million and subordinated tranches amounting to RMB 257 million. The Group subscribed to all of the subordinated asset-backed securities, thereby receiving RMB 740 million in cash, which was recognized as short-term borrowings. The key characteristics of the issued asset-backed securities are as follows:

<u>Class of asset-backed securities</u>	<u>Issue amount (In thousands)</u>	<u>Expected due date</u>	<u>Interest rate</u>	<u>Payment frequency</u>
Senior	RMB 740,000	August 27, 2026	3.00%	Monthly
Subordinated	RMB 256,715	September 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. As of March 31, 2026, the amount of the issued asset-backed is \$2,707,139.

- (b) 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:

<u>Class of asset-backed securities</u>	<u>Issue amount (In thousands)</u>	<u>Expected due date</u>	<u>Interest rate</u>	<u>Payment frequency</u>
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.

The senior asset-backed notes of the Group's securitization special purpose trust issued in September 2024 were fully paid, and the trust was terminated pursuant to the trust agreement. The related termination procedures were completed in September 2025. As the structured entity has been dissolved, the Group has ceased to consolidate it.

- (c) As of March 31, 2026, December 31, 2025 and March 31, 2025, leasing notes receivable and lease receivable pledged as collaterals amounted to \$10,392,031, \$11,468,311 and \$11,905,160, 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:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Not past due	\$ 25,989,002	\$ 28,318,481	\$ 31,045,831
31 to 60 days	311,467	179,369	295,848
61 to 90 days	741,423	156,394	326,053
91 to 120 days	168,262	177,221	179,972
121 to 150 days	85,677	144,912	133,198
Over 151 days	899,933	581,196	322,070
	<u>\$ 28,195,764</u>	<u>\$ 29,557,573</u>	<u>\$ 32,302,972</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 ended March 31, 2026 and 2025, the Group recognized rent income in the amounts of \$143,720 and \$182,414, 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:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Next 1 year	\$ 285,326	\$ 320,235	\$ 228,708
Next 2 years	123,631	146,988	130,612
Next 3 years	48,532	55,466	59,426
Next 4 years	12,837	13,188	15,526
Next 5 years	9,973	10,062	2,781
Beyond next 6 years	12,898	15,296	4,350
	<u>\$ 493,197</u>	<u>\$ 561,235</u>	<u>\$ 441,403</u>

(9) Investment property

	<u>2026</u>		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1			
Cost	\$ 125,590	\$ 41,887	\$ 167,477
Accumulated depreciation	-	( 3,833)	( 3,833)
	<u>\$ 125,590</u>	<u>\$ 38,054</u>	<u>\$ 163,644</u>
At January 1	\$ 125,590	\$ 38,054	\$ 163,644
Depreciation charge	-	( 205)	( 205)
At March 31	<u>\$ 125,590</u>	<u>\$ 37,849</u>	<u>\$ 163,439</u>
At March 31			
Cost	\$ 125,590	\$ 41,887	\$ 167,477
Accumulated depreciation	-	( 4,038)	( 4,038)
	<u>\$ 125,590</u>	<u>\$ 37,849</u>	<u>\$ 163,439</u>

	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	-	( 205)	( 205)
At March 31	<u>\$ 125,590</u>	<u>\$ 38,671</u>	<u>\$ 164,261</u>
At March 31			
Cost	\$ 125,590	\$ 41,887	\$ 167,477
Accumulated depreciation	-	( 3,216)	( 3,216)
	<u>\$ 125,590</u>	<u>\$ 38,671</u>	<u>\$ 164,261</u>

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

	Three months ended March 31,	
	2026	2025
Rental income from investment property	<u>\$ 829</u>	<u>\$ 829</u>
Direct operating expenses arising from the investment property that generated rental income during the period (including depreciation expense)	<u>\$ 205</u>	<u>\$ 205</u>

B. The fair value of the investment property held by the Group was \$177,783, \$171,515 and \$166,610 as at March 31, 2026, December 31, 2025 and March 31, 2025, 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.



(11) Short-term loans

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Type of loans</u>			
Bank loans			
Credit loans	\$ 46,743,100	\$ 34,857,586	\$ 63,265,658
Pledged loans	900,000	-	2,500,000
Mid-term syndicated loans for working capital	53,380,466	63,924,232	52,940,665
Notes payable from securitization	1,223,790	2,088,887	1,563,989
Other short-term loans	59,146	59,343	66,540
	<u>\$ 102,306,502</u>	<u>\$ 100,930,048</u>	<u>\$ 120,336,852</u>
Interest rates	<u>1.50%~9.50%</u>	<u>1.30%~10.00%</u>	<u>0.50%~4.80%</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, 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%~9.50%, 1.77%~10.00% and 0.50%~4.30%, respectively.
- B. The Company has entered into a mid-term syndicated contract for a credit line of \$13,250,000 with 20 financial institutions including CTBC Bank Co., Ltd., in order to fulfill its working capital. The duration is 36 months. The loan can be drawn several times. Of the total loan, \$5,900,000 is non-revolving and the payment term is to repay the full drawn amount at the maturity date. The remaining amount of \$7,350,000 is revolving and the payment term is to repay the full drawn amount at the maturity date. As of March 31, 2026, it has not been drawn yet.
- C. 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.
- D. 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.

- E. 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 July 16, 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.
- F. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of JPY 11 billion with 4 financial institutions including MUFG Bank, Ltd., in order to fulfill its working capital. The duration is 30 months (from June 9, 2025 to December 7, 2027). 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.
- G. 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.
- H. 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.
- I. 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.
- J. 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.
- K. 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.

- L. 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.
- M. 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.
- N. 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.
- O. 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.
- 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 March 31, 2026, the Group met all the financial commitments stated in the contract.

(12) Short-term notes and bills payable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Commercial paper payable	\$ 138,835,000	\$ 145,730,000	\$ 119,073,400
Less: Unamortized discount	( 153,609)	( 221,784)	( 218,137)
	<u>\$ 138,681,391</u>	<u>\$ 145,508,216</u>	<u>\$ 118,855,263</u>
Interest rates	<u>1.73%~2.19%</u>	<u>1.69%~2.19%</u>	<u>1.78%~2.23%</u>

(13) Bonds payable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Bonds payable	<u>\$ 21,950,000</u>	<u>\$ 17,800,000</u>	<u>\$ 28,200,000</u>

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

- A. The Company issued 4,150,000 first unsecured ordinary bonds in 2026, which was declared effective on March 20, 2026. The issuance comprises two bonds: Bond A bears a coupon rate of 1.93%, with interest payable annually and matures 3 years from the issue date (March 30, 2026 ~ March 30, 2029); Bond B bears a coupon rate of 1.93%, with interest payable annually and matures 5 years from the issue date (March 30, 2026 ~ March 30, 2031). Both bonds will be redeemed in cash at face value at the maturity date.
- B. The Company issued 5,600,000 second unsecured ordinary bonds in 2025, which was declared effective on September 26, 2025. The issuance comprises two bonds: Bond A bears a coupon rate of 1.93%, with interest payable annually and matures 3 years from the issue date (October 8, 2025 ~ October 8, 2028); Bond B bears a coupon rate of 1.97%, with interest payable annually and matures 5 years from the issue date (October 8, 2025 ~ October 8, 2030). Both bonds will be redeemed in cash at face value at the maturity date.
- C. The Company issued \$3,000,000, 1.83% first secured ordinary bonds in 2025, with interest payable annually. The bonds mature 3 years from the issue date (July 21, 2025 ~ July 21, 2028) and will be redeemed in cash at face value at the maturity date.
- D. The Company issued \$5,000,000, 1.49% second secured ordinary bonds in 2023, with interest payable annually. 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. The bonds were fully paid at the maturity date.
- E. The Company issued \$4,000,000, 1.50% first unsecured ordinary bonds in 2023, with interest payable annually. 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.
- F. The Company issued \$7,000,000, 1.50% second secured ordinary bonds in 2022, with interest payable annually. 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.
- G. The Company issued \$3,000,000, 0.57% first secured ordinary bonds in 2022, with interest payable annually. 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.
- H. The Company issued \$3,000,000, 0.56% second unsecured ordinary bonds in 2021, with interest payable annually. 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.

- I. The Company issued \$2,200,000, 0.55% first unsecured ordinary bonds in 2021, with interest payable annually, with interest payable annually. 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.
- J. The Company issued \$7,000,000, 0.70% first unsecured ordinary bonds in 2020, with interest payable annually. 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	March 31, 2026	December 31, 2025	March 31, 2025
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%	\$ 1,369,593	\$ 1,344,104	\$ 1,253,161
Unsecured borrowings	Borrowing period is from December 2023 to April 2030; interest is repayable monthly, repayment of principal	2.43%~2.48%	382,294	354,736	466,761
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%	7,380,541	7,378,108	970,811
			9,132,428	9,076,948	2,690,733
Less : Long-term liabilities, current portion			( 7,728,934)	( 343,689)	( 203,692)
			<u>\$ 1,403,494</u>	<u>\$ 8,733,259</u>	<u>\$ 2,487,041</u>

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

A. As of March 31, 2026, the maturities of long-term borrowings are as follows:

<u>Duration of maturity</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Up to 1 year	\$ 348,393	\$ 343,689	\$ 203,692
1 to 2 years	7,693,591	177,583	332,795
Over 2 years	1,090,444	8,555,676	2,154,246
	<u>\$ 9,132,428</u>	<u>\$ 9,076,948</u>	<u>\$ 2,690,733</u>

B. 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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current	\$ 3,946,658	\$ 4,164,386	\$ 4,241,327
Non-current	344,279	268,572	413,971
	<u>\$ 4,290,937</u>	<u>\$ 4,432,958</u>	<u>\$ 4,655,298</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 three months ended March 31, 2026 and 2025 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 ended March 31, 2026 and 2025 were \$35,573 and \$36,601, respectively.

(17) Share capital

- A. As of March 31, 2026 and 2025, 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 both amounted to 723,150 thousand shares, with par value of NT\$10 per share, respectively. All proceeds from shares issued have been collected.
- B. 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: 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.

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.

(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.

C. 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: 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.

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.

- (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 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 March 5, 2026, the Board of Directors resolved the distribution of earnings of 2025 and on May 27, 2025, the shareholders resolved the distribution of earnings of 2024 as follows:

	<u>Year ended December 31, 2025</u>		<u>Year ended December 31, 2024</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 337,593		\$ 305,549	
Special reserve	( 29,913)		( 61,250)	
Dividend on preferred stock, Class A	210,000	\$ 4.20	210,000	\$ 4.20
Dividend on preferred stock, Class B	225,000	4.50	225,000	4.50
Cash dividend on common stock	1,869,451	3.00	1,869,451	3.00
Stock dividend on common stock	186,945	0.30	-	-
	<u>\$ 2,799,076</u>		<u>\$ 2,548,750</u>	

The aforementioned distribution of earnings of 2025, as of May 7, 2026, has not yet been resolved at the shareholders' meeting.

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

(20) Operating revenue

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Revenue from contracts with customers	\$ 589,734	\$ 485,954
Other operating revenue		
Interest income	4,302,702	4,498,165
Revenue from finance leases	770,525	920,251
Revenue from operating leases	142,666	181,364
	<u>\$ 5,805,627</u>	<u>\$ 6,085,734</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 March 31, 2026</u>	<u>Taiwan</u>	<u>China</u>	<u>Others</u>	<u>Total</u>
Total segment revenue	\$ 545,327	\$ 39,247	\$ 5,160	\$ 584,574
Inter-segment revenue	-	-	-	-
Revenue from external customer	<u>\$ 545,327</u>	<u>\$ 39,247</u>	<u>\$ 5,160</u>	<u>\$ 589,734</u>
Timing of revenue recognition				
At a point in time	\$ 366,996	\$ 39,247	\$ 5,160	\$ 411,403
Over time	<u>178,331</u>	<u>-</u>	<u>-</u>	<u>178,331</u>
	<u>\$ 545,327</u>	<u>\$ 39,247</u>	<u>\$ 5,160</u>	<u>\$ 589,734</u>
<u>Three months ended March 31, 2025</u>	<u>Taiwan</u>	<u>China</u>	<u>Total</u>	
Total segment revenue	\$ 441,774	\$ 44,180	\$ 485,954	
Inter-segment revenue	-	-	-	
Revenue from external customer	<u>\$ 441,774</u>	<u>\$ 44,180</u>	<u>\$ 485,954</u>	
Timing of revenue recognition				
At a point in time	\$ 303,752	\$ 44,180	\$ 347,932	
Over time	<u>138,022</u>	<u>-</u>	<u>138,022</u>	
	<u>\$ 441,774</u>	<u>\$ 44,180</u>	<u>\$ 485,954</u>	

(21) Operating costs

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Interest costs	\$ 1,462,095	\$ 1,494,143
Cost of sales	520,197	605,717
Rental costs	88,404	131,784
Service costs	44,147	41,803
Other costs	<u>101,507</u>	<u>76,915</u>
	<u>\$ 2,216,350</u>	<u>\$ 2,350,362</u>

(22) Interest income

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Interest income from bank deposits	\$ 4,279	\$ 5,095
Interest income from short-term notes payable	68	141
Other interest income	<u>126</u>	<u>61</u>
	<u>\$ 4,473</u>	<u>\$ 5,297</u>

(23) Other income

	Three months ended March 31,	
	2026	2025
Rental income	\$ 1,054	\$ 1,050
Other income - others	75,575	82,891
	<u>\$ 76,629</u>	<u>\$ 83,941</u>

(24) Other gains and losses

	Three months ended March 31,	
	2026	2025
Losses on disposals of investment	\$ -	(\$ 7,149)
(Losses) gains on disposals of property, plant and equipment	( 778)	2,042
Gains on financial assets at fair value through profit or loss	11	328
Foreign exchange gains (losses)	23,549	( 4)
Others	( 2,208)	( 3,076)
	<u>\$ 20,574</u>	<u>(\$ 7,859)</u>

(25) Finance costs

	Three months ended March 31,	
	2026	2025
Finance expense, others	\$ 2,282	\$ 2,236

(26) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expense	\$ 813,547	\$ 709,309
Depreciation charges on right-of-use assets	\$ 18,735	\$ 23,889
Depreciation charges on property, plant and equipment	\$ 147,154	\$ 164,175
Depreciation charges on investment property	\$ 205	\$ 205
Amortization charges on intangible assets	\$ 22,486	\$ 7,476

(27) Employee benefit expense

	Three months ended March 31,	
	2026	2025
Wages and salaries	\$ 677,045	\$ 574,132
Labor and health insurance fees	55,397	54,012
Pension costs	35,573	36,601
Directors' and supervisors' remuneration	2,269	3,696
Other personnel expenses	43,263	40,868
	<u>\$ 813,547</u>	<u>\$ 709,309</u>

- A. According to the Articles of Incorporation of the Company, 1% of the annual profit shall be distributed as employees' remuneration. However, if the Company has an accumulated deficit, the Company must first set aside earnings to cover the deficit. Of the total amount appropriated for employees' remuneration, no less than 50% shall be distributed to non-managerial employees. The employees' remuneration may be distributed in the form of shares or in cash. Such distribution shall be approved by a resolution adopted by a majority vote of the directors present at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors. Such distribution shall then be reported to the shareholders' meeting.
- B. For the three months ended March 31, 2026 and 2025, employees' remuneration were accrued at \$11,682 and \$9,492, 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 three months ended March 31, 2026.

Employees' remuneration of 2025 as resolved by the Board of Directors was in agreement with those amounts recognized in the 2025 financial statements.

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 March 31,	
	2026	2025
Current tax:		
Current tax on profits for the period	\$ 422,258	\$ 364,116
Prior year income tax under estimation	290	-
Total current tax	<u>422,548</u>	<u>364,116</u>
Deferred tax:		
Origination and reversal of temporary differences	( 145,776)	( 99,566)
Total deferred tax	( 145,776)	( 99,566)
Income tax expense	<u>\$ 276,772</u>	<u>\$ 264,550</u>

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

	Three months ended March 31,	
	2026	2025
Cash flow hedges	<u>\$ 27,202</u>	<u>(\$ 7,225)</u>

- B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(29) Earnings per share

	Three months ended March 31, 2026		
	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	\$ 908,070		
Less: Dividend on preferred stock	( 435,000)		
Profit attributable to ordinary shareholders of the parent	<u>\$ 473,070</u>	<u>623,150</u>	<u>\$ 0.76</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 473,070	623,150	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	710	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 473,070</u>	<u>623,860</u>	<u>\$ 0.76</u>

	Three months ended March 31, 2025		
	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	\$ 727,089		
Less: Dividend on preferred stock	( 435,000)		
Profit attributable to ordinary shareholders of the parent	<u>\$ 292,089</u>	<u>623,150</u>	<u>\$ 0.47</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 292,089	623,150	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	479	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 292,089</u>	<u>623,629</u>	<u>\$ 0.47</u>

(30) Business combinations

- A. In December 2025, the Group acquired 31% of the share capital of HFC (Cambodia) Microfinance PLC. (hereinafter referred to as the “HFC MFI”) for US\$20,890 thousand in cash. The Group initially held a 35% shareholding, which was recognized as investments accounted for using equity method. With the acquisition, the Group shareholding ratio thereafter increased to 66%, thereby obtaining control over HFC MFI. HFC MFI is engaged in financing and leasing operations in the Cambodian region. The Group expects that the acquisition will facilitate the sustainable development of its overseas leasing business.
- B. The following table summarises the consideration paid for HFC MFI Company and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets at the acquisition date:

	<u>December 31, 2025</u>
Purchase consideration	
Cash paid	\$ 653,982
Fair value of the equity interest in HFC MFI held before the business combination	574,204
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>548,468</u>
	<u>1,776,654</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	\$ 152,860
Accounts receivable	1,074,876
Finance lease receivable	375,700
Other receivables	1,820
Prepayments	1,119
Other financial assets	25,144
Property, plant and equipment	7,794
Intangible assets	1,196,748
Deferred income tax assets	14,016
Other non-current assets, others	456
Short-term loans	( 969,456)
Other payables	( 20,722)
Current income tax liabilities	( 8,008)
Deferred tax liabilities	<u>( 239,207)</u>
Total identifiable net assets	<u>1,613,140</u>
Goodwill	<u>\$ 163,514</u>

- C. The Group recognised a gain of \$16,616 as a result of measuring at fair value its 35% equity interest in HFC MFI held before the business combination.

D. There were no operating revenue and profit before income tax included in the consolidated statement of comprehensive income since December, 2025 contributed by HFC MFI. Had the company been consolidated from January 1, 2025, the consolidated statement of comprehensive income would show operating revenue of \$23,992,568 and profit before income tax of \$4,308,667.

E. As of March 31, 2026, the allocation of acquisition price for acquiring HFC MFI has not yet been completed. The fair values of the acquired identifiable intangible assets and goodwill of \$1,196,748 and \$163,514, respectively, are provisional pending receipt of the final valuations for those assets. Related allocation of acquisition price will be completed in one year.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	Three months ended March 31,	
	2026	2025
Purchase of property, plant and equipment	\$ 232,991	\$ 85,891
Add: Opening balance of payable on equipment (Shown as 'Accounts payable')	89,402	233,468
Less: Ending balance of payable on equipment (Shown as 'Accounts payable')	( 96,137)	( 163,281)
Cash paid during the period	<u>\$ 226,256</u>	<u>\$ 156,078</u>

B. Financing activities with no cash flow effects

	Three months ended March 31,	
	2026	2025
Cash dividend payable	<u>\$ 2,304,451</u>	<u>\$ 2,304,451</u>

(32) Changes in liabilities from financing activities

	2026								
	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	\$ 100,930,048	\$ 145,508,216	\$ 17,800,000	\$ 9,076,948	\$ 4,432,958	\$ 854,174	\$ 427,900	\$ -	\$ 279,030,244
Changes in cash flow from financing activities	1,565,488	( 6,900,344)	4,150,000	55,480	( 142,021)	27,218	( 18,109)	-	( 1,262,288)
Impact of changes in foreign exchange rate	257,790	-	-	-	-	-	1,733	-	259,523
Others	( 446,824)	73,519	-	-	-	-	47,702	2,304,451	1,978,848
At March 31	<u>\$ 102,306,502</u>	<u>\$ 138,681,391</u>	<u>\$ 21,950,000</u>	<u>\$ 9,132,428</u>	<u>\$ 4,290,937</u>	<u>\$ 881,392</u>	<u>\$ 459,226</u>	<u>\$ 2,304,451</u>	<u>\$ 280,006,327</u>

	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	( 1,285,441)	( 920,262)	( 3,000,000)	985,603	( 219,873)	16,616	( 23,887)	-	( 4,447,244)
Impact of changes in foreign exchange rate	387,279	-	-	-	-	-	1,412	-	388,691
Others	391,059	( 73,492)	-	-	-	-	22,117	2,304,451	2,644,135
At March 31	\$ 120,336,852	\$ 118,855,263	\$ 28,200,000	\$ 2,690,733	\$ 4,655,298	\$ 914,638	\$ 409,136	\$ 2,304,451	\$ 278,366,371

## 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.	Other related parties
Tau Miao Motor Co., Ltd. (Tau Miao)	Other related parties
Kuotu Motor Co., Ltd. (Kuotu)	Other related parties
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
Hotai AutoBody Manufacturing Co., 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

Names of related parties	Relationship with the Group
Hozao Enterprise Co., Ltd.	Other related parties
Ho Young Travel Agency Co., Ltd.	Other related parties
Zheng-Ren Energy Co., Ltd.	Other related parties
Kai Lan Power Co., Ltd.	Other related parties
Gochabar Co., Ltd.	Other related parties
Grinnodot Inc. (Grinnodot)(Note)	Other related parties
Engod Corporation (Engod)(Note)	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
Shanghai Ho-mian Motor Technology Co., Ltd. (Shanghai Ho-mian)	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.	Other related parties
Tianjin Binhai Heling LEXUS Motor Service 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
Toyota Motor Asia (Singapore) Pte. Ltd.	Other related parties
Nanjing HoZhan Motor Sales and Service Co., Ltd. (Nanjing Hozhan)	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

Note: As of March 31, 2026, after disposal of the equity interest, the entities were no longer related parties of the Group. Please refer to Note 6(5).

(3) Significant related party transactions and balances

A. Revenue

(a) Compensation of installment sale price spread

	Three months ended March 31,	
	2026	2025
- The ultimate parent	\$ 38,367	\$ 36,645
- Other related parties	76,709	96,118
	<u>\$ 115,076</u>	<u>\$ 132,763</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) Sales revenue

	Three months ended March 31,	
	2026	2025
- The ultimate parent	\$ 79,690	\$ -

B. Expenses

(a) Property secured transaction registration service fee

	Three months ended March 31,	
	2026	2025
- Other related parties	\$ 9,986	\$ 11,970

(b) Others

	Three months ended March 31,	
	2026	2025
- The ultimate parent	\$ -	\$ 771
- Other related parties		
Kuotu	1,805,371	2,228,154
Tau Miao	1,282,175	749,857
Kau Du	1,106,847	1,131,734
Others	895,369	1,114,646
	<u>\$ 5,089,762</u>	<u>\$ 5,225,162</u>

As described in Note 4(30), 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

	March 31, 2026	December 31, 2025	March 31, 2025
- The ultimate parent	\$ 15,068	\$ 62,798	\$ 13,871
- Other related parties	85,953	141,817	104,553
	<u>\$ 101,021</u>	<u>\$ 204,615</u>	<u>\$ 118,424</u>

(b) Accounts payable

	March 31, 2026	December 31, 2025	March 31, 2025
- Other related parties			
Kuotu	\$ 112,310	\$ 86,180	\$ 109,889
Others	86,480	61,786	79,972
	<u>\$ 198,790</u>	<u>\$ 147,966</u>	<u>\$ 189,861</u>

(c) Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
- The ultimate parent	\$ 384	\$ 505	\$ 471
- Other related parties	5,855	6,306	7,896
	<u>\$ 6,239</u>	<u>\$ 6,811</u>	<u>\$ 8,367</u>

(d) Prepayments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
- The ultimate parent	\$ -	\$ 3,347	\$ -
- Other related parties	10,197	6,521	19,049
	<u>\$ 10,197</u>	<u>\$ 9,868</u>	<u>\$ 19,049</u>

D. Contract liabilities (shown as other current liabilities)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
- The ultimate parent	\$ 1,905	\$ 79,690	\$ 23,907

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

(a) Lease

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
- Other related parties		
Shanghai Hozhan	\$ 2,122	\$ 2,785
Nanjing Hozhan	1,731	1,237
Shanghai Hoyu	758	573
Shanghai Heling	-	5,025
Nanchang Heling	-	9,442
Chongqing Heling	-	6,935
	<u>\$ 4,611</u>	<u>\$ 25,997</u>

(b) Owner-occupied

	<u>Year ended December 31,</u>	
	<u>2026</u>	<u>2025</u>
- Other related parties		
Grinnodot	\$ -	\$ 23,671
Engod	-	8,785
	<u>\$ -</u>	<u>\$ 32,456</u>

F. 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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
- The ultimate parent	\$ 2,968	\$ 3,950	\$ 6,874
- Other related parties	7,590	8,405	28,613
	<u>\$ 10,558</u>	<u>\$ 12,355</u>	<u>\$ 35,487</u>

G. Loans from related parties

Loans from related parties

Outstanding balance:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
- Other related parties			
Hotong	\$ 881,392	\$ 854,174	\$ 914,638

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.'

(4) Key management compensation

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Wages, salaries and others short-term employee benefits	\$ 22,675	\$ 26,304
Post-employment benefits	243	216
	<u>\$ 22,918</u>	<u>\$ 26,520</u>

8. PLEDGED ASSETS

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

<u>Items</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	<u>Purpose</u>
Pledged assets (Note)				
- Pledged time deposits	\$ 86,052	\$ 40,529	\$ 32,450	Guarantee deposit for credit line on gasoline purchases, pledged to banks as collateral for acceptance bill and lease deposit
- Pledged savings account	229,271	156,248	119,132	Pledged to banks as collateral for short-term borrowings, commercial paper payable, acceptance
	<u>\$ 315,323</u>	<u>\$ 196,777</u>	<u>\$ 151,582</u>	

Items	March 31, 2026	December 31, 2025	March 31, 2025	Purpose
Notes and accounts receivable, net				
- Notes receivable from installment sales	\$ 5,088,197	\$ 5,617,524	\$ 6,036,934	Pledged to banks as collateral for short-term borrowings and commercial paper payable
- Notes receivable from leases	23,645	26,875	38,668	"
- Lease receivable				Credit enhancement for asset-backed note borrowing, short-term bank loans, and secondary collateral for commercial paper payable.
	<u>10,368,386</u>	<u>11,441,436</u>	<u>11,866,492</u>	
	<u>\$ 15,480,228</u>	<u>\$ 17,085,835</u>	<u>\$ 17,942,094</u>	
Property, plant and equipment	<u>\$ 1,382,784</u>	<u>\$ 1,300,401</u>	<u>\$ 968,385</u>	Collateral for long-term borrowings

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 March 31, 2026, 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 \$1,639,769 and \$664,140, respectively.

#### 10. SIGNIFICANT DISASTER LOSS

None.

#### 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

#### 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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 139,701	\$ 139,286	\$ 35,839
Financial assets at amortized cost/ Loans and receivables			
Cash and cash equivalents	\$ 7,386,317	\$ 4,631,325	\$ 5,006,867
Financial assets at amortised cost	751,253	787,993	-
Notes receivable	18,468,884	18,537,954	15,128,957
Accounts receivable	245,492,903	246,178,599	243,301,767
Operating lease receivable	1,336	1,318	3,751
Finance lease receivable	25,143,897	26,827,522	30,063,052
Other receivables	169,743	148,511	82,558
Guarantee deposits paid	199,271	201,182	175,642
Other financial assets	315,323	196,777	151,582
Long-term notes and accounts receivable	12,343,928	11,874,209	11,501,646
Long-term finance lease receivable, net	1,461,359	1,489,355	1,283,334
	<u>\$ 311,734,214</u>	<u>\$ 310,874,745</u>	<u>\$ 306,699,156</u>
Hedging financial assets	<u>\$ 230,338</u>	<u>\$ 146,193</u>	<u>\$ 360,012</u>

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term loans	\$ 102,306,502	\$ 100,930,048	\$ 120,336,852
Short-term notes and bills payable	138,681,391	145,508,216	118,855,263
Notes payable	1,408,717	1,326,948	1,142,690
Accounts payable (including related parties)	562,660	561,445	579,255
Other payables	6,021,575	3,597,697	5,565,592
Bonds payable	21,950,000	17,800,000	28,200,000
Long-term loans (including current portion)	9,132,428	9,076,948	2,690,733
Guarantee deposits received	4,290,937	4,432,958	4,655,298
Financial guarantee liabilities	25,403	23,273	23,305
	<u>\$ 284,379,613</u>	<u>\$ 283,257,533</u>	<u>\$ 282,048,988</u>
Lease liabilities	<u>\$ 459,226</u>	<u>\$ 427,900</u>	<u>\$ 409,136</u>
Hedging financial liabilities	<u>\$ 871,520</u>	<u>\$ 687,433</u>	<u>\$ 230,965</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 and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

		March 31, 2026		
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD		USD 60,008	31.9950	\$ 1,919,961
		December 31, 2025		
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD		USD -	-	\$ -
		March 31, 2025		
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD		USD -	-	\$ -

- v. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025, amounted to \$23,549 and (\$4), respectively.
- vi. Considering the cross-currency swap transactions the Group is engaged in, the analysis of foreign currency market risk arising from significant foreign exchange variation is as follows:

	<u>Three months ended March 31, 2026</u>		
	<u>Sensitivity analysis</u>		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 19,200	\$ -

	<u>Three months ended March 31, 2025</u>		
	<u>Sensitivity analysis</u>		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ -	\$ -

Cash flow and fair value Interest rate risk

- i. The Group's 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 three months ended March 31, 2026 and

2025 would have increased/decreased by \$746,420 and \$726,805, 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 March 31, 2026, December 31, 2025 and March 31, 2025, the outstanding amount of the customers' mortgaged loans with the banks were \$1,805,145, \$1,779,600 and \$1,827,047, respectively; and the amount of notes receivable received by the Group from the customers were \$17,504, \$11,651 and \$15,550, 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 considers the default occurs when the contract payments are past due over 61 days.
- vi. The Group assesses whether there has been a significant increase in credit risk on that instrument since initial recognition:
  - (i) The Group adopts IFRS 9 assumptions when the contract payments were past due over 31 days;
  - (ii) When the contract cash flow has been renegotiated or modified;These situations are considered 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 its accounts and notes receivable based on the default characteristics. The expected credit loss for these assets is then estimated separately based on the number of days past due or through case assessment.
- 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>March 31, 2026</u>					
Neither past due nor impaired	\$303,052,605	\$ -	\$ -	\$ 104,734	\$ 303,157,339
Past due or case assessment	-	2,172,444	3,880,671	-	6,053,115
	<u>\$303,052,605</u>	<u>\$ 2,172,444</u>	<u>\$ 3,880,671</u>	<u>\$ 104,734</u>	<u>\$ 309,210,454</u>
<u>December 31, 2025</u>					
Neither past due nor impaired	\$305,052,063	\$ -	\$ -	\$ 116,917	\$ 305,168,980
Past due or case assessment	-	2,111,351	3,410,019	-	5,521,370
	<u>\$305,052,063</u>	<u>\$ 2,111,351</u>	<u>\$ 3,410,019</u>	<u>\$ 116,917</u>	<u>\$ 310,690,350</u>
<u>March 31, 2025</u>					
Neither past due nor impaired	\$302,307,625	\$ -	\$ -	\$ 78,891	\$ 302,386,516
Past due or case assessment	-	1,454,201	3,343,979	-	4,798,180
	<u>\$302,307,625</u>	<u>\$ 1,454,201</u>	<u>\$ 3,343,979</u>	<u>\$ 78,891</u>	<u>\$ 307,184,696</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 March 31, 2026, December 31, 2025 and March 31, 2025, the movements of the loss allowance are as follows:

	Three months ended March 31, 2026			
	12 months	Lifetime		Total
		Significant	Impairment	
		increase in credit risk	of credit	
At January 1	\$ 3,393,443	\$ 516,503	\$ 1,871,447	\$ 5,781,393
Transfer and measurement stages	( 25,785)	( 140,662)	166,447	-
Provision for impairment	172,547	168,769	1,270,895	1,612,211
Write-offs	-	-	( 1,140,603)	( 1,140,603)
Effect of foreign exchange	4,348	3,442	37,356	45,146
At March 31	<u>\$ 3,544,553</u>	<u>\$ 548,052</u>	<u>\$ 2,205,542</u>	<u>\$ 6,298,147</u>

  

	Three months ended March 31, 2025			
	12 months	Lifetime		Total
		Significant	Impairment	
		increase in credit risk	of credit	
At January 1	\$ 3,411,606	\$ 599,045	\$ 1,739,318	\$ 5,749,969
Transfer and measurement stages	( 33,072)	( 198,072)	231,144	-
Provision for impairment	96,206	104,464	1,573,077	1,773,747
Write-offs	-	-	( 1,638,994)	( 1,638,994)
Effect of foreign exchange	6,797	1,621	9,049	17,467
At March 31	<u>\$ 3,481,537</u>	<u>\$ 507,058</u>	<u>\$ 1,913,594</u>	<u>\$ 5,902,189</u>

For the three months ended March 31, 2026 and 2025, gains on reversal of bad debts amounted to \$593,274 and \$398,436, 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 interest and the contractual undiscounted cash flows.

		Between	
	<u>Within 1 year</u>	<u>1 and 2 years</u>	<u>Over 2 years</u>
March 31, 2026			
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 68,922,530	\$ 19,252,793	\$ 16,048,386
Short-term notes and bills payable	138,835,000	-	-
Notes payable	1,408,717	-	-
Accounts payable (including related parties)	562,660	-	-
Other payables	6,022,657	-	-
Bonds payable	5,509,053	4,303,026	12,935,537
Lease liabilities	75,954	56,998	389,398
Long-term loans	556,895	7,910,195	1,114,932
<u>Derivative financial liabilities:</u>			
Cross-currency swap	\$ 201,962	\$ 459,481	\$ 210,077
		Between	
	<u>Within 1 year</u>	<u>1 and 2 years</u>	<u>Over 2 years</u>
December 31, 2025			
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 54,035,804	\$ 37,352,923	\$ 12,095,609
Short-term notes and bills payable	125,325,262	17,545,952	3,541,959
Notes payable	1,326,948	-	-
Accounts payable (including related parties)	561,445	-	-
Other payables	3,604,298	-	-
Bonds payable	5,436,084	223,260	12,756,298
Lease liabilities	73,277	53,673	363,371
Long-term loans	549,127	325,492	8,720,036
<u>Derivative financial liabilities:</u>			
Cross-currency swap	\$ 155,046	\$ 145,896	\$ 386,491

March 31, 2025	<u>Within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>			
Short-term loans	\$ 104,516,286	\$ 5,212,102	\$ 12,308,652
Short-term notes and bills payable	97,278,749	18,363,423	4,578,072
Notes payable	1,142,690	-	-
Accounts payable (including related parties)	579,255	-	-
Other payables	5,566,941	-	-
Bonds payable	19,153,990	5,265,698	4,059,671
Lease liabilities	88,561	54,944	316,746
Long-term loans	265,232	389,970	2,266,501
<u>Derivative financial liabilities:</u>			
Cross-currency swap	\$ 90,225	\$ 66,570	\$ 74,170

iv. The table excludes financial guarantee contracts. Please refer to Note 12(2).

(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, financial assets at amortised cost, 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 March 31, 2026, December 31, 2025 and March 31, 2025, is as follows:

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

March 31, 2026	<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	\$ -	\$ 230,338	\$ -	\$ 230,338
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	139,701	139,701
Total	<u>\$ -</u>	<u>\$ 230,338</u>	<u>\$ 139,701</u>	<u>\$ 370,039</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Hedging financial liabilities	<u>\$ -</u>	<u>\$ 871,520</u>	<u>\$ -</u>	<u>\$ 871,520</u>
December 31, 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	\$ -	\$ 146,193	\$ -	\$ 146,193
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	139,286	139,286
Total	<u>\$ -</u>	<u>\$ 146,193</u>	<u>\$ 139,286</u>	<u>\$ 285,479</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Hedging financial liabilities	<u>\$ -</u>	<u>\$ 687,433</u>	<u>\$ -</u>	<u>\$ 687,433</u>
March 31, 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	\$ -	\$ 360,012	\$ -	\$ 360,012
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	35,839	35,839
Total	<u>\$ -</u>	<u>\$ 360,012</u>	<u>\$ 35,839</u>	<u>\$ 395,851</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Hedging financial liabilities	<u>\$ -</u>	<u>\$ 230,965</u>	<u>\$ -</u>	<u>\$ 230,965</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 three months ended March 31, 2026 and 2025, 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 March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative					
- equity instrument:					
Unlisted shares	\$ 139,701	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, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative					
- equity instrument:					
Unlisted shares	\$ 139,286	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 March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative - equity instrument:					
Unlisted shares	\$ 35,839	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 valuation models and inputs adopted by the Group have been carefully assessed and are therefore considered a reasonable measure of fair value. However, the adoption of different valuation models or inputs could result in different valuation results. For financial assets classified as Level 3, a 1% increase or decrease in the valuation inputs would have no significant effect on other comprehensive income for the current period.

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

March 31, 2026	Book value	Within 12 months	Over 12 months
<u>Assets</u>			
Cash and cash equivalents	\$ 7,386,317	\$ 7,386,317	\$ -
Financial assets at amortised cost	355,787	132,007	223,780
Hedging financial assets - current	230,338	5,689	224,649
Accounts and notes receivable, net	263,961,787	97,482,464	166,479,323
Operating lease receivable, net	1,336	1,336	-
Finance lease receivable, net	25,143,897	17,519,298	7,624,599
Other receivables	169,743	169,743	-
Inventories	5,955	5,955	-
Prepayments	3,786,415	3,107,693	678,722
Other current financial assets	314,723	314,723	-
<u>Liabilities</u>			
Short-term loans	\$ 102,306,502	\$ 67,672,310	\$ 34,634,192
Short-term notes and bills payable	138,681,391	138,681,391	-
Hedging financial liabilities-current	871,520	201,962	669,558
Notes payable	1,408,717	1,408,717	-
Accounts payable (including related parties)	562,660	562,660	-
Other payables	6,021,575	6,021,575	-
Current income tax liabilities	1,237,970	1,237,970	-
Lease liabilities-current	76,020	76,020	-
Bonds payable	21,950,000	5,200,000	16,750,000
Financial guarantee liabilities-current	25,403	25,403	-
Guarantee deposits received-current	3,946,658	1,829,395	2,117,263
Other current liabilities, others	54,951	54,951	-

December 31, 2025	Book value	Within 12 months	Over 12 months
<u>Assets</u>			
Cash and cash equivalents	\$ 4,631,325	\$ 4,631,325	\$ -
Financial assets at amortised cost	387,446	134,680	252,766
Hedging financial assets - current	146,193	-	146,193
Accounts and notes receivable, net	264,716,553	97,143,946	167,572,607
Operating lease receivable, net	1,318	1,318	-
Finance lease receivable, net	26,827,522	18,392,133	8,435,389
Other receivables	148,511	148,511	-
Inventories	6,930	6,930	-
Prepayments	4,576,001	3,786,792	789,209
Other current financial assets	196,177	195,864	313
<u>Liabilities</u>			
Short-term loans	\$ 100,930,048	\$ 52,522,902	\$ 48,407,146
Short-term notes and bills payable	145,508,216	124,625,007	20,883,209
Hedging financial liabilities-current	687,433	155,046	532,387
Notes payable	1,326,948	1,326,948	-
Accounts payable (including related parties)	561,445	561,445	-
Other payables	3,597,697	3,597,697	-
Current income tax liabilities	872,384	872,384	-
Lease liabilities-current	72,510	72,510	-
Bonds payable	17,800,000	5,200,000	12,600,000
Financial guarantee liabilities-current	23,273	23,273	-
Guarantee deposits received-current	4,164,386	1,943,750	2,220,636
Other current liabilities, others	138,147	138,147	-
<u>Assets</u>			
March 31, 2025			
<u>Assets</u>			
Cash and cash equivalents	\$ 5,006,867	\$ 5,006,867	\$ -
Hedging financial assets - current	360,012	351,897	8,115
Accounts and notes receivable, net	258,430,724	92,693,955	165,736,769
Operating lease receivable, net	3,751	3,751	-
Finance lease receivable, net	30,063,052	20,679,044	9,384,008
Other receivables	82,558	82,558	-
Inventories	5,402	5,402	-
Prepayments	5,056,069	4,186,942	869,127
Other current financial assets	150,982	150,982	-
<u>Liabilities</u>			
Short-term loans	\$ 120,336,852	\$ 103,379,754	\$ 16,957,098
Short-term notes and bills payable	118,855,263	96,379,498	22,475,765
Hedging financial liabilities-current	230,965	90,225	140,740
Notes payable	1,142,690	1,142,690	-
Accounts payable (including related parties)	579,255	579,255	-
Other payables	5,565,592	5,565,592	-
Current income tax liabilities	978,710	978,710	-
Lease liabilities-current	81,125	81,125	-
Bonds payable	28,200,000	19,000,000	9,200,000
Financial guarantee liabilities-current	23,305	23,305	-
Guarantee deposits received-current	4,241,327	2,069,406	2,171,921
Other current liabilities, others	79,084	79,084	-

### 13. SUPPLEMENTARY DISCLOSURES

The information of significant transactions for the three months ended March 31, 2026, 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): Please refer to table 3.
- 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 4.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees companies in the Mainland Area) : Please refer to table 5.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- 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	Three months ended March 31, 2026				
	Taiwan	Mainland China	Other regions	Reconciliation and elimination	Total
Revenue from external customers					
Revenue from installment business	\$ 4,560,167	\$ 28,629	\$ 54,490	\$ -	\$ 4,643,286
Revenue from rental business	14,627	906,052	20,798	-	941,477
Revenue from other business	220,864	-	-	-	220,864
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>\$ 4,795,658</u>	<u>\$ 934,681</u>	<u>\$ 75,288</u>	<u>\$ -</u>	<u>\$ 5,805,627</u>
Segment income	<u>\$ 1,184,506</u>	<u>\$ 31,408</u>	<u>(\$ 12,202)</u>	<u>(\$ 4,024)</u>	<u>\$ 1,199,688</u>
Segment assets	<u>\$ 295,967,150</u>	<u>\$ 35,631,335</u>	<u>\$ 3,079,815</u>	<u>(\$ 4,548,644)</u>	<u>\$ 330,129,656</u>

Items	Three months ended March 31, 2025			
	Taiwan	Mainland China	Reconciliation and elimination	Total
Revenue from external customers				
Revenue from installment business	\$ 4,805,978	\$ 41,071	\$ -	\$ 4,847,049
Revenue from rental business	18,686	1,113,572	-	1,132,258
Revenue from other business	106,427	-	-	106,427
Inter-segment revenue	-	-	-	-
Total segment revenue	<u>\$ 4,931,091</u>	<u>\$ 1,154,643</u>	<u>\$ -</u>	<u>\$ 6,085,734</u>
Segment income	<u>\$ 965,349</u>	<u>\$ 114,850</u>	<u>(\$ 43,265)</u>	<u>\$ 1,036,934</u>
Segment assets	<u>\$ 286,837,391</u>	<u>\$ 40,968,988</u>	<u>(\$ 3,291,740)</u>	<u>\$ 324,514,639</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  
Three months ended March 31, 2026

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 three months ended March 31, 2026	Balance at March 31, 2026	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	\$ 927,781	\$ 927,781	\$ -	3.45%	Short-term financing	\$ -	Operational needs	\$ -	None	\$ -	\$ 6,573,765	\$ 13,147,530	Note 1
1	Hoyun International Leasing Co., Ltd.	Hemei International Trade (Suzhou) Co., Ltd	Other receivables	Y	463,891	463,891	-	3.45%	Short-term financing	-	Operational needs	-	None	-	6,573,765	13,147,530	Note 1
2	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Other receivables	Y	50,000	50,000	50,000	2.48%	Short-term financing	-	Operational needs	-	None	-	279,728	559,456	Note 2
2	He Jun Energy Co., Ltd.	Kai Lan Power Co., Ltd.	Other receivables	Y	4,000	4,000	4,000	2.68%	Short-term financing	-	Operational needs	-	None	-	279,728	559,456	Note 2
3	He Jing Co., Ltd.	D	Accounts receivable	N	62,358	62,358	62,358	6~10%	Short-term financing	-	Operational needs	861	Real estate	64,690	663,666	1,327,331	Note 3
3	He Jing Co., Ltd.	H	Accounts receivable	N	248,446	234,459	234,459	4.5~10%	Short-term financing	-	Operational needs	3,236	Stock	349,800	663,666	1,327,331	Note 3
3	He Jing Co., Ltd.	I	Accounts receivable	N	100,000	99,980	99,980	6.5~10%	Short-term financing	-	Operational needs	1,380	Real estate	70,413	663,666	1,327,331	Note 3
4	Hotai Finance Development Co., Ltd.	D	Accounts receivable	N	47,046	46,448	46,448	5~10%	Short-term financing	-	Operational needs	418	Golf license	43,200	610,174	1,220,348	Note 4

Hotai Finance Co., Ltd.  
Loans to others  
Three months ended March 31, 2026

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 three months ended March 31, 2026	Balance at March 31, 2026	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.	L	Accounts receivable	N	149,982	149,962	149,962	5~10%	Short-term financing	-	Operational needs	1,350	Stock	353,732	610,174	1,220,348	Note 4
4	Hotai Finance Development Co., Ltd.	H	Accounts receivable	N	87,286	86,414	86,414	5~10%	Short-term financing	-	Operational needs	778	Real estate	66,000	610,174	1,220,348	Note 4
4	Hotai Finance Development Co., Ltd.	N	Accounts receivable	N	86,190	76,300	76,300	5~10%	Short-term financing	-	Operational needs	687	Real estate	100,000	610,174	1,220,348	Note 4
4	Hotai Finance Development Co., Ltd.	O	Accounts receivable	N	248,446	234,459	234,459	4.5~10%	Short-term financing	-	Operational needs	2,110	Stock	349,800	610,174	1,220,348	Note 4
4	Hotai Finance Development Co., Ltd.	G	Accounts receivable	N	58,787	57,558	57,558	5~10%	Short-term financing	-	Operational needs	518	Stock	79,580	610,174	1,220,348	Note 4
4	Hotai Finance Development Co., Ltd.	P	Accounts receivable	N	100,000	100,000	100,000	4.5~10%	Short-term financing	-	Operational needs	900	Stock	165,920	610,174	1,220,348	Note 4
4	Hotai Finance Development Co., Ltd.	Q	Accounts receivable	N	50,000	50,000	-	6~10%	Short-term financing	-	Operational needs	-	Stock	67,620	610,174	1,220,348	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  
Three months ended March 31, 2026

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 March 31, 2026	Outstanding endorsement/ guarantee amount at March 31, 2026	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	\$ 37,288,406	\$ 15,200,000	\$ 15,200,000	\$ 10,700,000	\$ -	40.76%	\$ 37,288,406	Y	N	N	Note 2
0	Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Subsidiary	37,288,406	3,000,000	3,000,000	-	-	8.05%	37,288,406	Y	N	N	Note 2
0	Hotai Finance Co., Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Subsidiary of a subsidiary	37,288,406	1,154,953	1,154,953	138,943	-	3.10%	37,288,406	Y	N	Y	Note 2
1	Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Vehicle Leasing Co., Ltd.	Subsidiary	3,155,407	139,167	139,167	59,146	-	0.37%	3,286,882	Y	N	Y	Note 3

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.  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
March 31, 2026

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2026				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Hotai Finance Development Co., Ltd.	Chaofu Real Estate Management Co., Ltd. Beneficial Right of the Real Estate Trust	None	Financial assets at amortised cost	-	223,669	-%	223,669	
Hotai Finance Development Co., Ltd.	Chaofu Real Estate Management Co., Ltd. Beneficial Right of the Real Estate Trust	None	Financial assets at amortised cost	-	191,430	-%	191,430	
Hotai Finance Development Co., Ltd.	Chaofu Real Estate Management Co., Ltd. Beneficial Right of the Real Estate Trust	None	Financial assets at amortised cost	-	240,788	-%	240,788	
He Jun Energy Co., Ltd.	Grinnodot Inc.	None	Financial assets at fair value through other comprehensive income-non-current	2,675,131	134,024	17.56%	134,024	

Hotai Finance Co., Ltd.  
Significant inter-company transactions during the reporting periods  
Three months ended March 31, 2026

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Hotai Finance Co., Ltd.	He Jing Co., Ltd.	1	Management fee and other income	\$ 21,033	Transaction by contracts	0.36%
0	Hotai Finance Co., Ltd.	He Jing Co., Ltd.	1	Other receivables	13,188	Transaction by contracts	0.00%
0	Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	1	Management fee and other income	32,779	Transaction by contracts	0.56%
0	Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	1	Other receivables	14,121	Transaction by contracts	0.00%
0	Hotai Finance Co., Ltd.	Hoyun International Leasing Co., Ltd.	1	Other receivables	25,010	Transaction by contracts	0.01%
1	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	3	Other receivables	50,000	Note 5	0.02%

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  
Three months ended March 31, 2026

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026					Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2026	Investment income recognised by the Company for the three months ended March 31, 2026	
Hotai Finance Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	\$ 1,292,598	\$ 1,292,598	40,400,000	50.50	\$ 3,320,379	\$ 23,238	\$ 11,735	Subsidiary
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Taiwan	Installment sales of various vehicles	2,430,000	2,430,000	253,831,919	81.00	2,687,845	34,583	28,012	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	2,238,590	3,356	2,685	Subsidiary
Hotai Finance Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	120,000	120,000	12,000,000	27.40	75,084	2,824	774	Associate
Hotai Finance Co., Ltd.	HFC (Cambodia) Microfinance PLC.	Cambodia	Financing and leasing business	1,212,252	1,212,252	10,560,000	66.00	1,228,265	277 (	7,711)	Subsidiary
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	3,050,869	20,274	20,274	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	2,959 (	2,391)	-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Zheng-Ren Energy Co., Ltd.	Taiwan	Solar energy business	168,980	168,980	16,898,000	35.00	140,891 (	51)	-	Associate
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Taiwan	Solar energy business	32,781	32,781	3,200,000	96.97	33,166	47	-	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	21,725	72	-	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	23,233 (	285)	-	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	381,845 (	9,451)	-	Associate
He Jun Energy Co., Ltd.	Gochabar Co., Ltd.	Taiwan	Charging system technical service	36,000	36,000	3,600,000	30.00	19,283 (	1,945)	-	Associate
He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Taiwan	Solar energy business	42,227	42,227	4,000,000	100.00	41,678	62	-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Taiwan	Electricity retailing business	10,000	10,000	1,000,000	100.00	13,163	614	-	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	95,269 (	219)	-	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	162,318	1,471	-	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	445,225	6,903	-	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	167,348	2,574	-	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	80,328	425	-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Taiwan	Solar energy business	97,015	97,015	9,701,455	86.62	97,661	555	-	Subsidiary of a subsidiary
He Jun Energy Co., Ltd.	Kai Lan Power Co., Ltd.	Taiwan	Energy storage business	360,000	360,000	36,000,000	40.00	350,059 (	8,703)	-	Associate
Cheng Yo Technology Co., Ltd.	Hon Yang Energy Co., Ltd.	Taiwan	Solar energy business	27,037	27,037	2,000,000	100.00	33,880	2,145	-	Subsidiary of a subsidiary

Hotai Finance Co., Ltd.  
Information on investments in Mainland China  
Three months ended March 31, 2026

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee as of March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income recognised by the Company for the three months ended March 31, 2026	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail and support service for vehicles	\$ 2,559,600	Note 1(2)	\$ 1,292,598	\$ -	\$ -	\$ 1,292,598	\$ 23,238	50.50	\$ 11,735	\$ 3,320,379	\$ 231,834	Note 2(1)
Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring service	927,781	Note 1(3)	-	-	-	-	21,037	50.50	10,624	586,780	-	Note 2(3)
Hoyun (Shanghai) Vehicle Leasing Co., Ltd.	Leasing of vehicles	695,836	Note 1(3)	-	-	-	-	9,235	50.50	4,664	401,167	-	Note 2(3)
Hemei International Trade (Suzhou) Co., Ltd.	Goods trading business	231,945	Note 1(3)	-	-	-	( 869)	( 869)	50.50	( 439)	120,865	-	Note 2(3)
Hoyun International Leasing Co., Ltd. Trust of Asset-Backed Securities for Hoyun Tong Ying, Series 1 of 2025	Structured entity	-	Note 1(3)	-	-	-	-	-	-	-	-	-	Note 3

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 three months ended March 31, 2026 is based on:

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

Note 3: The trust meets the definition of a structured entity. Please refer to Note 6(8).

Note 4: The numbers in this table are expressed in New Taiwan Dollars.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	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.	\$ 1,292,598	\$ 1,293,915	\$ 25,378,468