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2025 ESG Report

HOTAI FINANCE CORPORATION



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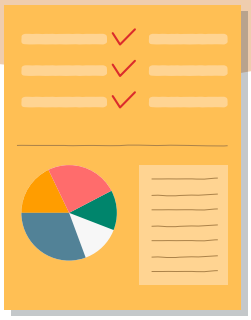
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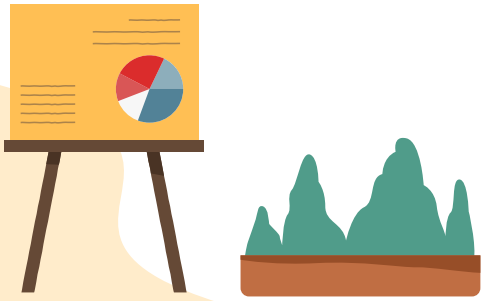
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About this report

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Preparation standards

This report is written in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies" and follows the 2021 version of the GRI Standards published by the Global Reporting Initiatives (GRI).

References for the preparation

Publishing organization	Standard framework/regulations
Global Sustainability Standards Board, GSSB	• Universal Standards 2021 • GRI Standards
International Sustainability Standards Board, ISSB	• Consumer finance industry standards, Sustainability Accounting Standards Board, SASB • General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) • Climate-related Disclosures (IFRS S2) * Task Force on Climate-related Financial Disclosures (TCFD) are included in Framework of IFRS S2
International Integrated Reporting Council, IIRC	The International Framework, IR
Taiwan Stock Exchange Corporation	• Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies • Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
AccountAbility, the U.K.	• The principles of Materiality, Inclusivity, Responsiveness, and Impact under the AA1000 Accountability Principles Standard
The United Nations	• UN Sustainable Development Goals, SDGs • The UN Global Compact
United Nations Development Programme United Nations Environment Programme Finance Initiative World Wide Fund for Nature Global Canopy	• The Taskforce on Nature-related Financial Disclosures · TNFD



Report coverage period

The disclosures in this report primarily cover January 1 to December 31, 2025, consistent with the 2025 consolidated financial statements. Some data date back to 2023.

Reporting scope and boundaries

This report covers Hotai Finance Co., Ltd. along with its four subsidiaries: HE JING CO., LTD. HE JUN ENERGY CO., LTD., HOTAI FINANCE DEVELOPMENT CO., LTD., and Heyun International Leasing Co., Ltd. HFC (Cambodia) Microfinance PLC was included in the consolidated financial statements in December 2025. Information on the subsidiary will be disclosed in the report starting in 2026. Any inconsistencies in the reporting boundary will be specified below the relevant information and data. The scope of information disclosure in this report covers over 90% of the consolidated revenue in Hotai Finance's consolidated financial statements.

For the convenience of the general public, terms such as "loans," "lending," or similar easy-to-understand colloquialisms are used in this report to describe the installment sales business for automobiles, motorcycles, and equipment. This does not imply that the Company engages in any consumer financing or money-lending businesses. Should any ambiguity arise, please contact the Company.

Note 1: "Hotai Finance" includes Hotai Finance (the parent company) and all subsidiaries.
Note 2: "Hotai Finance (Standalone)" refers solely to Hotai Finance (the parent company).
Note 3: "Hotai Finance and its Taiwan Subsidiaries" includes Hotai Finance Co., Ltd. (the parent company), HE JING CO., LTD. HE JUN ENERGY CO., LTD., HOTAI FINANCE DEVELOPMENT CO., LTD.

Information calculation basis

All information and statistical data in this report are derived from self-compiled statistics and surveys. Financial figures in the operational performance chapter are cited from financial statements audited by certified public accountants.
All financial figures in this report are denominated in New Taiwan Dollars (NTD). The collection, measurement, and calculation methods for data and information are primarily based on regulatory requirements. In the absence of specific regulatory provisions, international standards shall apply. If no applicable international standards exist, industry standards or industry practices shall serve as reference.

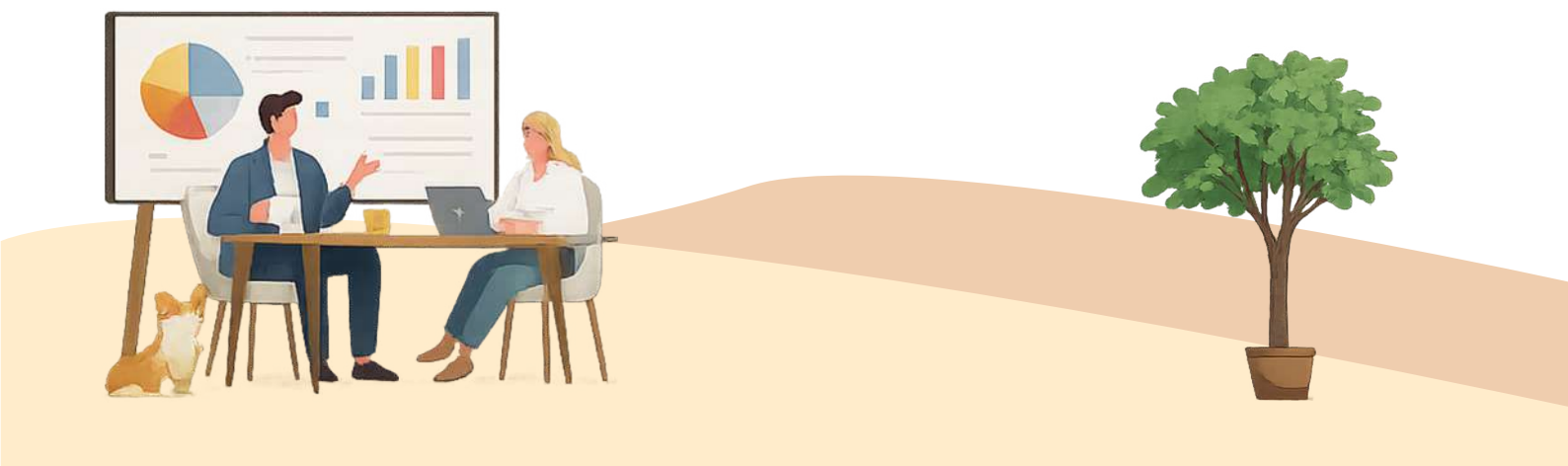
Financial Report

Annual Report of Hotai Finance



Reporting quality management process

Planning and implementation	The information in the report was provided by various units of HFC, and the overall planning of the chapter structure was carried out by ESG Committee group members.
Review and confirmation	The ESG Committee and department heads review the contents of each chapter and the correctness of information, review ESG performance and strategic objectives with the board of directors, and implement the annual verification arrangement in accordance with the "Sustainable Development Best Practice Principles" in order to ensure that the quality of the report can be verified by a third party
Quality assurance	• The British Standards Institution (BSI) Taiwan has verified this report in accordance with the AA1000AS v3 Assurance Standard and the GRI Standards. After verification, this report is confirmed to be in compliance with the 2021 GRI Universal Standards and the AA1000 Moderate Assurance Type I. • Sustainability information is also included in the internal control of Hotai Finance Co., Ltd., and the "Sustainability Report Preparation and Verification Procedures" are established. PricewaterhouseCoopers, Taiwan (PwC) performed an independent limited assurance engagement on selected information in this report prepared by the Company in accordance with the GRI Standards. The assurance was conducted in accordance with Taiwan Standard on Assurance Engagements (TWSAE) 3000, 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' issued by the Accounting Research and Development Foundation (formulated with reference to ISAE 3000 (Revised)). The independent assurance report is attached in the Appendix of this report.
Publication of the report	Following the completion of third-party verification, the report was submitted to the Board of Directors for review and resolution before being finalized and published.



Release

Every year, Hotai Finance Co., Ltd. publishes the ESG Report in Chinese and English, which are available for download from the Company's website.

https://esg.hfcfinance.com.tw/zh-tw/download

Current Issue: Published in August 2026

Previous Issue: Published in August 2025

Feedback

If you have any suggestions or inquiries regarding the content of this report, please feel free to contact the Sustainability Management Promotion Office, Corporate Planning & Public Relations Dept. at Hotai Finance Co., Ltd.

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Company website: https://www.hfcfinance.com.tw



Message from the Leadership

GRI 2-22

Message from the Chairman

The year 2025 was marked by external transformations and policy challenges. Nevertheless, with the wholehearted dedication of our team and the steadfast support of our stakeholders, Hotai Finance not only demonstrated exceptional operational resilience, but also took pivotal strides along our path of transformation and sustainability.

As a leader in auto finance services, Hotai Finance has held the top market position in vehicle lending for 21 consecutive years. Yet, our vision extends far beyond this milestone. Amid fluctuations in the global political and economic landscape, we have anchored our operations in the core principle of sound and stable management, aggressively pursuing a diversified business model. In addition to deepening our footprint in Taiwan's corporate finance and consumer installment markets, we actively expanded across Southeast Asia in 2025, In 2025, we further expanded our presence in Southeast Asia by deepening our operations in Cambodia. Our Board also approved an investment in TIDLOR, a listed Thai financial company, as we continued to pursue long-term growth opportunities in ASEAN.We pursue not merely quantitative expansion, but qualitative breakthroughs, strengthening our financial structure and internal risk controls to ensure long-term resilience in a dynamic environment.

The year 2025 marked the inaugural year of AI empowerment for Hotai Finance. We firmly believe that technology should be an integral part of corporate culture rather than just an operational tool. Through rigorous training programs, we have seamlessly integrated AI into our daily workflows, significantly elevating operational efficiency. This relentless drive for innovation earned us prestigious international recognition through the BEST Award from the Association for Talent Development (ATD). Moving forward, we will continue fostering company-wide AI adoption, empowering our workforce with core competencies to navigate future challenges.

Hotai Finance is more than a profit-driven financial services platform; it is an enterprise with warmth and soul. We have embedded ESG principles deep into our corporate DNA: from adopting 18 hectares of wetlands across Taiwan's six major special municipalities, to hosting heartwarming Christmas campaigns for students in remote areas, and promoting financial fraud prevention across all age groups. We are dedicated to extending our corporate impact into every corner of society. Our goal is not only to move fast, but to lead society toward an inclusive and sustainable future.

Looking ahead to 2026, Hotai Finance will maintain stable credit ratings from both S&P and Taiwan Ratings to ensure financial excellence. Adopting a forward-looking perspective, we will combine AI technology with green energy initiatives, continuously fulfilling our corporate citizenship responsibilities. Guided by our commitment to mutual prosperity with society, we look forward to creating enduring, sustainable value together.



Hotai Finance Co., Ltd.

Chairman 陳建州

Message from the President

Successful corporate management goes beyond the pursuit of exceptional performance; more fundamentally, it requires transforming sustainability principles into concrete management mechanisms and tangible actions. The year 2025 was a period of both challenges and breakthroughs for Hotai Finance. Grounded in a foundation of sound management, our executive team dedicated itself to refining internal controls and operational efficiency. This effort yielded satisfactory financial results—surpassing NT$4.2 billion in consolidated pretax profit—and drove substantial progress across digital transformation and employee welfare.

In 2025, we maintained our competitive edge in existing core strengths, with our vehicle lending volume approaching NT$100 billion. We continued to increase our share of the consumer installment market and build an installment ecosystem that meets consumers' everyday needs.Through the efforts of our dedicated team, assets held by our corporate finance business exceeded NT$42 billion.The green energy business also performed strongly in 2025, with subsidiary HE JUN ENERGY achieving over NT$100 million in operating profit and transferring more than 20 million kWh of renewable electricity, supporting green energy development.

Amid rapid technological advances, Hotai Finance integrates digital transformation into talent development through comprehensive training programs, earning international recognition with the **ATD BEST Award**. In 2025, the company launched its "Year of AI Empowerment," embedding AI into daily operations. Through AI training, 53 employees earned AI Application Planner certifications, and 63 practical AI solutions were developed, expected to save over 10,000 work hours annually, demonstrating the synergy between talent development and technological innovation.

Employees are the cornerstone of corporate growth. Hotai Finance fosters a supportive workplace through employee stock ownership trusts, flexible working hours, and the "Five Golden Benefits." In 2025, employees contributed 11,969 volunteer hours, averaging over 10 hours per person. Through rural community outreach and campus anti-fraud campaigns, we continue to expand our positive social impact.

Looking ahead to 2026, as industrial conditions normalize, funding costs and asset quality are expected to stabilize. Hotai Finance will firmly adhere to our core business philosophy of "Customer First, Professionalism at the Core," continuously refining product offerings, deepening digital transformation, and safeguarding asset quality. With steady growth across our core businesses and investments, we remain well-positioned to reach new heights.

Hotai Finance Co., Ltd.

President 林彥良



2025 ESG highlights performance

Environment

- Enacted the "Sustainable Finance Policy" in alignment with global sustainable finance trends
- Achieved NT$21.939 billion in financing volume for electric/hybrid vehicles and electric motorcycles
- Reached a cumulative financing volume of NT$149 million in sustainable corporate finance services
- Saved approximately 2.7million sheets of paper annually through paperless services, reducing carbon emissions by roughly 16,825 kg CO_2e

Society

- Achieved NT$13.12 billion in total financing volume for SME inclusive finance services
- Recorded an average annual salary of NT$1.38 million for full-time non-managerial employees
- Accumulated a total of 21,577 employee training hours
- Achieved a 100% response rate on the employee satisfaction survey, with an overall score of 4.43 out of 5
- Mobilized 2,832 volunteer participants, contributing a total of 11,969 service hours

Governance

- Achieved Taiwan Intellectual Property Management System (TIPS) Verification
- Obtained ISO 27001:2022 Information Security Management System Certification
- Maintained Taiwan Ratings credit ratings of twAA- (Long-Term) and twA-1+ (Short-Term) for 19 consecutive years
- Maintained S&P Global Ratings credit ratings of BBB (Long-Term) and A-2 (Short-Term) for 6 consecutive years

Honors and recognition

Honors	Description	Issuing Authority
BEST Award	Honored for Synergizing Talent Development with Strategic Business Goals	Association For Talent Development
Taiwan's Top 100 Sustainable Companies Award Taiwan Corporate Sustainability Awards	Honored for transparent ESG information disclosure and excellence in sustainable corporate performance.	Taiwan Institute for Sustainable Energy
Corporate Sustainability Report Awards - Platinum Award Taiwan Corporate Sustainability Awards		
Top 100 list of the Excellence in Corporate Social Responsibility Award	Honored for driven, sustainable impact across the social responsibility dimension.	CommonWealth Magazine
Golden Wheel Award	Honored for proactive engagement in road safety awareness, enhancement of the transit ecosystem, and driving sustainable industry expansion.	Department of Transportation, Taipei City Government
Silver Award, Environmental Sustainability Category, SDG 7, Taiwan Sustainability Action Awards	Honored for concrete sustainability actions, including driving clean energy adoption and elevating operational energy efficiency.	Taiwan Institute for Sustainable Energy
TWSE Corporate Governance 100 Index	Demonstrating exceptional operational transparency and robust board functionality.	Taiwan Stock Exchange
Ranked in the top 6%~20% of listed companies in the 11th Round Corporate Governance Evaluation.		Taiwan Stock Exchange
Green Leadership Asia Responsible Enterprise Awards	Honored for leading performance in environmental stewardship, carbon asset management, and driving green finance initiatives in the Asia-Pacific region.	Enterprise Asia
TWSE RAFI® Taiwan High Compensation 100 Index	Recognized for fulfilling employee care, emphasizing profit sharing, and offering competitive compensation and benefits.	Taiwan Stock Exchange
Buying Power Social Innovation Awards	Recognized for driving positive social change through the procurement of socially impactful and innovative products.	Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs

About Hotai Finance

GRI 2-1、2-2、2-6

Company Profile

Company Name	Hotai Finance Co., Ltd.
Industry	Other listed companies (same as the information disclosed on the MOPS)
Stock Code	6592
Establishment Date	May 1999
Headquarters Address	10F, No. 605, Ruiguang Road, Neihu District, Taipei City
Total Workforce (Taiwan&Overseas)	2,008 employees
Operating Revenue	NTD 23,704 million
Total Assets	NTD 329,585 million
Total Equity	NTD 43,396 million

Products and services

Business activities

- New Vehicle, Commercial Vehicle, Used Vehicle, Motorcycle Financing and Refinancing.
- Enterprise Equipment Financing & Leasing Services

Main product and service

- Installment Financing, Sales, and Leasing Services for Diverse Equipment and Vehicles.
- No products or services are prohibited from sale in specific markets.

Operating Locations

- Taiwan
- China

Supply chain

Description

- Capital Provided by Financial Institutions
- Customer referrals are driven by an extensive partner network, including 8 major TOYOTA and LEXUS distributors (approx. 168 dealership locations), over 963 regional used car dealers, and the HOT Certified Car Dealer Alliance.

Downstream Enterprise Categories

- Vehicle and motorcycle owners as well as machinery and equipment purchasers—comprising ROC citizens aged 18 or above, foreign residents holding valid Alien Resident Certificates (ARC), and corporate entities—who enter into installment contracts with Hotai Finance and fulfill scheduled payments.
- Hotai Finance disburses full payments for vehicles and equipment directly to vehicle dealers and equipment suppliers.

Description of Downstream Entities and Activities

- Execution of Installment Contracts with Clients.
- Execution of Strategic Alliance Agreements with Financing Companies.

Note: Compared to 2024, the Company has experienced no significant changes in its value chain, products, or services.

Company history

1999
- Establishment of Hotai Finance Co., Ltd.

2007
- Expanding into the Mainland China market: Establishment of Heyun International Leasing Co., Ltd.
- Undertook the equipment leasing business.
- Obtained ISO 9001 International Quality Management System Certification.
- Assigned credit ratings of 'twAA-' (Long-term) and 'twA-1' (Short-term) by Taiwan Ratings.

2014
- Introduced the mobile installment application process, ushering in the era of mobile sales operations.

2015
- Awarded the Top Ten Outstanding Enterprises of the Year at the 12th Golden Torch Awards by the Outstanding Enterprise Manager Association, R.O.C.

2016
- Approved for Initial Public Offering by the Taipei Exchange.
- National First Prize of the 13th National Brand Yushan Awards "Outstanding Enterprise"
- Awarded the 'Excellence Enterprise' Award at the Merchants' Day Celebration by the Taipei Chamber of Commerce.

2017
- Awarded the Top Ten Outstanding Enterprises of the Year at the 18th Golden Peak Awards by the Outstanding Enterprise Manager Association, R.O.C.
- Awarded the Taiwan Quality Assurance Golden Statue Award at the 16th Session by the Republic of China Commercial, Industrial, Economic and Trade Technology Development Association.
- Awarded the 2017 Outstanding Merchant of the Republic of China and the Premier Merchant Award by the General Chamber of Commerce of the Republic of China.

2018
- Introduced AI-Powered Intelligent Credit Assessment System.
- Approved for Emerging Stock Board Listing by the Taipei Exchange.
- Awarded the Benchmark Sustainable Enterprise Award at the International Forum on Corporate Ethics and Sustainable Development.

2019
- Approved for Mainboard Listing by the Taiwan Stock Exchange Corporation.

2020
- Entered the car and scooter sharing industry.
- Assigned initial credit ratings of 'BBB' (Long-term) and 'A-2' (Short-term) by S&P Global Ratings.
- Expanded into chauffeur-driven Mobility as a Service (MaaS).

2021
- Net profit reached an all-time high.
- Established heavy vehicle financing subsidiary HE JING CO., LTD.
- Expanded into the solar green energy business.
- Honored with Dual Recognitions at the Taiwan Corporate Sustainability Awards (TCSA).
- Included for the First Time in the 'Corporate Governance 100 Index' Constituents for 2021.

2022
- Established renewable energy subsidiary HE JUN ENERGY CO., LTD.

2023
- Expanded into Southeast Asian markets by forming a joint venture with Cambodia's Ly Hour Group.
- Gold Award in the Talent Quality Management System (TTQS).
- Recognized in Taiwan FINI 100 by the Taiwan Institute of Directors.

2024
- Revenue reached an all-time high.
- Established corporate finance subsidiary HOTAI FINANCE DEVELOPMENT CO., LTD.
- HE JUN ENERGY CO., LTD. partnered with Sunny-founder (GRINNODOT INC.) to establish joint venture Runte Green Energy Co., Ltd. to deepen strategic cooperation in the green power market.
- Southeast Asian equity investee, Ly Hour Group, was upgraded to a Microfinance Institution (MFI) and renamed HFC Cambodia Microfinance PLC (HFC Cambodia).

2025
- Strengthened investments in new domains in Southeast Asia and increased equity stake in HFC (CAMBODIA) MICROFINANCE.

Hotai Finance's Investee Companies

Adhering to a corporate culture of continuous improvement, Hotai Finance consistently introduces diversified and customized service offerings tailored to varied sales channels and client profiles. Concurrently, the Company elevates service quality through deep channel engagement, product strategy formulation, and specialized industry expertise. By driving internal innovation and corporate spin-offs, Hotai Finance continues to diversify its business scope, cultivating four investee companies under its corporate structure.

Hoyun International Lease
- **Hoyun International Lease**
- **Hoyun (Shanghai) Commercial Factoring**
- **Hoyun (Shanghai) Vehicte Leasing**

- Auto finance leasing/operating leasing
- Processing and medical equipment finance leasing
- New energy equipment leasing
- Factoring business.

He Jing Co., Ltd. (Commercial vehicle installments)

- Finance leasing and operating leasing
- Equipment installment financing



He Jing Co., Ltd. (Commercial vehicle installments)

- Commercial vehicle installment plans
- Bus installment plans
- Corporate financing

He Jun Energy Co., Ltd. (renewable energy business)

- Energy Creation (Solar Energy)
- Energy Storage (AFC)
- Energy Utilization (Charging Stations)
- Electricity Sales (Hejun Electricity)

Hotai Finance Annual Report

Expanding into Southeast Asian Markets: Further Upgrade of Cambodia Joint Venture

Hotai Finance finalized an agreement in Phnom Penh, Cambodia, to increase its equity stake in HFC (CAMBODIA) MICROFINANCE. Through this transaction, Hotai Finance will acquire an additional 31% shareholding, raising its total stake to 66%. This milestone signifies a deeper strategic partnership between the two entities and injects new growth momentum into Hotai Finance's overseas expansion.

Accelerating the Expansion of ASEAN Financial Footprint with Strategic Investment in Thailand's TIDLOR

Further Expanding International Footprint: Hotai Finance Announced THB 2 Billion Investment in Thailand-Listed TIDLOR HOLDINGS PUBLIC COMPANY LIMITED

Further expanding its corporate footprint, Hotai Finance announced an investment of THB 2 billion (approximately TWD 2 billion) to acquire a stake in TIDLOR HOLDINGS PUBLIC COMPANY LIMITED (TIDLOR), a publicly listed financial company in Thailand. This expansion into Thailand underscores Hotai Finance's dual-track approach—combining operational leadership with strategic financial investment—to accelerate the growth of its financial footprint across the ASEAN region.

Participation in Domestic and International Organizations and Initiatives

GRI 2-28

Through its active involvement in industry associations and relevant initiatives, Hotai Finance promotes industry exchange and collaborates with fellow enterprises to respond to external environmental shifts and industry evolution, collectively working toward mutual prosperity and a sustainable future. The industry associations and initiatives joined by Hotai Finance and its subsidiaries are as follows:

Company	Participating Organization / Initiative	Role	Description
Hotai Finance Co., Ltd.	THE TAIPEI LEASING ASSOCIATION, R.O.C.	Director	Assisting in policy implementation, promoting industry exchange and market development within the leasing sector, and serving society.
	Taipei Small Truck Leasing Association	Member	Coordinating with vehicle leasing peers and aligning with public policy implementation to drive economic development and enhance societal welfare.
	Taipei Passenger Car Rental Commercial Association	Director	
	Taipei Computer Association	Member	Addressing multiple challenges across the evolution from IoT and artificial intelligence to deep learning and the generative AI era.
	E.SUN ESG Sustainability Initiative	Supporting Enterprise	Responding to upstream supply chain partners to jointly promote carbon reduction and strive toward achieving the 2050 Net-Zero target.
	Sustainable Corridor Initiative, Ministry of the Interior, Executive Yuan	First-wave responding enterprise	Jointly promote the global 30 x 30 biodiversity goals with public and private associations
	Enterprise Asia	Member	Participating in international sustainability communities and facilitating cross-border ESG exchange through the sharing of benchmark case studies.
HE JING CO., LTD.	Taipei Leasing Association, R.O.C.	Member	Assisting in policy implementation, promoting industry exchange and market development within the leasing sector, and serving society.
HE JUN ENERGY CO., LTD.	Solar PV Generation System Association of R.O.C.	Member	Rallying industry peers to promote green energy development and supporting society in its transition toward the 2050 Net-Zero target.
	Taiwan Renewable Energy Association	Member	Providing users with high-quality renewable energy services while fostering industry peer coordination and advancing shared interests.
	Taiwan Power and Energy Engineering Association	Member	Uniting stakeholders across industry, government, academia, and research sectors to promote industry development and support talent cultivation in power and energy.
	Net-Zero Tech Alliance	Member	Accelerating global renewable energy development and assisting enterprises in achieving 2050 Net-Zero targets to advance sustainable development.
	E.SUN ESG Sustainability Initiative	Supporting Enterprise	Responding to upstream supply chain partners to jointly promote carbon reduction and strive toward achieving the 2050 Net-Zero target.
HOTAI FINANCE DEVELOPMENT CO., LTD.	Taipei Leasing Association, R.O.C.	Member	Assisting in policy implementation, promoting industry exchange and market development within the leasing sector, and serving society.
Heyun International Leasing Co., Ltd.	Shanghai Association of Taiwan	Member	Enhancing cooperation and exchange among members, fostering the growth of Taiwanese-invested enterprises, and boosting Shanghai's economic prosperity.
	Shanghai Leasing Trade Association	Member	Addressing and analyzing emerging operational and management issues in the financial leasing industry, safeguarding the legitimate rights and interests of members, and strengthening self-regulatory management among leasing enterprises in Shanghai.

1 Sustainable Hotai Finance

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1.1 Sustainability Governance Mechanism

The fundamental purpose of corporate operations is to create long-term value for all stakeholders, thereby continuously enhancing operational resilience and competitiveness throughout the process. Since its inception, Hotai Finance has adhered to its core business philosophy of "Customer First, Professionalism at the Core." While developing its core competitive advantages, the Company remains dedicated to fulfilling its corporate social responsibility.

In 2020, Hotai Finance formally promulgated the "Sustainable Development Best Practice Principles" and the "Organizational Charter of the ESG Sustainability Committee." These frameworks serve as strategic directives for corporate operations and sustainability implementation, actively responding to global sustainability trends—such as the United Nations Sustainable Development Goals (SDGs)—and establishing a robust governance mechanism to drive sustainability management.

Sustainable Development Best Practice Principles

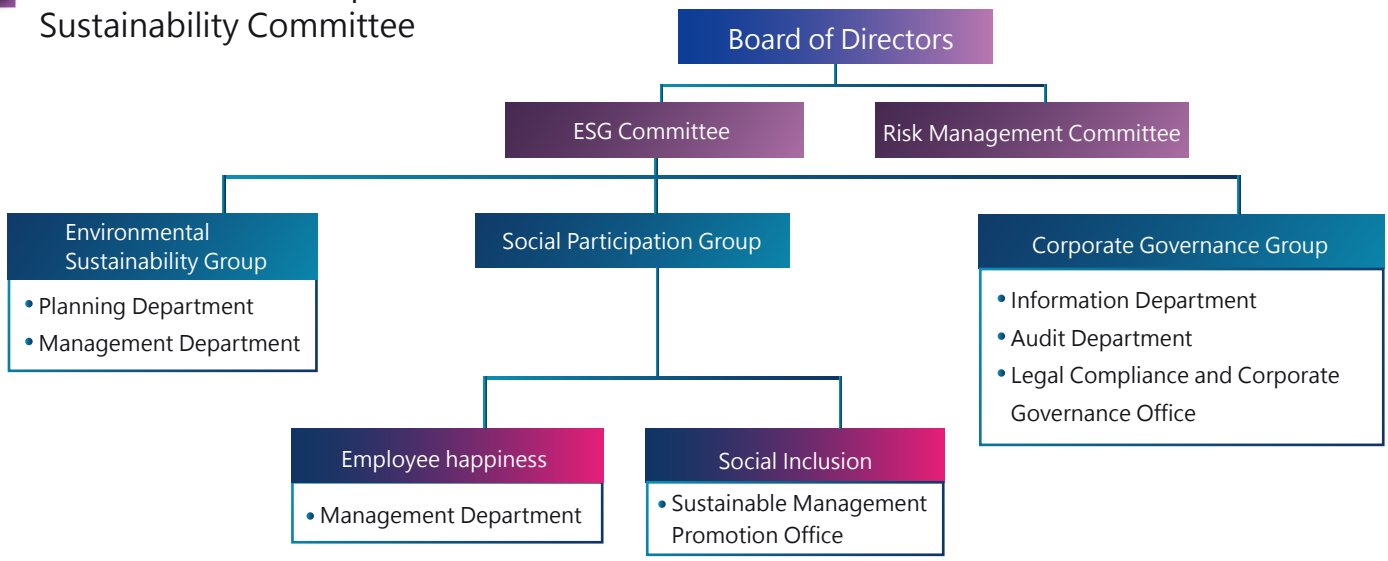
ESG Committee

GRI 2-9、2-12、2-13、2-14

To promote and implement corporate social responsibility policies and sustainable business development, Hotai Finance has established the ESG Committee (hereinafter referred to as the ESG Committee) in accordance with Article 27 of the Corporate Governance Best Practice Principles and the Sustainable Development Best Practice Principles. The ESG Committee operates under the Board of Directors and consists of 5 members, with the Chairman serving as the convener. The members include the President, 2 Executive Vice Presidents, and 1 Senior Vice President. Functional working groups are established under the Committee—including the Environmental Sustainability Group, Corporate Governance Group, and Social Participation Group—to address issues of concern to different stakeholders and coordinate with relevant company departments to advance planned initiatives, thereby conducting the planning, promotion, and execution of related operations.

Organizational Charter of the ESG Sustainability Committee

Functional Task Groups of the ESG Sustainability Committee



The Committee convenes at least twice annually and reports regularly to the Board of Directors on the Company's sustainability progress. In addition to summarizing the achievements of key projects across environmental sustainability, social engagement, and corporate governance, the reports explicitly address climate risk governance by providing dedicated updates on greenhouse gas inventory initiatives and green energy business expansion. In 2025, the Committee held three meetings to review sustainability progress and achievements for the year while anchoring strategic sustainability directions for 2026, achieving a 100% member attendance rate in person. For further details on these initiatives, please refer to the Company' s official website.

ESG Sustainability Committee



1.2 Sustainability Management Strategy

Upholding the spirit of ESG, Hotai Finance has established the "Three Core Sustainability Pillars and Twelve Action Guidelines," allocating 1% of the parent company's net income after tax annually as a driving force for sustainability. Simultaneously, following the International Integrated Reporting (IIR) framework, the company translates key capitals into business strategies, constructs a comprehensive sustainability value creation process, and practices social care and our sustainability vision.

Hotai Finance ESG Sustainability Strategy



Sustainability Value Creation Process

Investment

- **Capital amount**
  NT$7.232 billion
- **Innovative Services and Cybersecurity**
  Investment of more than NT$38 million
- **Sustainable Finance**
  Financed NT$31.922 billion
- **Sustainable syndicated loan**
  Accumulated NT$91.65 billion
- **Sustainable Procurement**
  NT$30 million
- **Financial inclusion**
  Financed NT$65.528 billion
- **Happy Workplace**
  Average employee[Note] compensation: NT$1.38 million
- **Sustainable driving force**
  Each year, 1% of the parent company's after-tax net profit will be allocated as a driving force for sustainable development policies.

Sustainable governance mechanism

Board of Directors
Supreme supervisory and governance unit

Creating value and contributing to society	Create maximum shareholder value	Create an environment for employee growth

Committed to becoming a benchmark for sustainability, we see ourselves as a driving force for a better society. We use 1% of our annual net profit attributable to the parent company after tax as our ESG driver.

ESG Committee

- Corporate Governance Team
- Environmental Sustainability Group
- Social Participation Group

ACT For a Sustainable Future

Acceleration

Sound business practices, trustworthy

Sound business operations and trustworthy management; information security and sustainable supply chain.

Climate

Environmental sustainability and climate governance

Sustainable finance, sustainable energy, sustainable operations, environmental participation

Thriving

Shared prosperity and mutual benefit; social responsibility

Sustainable talent development, innovative services, inclusive finance, and social participation.

Note: Average salary of full-time employees not holding supervisory positions.

output

Financial capital

- 2025 net profit after tax: NT$3,437 million
- 2025 earnings per share: NT$4.72
- 2025 return on common stockholders' equity: 8.08%

Note: Financial capital information is presented in consolidated financial statements.

Human capital

- Total employees: 2,008
- Employee training hours: 21,577
- 93% of employees are satisfied or very satisfied with the company overall.

Intellectual Capital

- 63 AI-driven workflow improvement projects
- 206 intellectual property copyrights and 12 trademarks
- ISO 27001:2022 Information Security Management System certification.

social capital

- Donations exceeded NT$4.29 million.
- 2,832 volunteers participated
- total volunteer hours reached 11,969 hours.

Natural Capital

- There are 372 solar power projects with installed meters, totaling 106.7MW
- 150 EV chargers
- 3 energy storage projects with installed meters, totaling 6.6MW
- 20.8 million kWh of electricity sold and wheeled.

Sustainable development
Driving Innovation

1.3 Sustainability Strategic Goals

Acceleration: Sound Operations, Trustworthy Excellence

Strategic Direction	Strategy Management Mechanism		Evaluation Indicators		Alignment with SDGs	Corresponding Chapter
	Management Policy	Policy Commitment	2025 Key Performance Highlights	2026 Targets		
Sound Operations	Driven by a philosophy of continuous improvement in sustainable management, we constantly refine our practices to establish robust corporate governance and transparent financial systems, thereby creating maximum value for all stakeholders.	Corporate Governance Best Practice Principles	• Ranked in the Top 20% of the Corporate Governance Evaluation • Selected as a Constituent of the TWSE Corporate Governance 100 Index	Comply with regulatory requirements and continuously optimize corporate governance mechanisms	SDG16.6	2.1 Corporate Governance
		Create value to contribute to society, maximize shareholder returns, and foster a supportive environment for employee growth	• Consolidated revenue of NT$23,704 million • Consolidated net profit after tax of NT$3,437 million	Maintain market leadership as the No. 1 Auto Financing brand	SDG8.2	2.2 Operational Performance
Integrity Management	Build a corporate culture of integrity and effective internal control and audit systems; strictly adhere to regulations and effectively manage risks.	Risk Management Policy	Zero occurrence of legal violations	Zero occurrence of legal violations	SDG16.6	2.4 Integrity Management
		Establish a sound integrity management system and enhance employees' understanding of relevant policies.	Conducted 11 training sessions related to integrity management, with an average of 1,004 employees completing the training per session, resulting in a cumulative training duration of 4,978 hours.	Continuously conduct training courses on integrity management-related topics		
Information Security	Enhance information security and personal data protection to ensure the privacy and prevent the leakage of stakeholders' personal information.	The Information Security Management Policy and the Personal Data Protection Policy were established, alongside the formation of the Personal Data Protection Committee.	• Completed the recertification audit for ISO 27001:2022 in December 2025 and successfully passed third-party verification. • Implemented a cloud-based Web Application Firewall (WAF) to enhance high-standard website cybersecurity protection. • 3,407 person-times completed training courses on personal data protection, information security, and intellectual property rights.	• Continuously conduct information security-related training courses • Pass the annual verification of the ISO 27001:2022 information security management system	SDG16.6	2.5 Information Security and Personal Data Protection
Sustainable Supply Chain	Commit to driving a positive cycle of supply chain development, ensuring that business partners provide safe working environments, sound labor relations, and strict compliance with laws and regulations; meanwhile, actively join hands with supply chain partners to co-create a sustainable new future.	The Supplier Management Policy was established, alongside the implementation of supplier commitment letters and a supplier evaluation system.	• 100% signing rate for supplier commitment letters • 100% of suppliers passed the annual evaluation.	100% signing rate for supplier commitment letters Implement supplier evaluations	SDG17.16	5.4 Sustainable Supply Chain Management
		Collaborate with suppliers to jointly promote ESG initiatives.	A total of 5 business partners jointly responded to ESG initiatives.	Continue inviting business partners to participate in ESG initiatives.		

Climate: Environmental Sustainability and Climate Governance

Strategic Direction	Strategic Management Mechanism		Evaluation Indicators		Alignment with SDGs	Corresponding Chapter
	Management Approach	Policy Commitment	2025 Key Performance Highlights	2026 Targets		
Sustainable Finance	Leveraging core corporate expertise to provide tailored sustainable installment plans, enabling everyone to practice a sustainable green lifestyle.	• The Board of Directors approved the Sustainable Finance Policy. • Responded to Taiwan's 2050 Net-Zero Emissions Pathway and the Green Finance Action Plan 3.0. • Applied for sustainability-linked loans from banks and provided diverse sustainable financial products.	• Handled 30,924 transactions of eco-friendly vehicles, amounting to NT$27.351 billion. • Handled 42 transactions in the renewable energy and environmental protection industries, amounting to NT$149 million.	Continually deepen the promotion of green financial products, increasing the transaction amount for eco-friendly vehicles and other green financial products.	SDG9.3 SDG12.7	3.1 Sustainable and Inclusive Services
			Cumulative syndicated loan amount for sustainability reached NT$91.65 billion in 2025.	Continually deepen cooperation with banks on green finance-related businesses.		
Sustainable Energy	Responding to green energy and carbon reduction by developing comprehensive green energy services, and providing stakeholders with solutions toward net-zero sustainability.	Responding to Taiwan's 2050 Net-Zero Emissions Pathway – Energy Transition Strategy	• Number of grid-connected solar power cases reached 372, with an installed capacity of 106.7 MW. • Cumulative electricity generation reached 119.07 million kWh, generating carbon reduction benefits of 62,210 tonnes of CO_2e.	Cumulative grid-connected capacity of 200 MW	SDG7.2 SDG13.3	3.2 Sustainable and Clean Investments
			Number of energy storage sites reached 3, with a grid-connected storage capacity of 6.6 MW.	Stably maintain the operation and management of existing solar power sites.		
			Number of operational EV charging stations reached 36, with a total of 150 charging piles installed.	Stably maintain the operation and management of existing solar power sites.		
			Developed electricity sales services, wheeling approximately 20.8 million kWh of electricity.	Collaborated with other electricity retail enterprises to promote green power wheeling from power plants, reaching 54 million kWh with a cumulative total of 74.8 million kWh.		
Sustainable Operations	Grounded in science-based data, we deepen the company's climate change governance mechanisms, actively enhance energy and resource use efficiency, build low-carbon operations and office spaces, and advance toward the 2050 net-zero target.	Established the Environmental Policy and responded to the government's 2050 net-zero target.	• Average electricity consumption per million revenue was 81.89 kWh (a decrease of 1.4%), and electricity consumption per capita was 1,221 kWh (a decrease of 11%). • Average water consumption per million revenue was 0.43 cubic meters (an increase of 4%), and water consumption per capita was 6.56 kiloliters (a decrease of 4.4%). • Non-pure fossil fuel company vehicles reached 93%.	Reduce energy and resource consumption across operational sites and improve energy use efficiency.	SDG13.2	5 Environmental Sustainability
		Implement greenhouse gas (GHG) inventories and obtain third-party verification for ISO 14064-1:2018.	• Completed consolidation of subsidiaries for financial and ESG reporting. • Included carbon emission data from newly added vehicle financing/origination under Scope 3.	• Implemented greenhouse gas inventories. • Gradually expanded the inventory categories of Scope 3 emissions.		
		Respond to government policies and practice responsible consumption.	• 100% local procurement. • Green procurement reached NT$30 million, and social enterprise procurement exceeded NT$11 million.	Continuously implement responsible consumption and procurement.	SDG12.7	
Environmental Engagement	Serving as a key catalyst in shaping a sustainable ecosystem, we encourage and join hands with stakeholders to embark on the sustainability journey, contributing to the planet's sustainable future.	Initiated a green energy public welfare action plan.	Partnered with Feng Chia University to conduct green energy education at Taichung Puma Elementary School.	Leveraging core green energy operations to continuously drive progress, creating dual benefits of social inclusion and environmental sustainability.	SDG7.2 SDG17.17	5.2 Natural Environment Risk Management 6.4 Environmental Protection
		• Responded to the UN 30x30 biodiversity target. • Protected natural carbon sinks and biodiversity.	• Protected approximately 18 hectares of wetlands (spanning the six special municipalities). • Beach cleanup initiatives engaged over 500 participants.	• Expanded wetland conservation actions across the six special municipalities. • Continued to promote habitat conservation initiatives.	SDG14.2	

Thriving：Shared prosperity and mutual benefit; social responsibility

Strategic Direction	Strategic Management Mechanism		Evaluation Indicators		Alignment with SDGs	Corresponding Chapter
	Management Approach	Policy Commitment	2025 Key Performance Highlights	2026 Targets		
Sustainable Talent	• Supporting employees through every stage of life to build a secure and reassuring workplace environment. • Expanding employee perspectives and strategic thinking, cultivating diverse knowledge and job skills, and fostering diversified functional development. • Dedicated to building a safe and healthy workplace, implementing employee human rights protections, and fostering a diverse, inclusive, and friendly working environment.	Providing competitive compensation and diverse employee benefits.	• Average annual salary of full-time non-managerial employees reached NT$1.38 million. • Average employee welfare benefits exceeded NT$50,000 per person. • 93% of employees reported feeling satisfied or very satisfied with the company overall, achieving an average satisfaction score of 4.43 out of 5.	• Maintaining competitive compensation and remuneration. • Continuously conducting employee satisfaction surveys. • Promoting employee care teams.	SDG3.4	4.1 Talent Attraction and Remuneration & Benefits
		• Developing on-the-job training, external professional training, and self-development programs. • Pursuing national-level talent development awards and certifications. • Refining performance appraisal and job rotation systems.	• Cumulative training hours reached 15,579.9 hours. • Average training hours per employee reached 11.8 hours/person. • Cultivated 20 internal seed instructors.	• Strengthening operational and management competencies. • Refining and strengthening the internal instructor system. • Deepening digital capabilities across all employees.	SDG4.7 SDG5.1	4.2 Talent Development and Diverse Learning
		• Formulating and enacting the Human Rights Policy. • Appointing dedicated occupational safety and health management supervisors. • Establishing smooth and accessible channels for employee communication.	• Number of employee occupational injuries: 3. • Human rights safeguards: Zero occurrences of unlawful infringement or harassment. • Cumulative human rights training hours reached 344 hours.	• Reducing the number of employee occupational injuries. • Human rights safeguards: Zero occurrences of unlawful workplace infringement. • Continuously promoting human rights-related training courses.	SDG8.8	4.3 Human Rights Safeguards and Workplace Health & Safety
Innovative Services	• Upholding the "customer-first" spirit to deliver prompt and high-quality services. • Driving digital transformation to integrate diverse stakeholder needs and provide one-stop solutions, while launching diverse financial products and services to act as an accelerator for balanced social development.	Establishing standard operating procedures (SOPs) for customer complaint handling to maintain premium service quality.	Telephone inquiries totaled 150,747 person-times, with an average handling time of 4 minutes per call. Compared to 2024, customer service representatives provided more comprehensive explanations and confirmations during single calls, thereby reducing subsequent document resubmissions and repeated inquiries.	Continuously promoting the optimization of digital communication channels, improving overall service efficiency through a triage mechanism while maintaining case handling quality.	SDG16.6	3.3 Customer Rights and Services
		Implementing the Taiwan Intellectual Property Management System (TIPS).	Successfully passed the annual recertification for the Taiwan Intellectual Property Management System (TIPS) Level A certification.	Deepened intellectual property management and passed the annual recertification.		2.4 Ethical Corporate Management
		Adopting paperless operational workflows to conserve paper and deliver convenient, eco-friendly, and premium services to clients.	Achieved paperless business application intake, reducing paper consumption by 5.44 metric tons.	• Increasing the proportion of paperless operations. • Increasing the proportion of paperless installment processing for Pay4U products to over 85% for the entire year.	SDG9.B	3.4 Digital Innovation Services
		Establishing an innovation and R&D laboratory to comprehensively drive digital transformation.	Established 63 AI-driven workflow improvement projects to enhance operational efficiency.	Expanding the application of AI, such as OCR recognition for financial expense claims and AI assistants for human resources and finance.		
Financial Inclusion	Launching diversified financial products and services to act as an accelerator for balanced social development.	• Board of Directors approved the "Financial Inclusion Policy". • Providing corporate financial services to small and medium-sized enterprises (SMEs) that face difficulties in accessing bank resources.	• Number of financial inclusion cases undertaken: 23,377 cases. • Financial inclusion financing amount: NT$65.528 billion.	Continuously providing inclusive financial services and developing diversified non-financial financial inclusion initiatives to foster a financially friendly environment.	SDG8.10 SDG10.3	3.1 Sustainable and Inclusive Services
Social Participation	• Leveraging core competencies to promote sustainability initiatives, enhancing the quality of life for stakeholders and ensuring fair development opportunities for all. • Connecting partners and integrating resources to support stakeholders in achieving shared growth within a rapidly changing environment.	• Link employee performance evaluations to ESG indicators. • Continuously promoting road safety advocacy programs leveraged by our core business.	Volunteer service reached 2,832 participant-times. Total volunteer service hours reached 11,969 hours. Average volunteer hours per person reached 10 hours.	Target an average of 12 volunteer hours per employee.	SDG1.4	6.Social Inclusion
			Accumulated over 2,700 beneficiaries supported. Accumulated 114 video submissions over 3 years of video contests. Donated 500 sets of school crossing guard equipment.	• Expanding road safety issues from motorcycles to other diverse topics, building an all-around road safety ecosystem. • Continuously deepening outreach and promotion within campuses.	SDG17.17	6.2 Motorcycle Road Safety Initiative

1.4 Material Topics Analysis

GRI 3-1、3-2

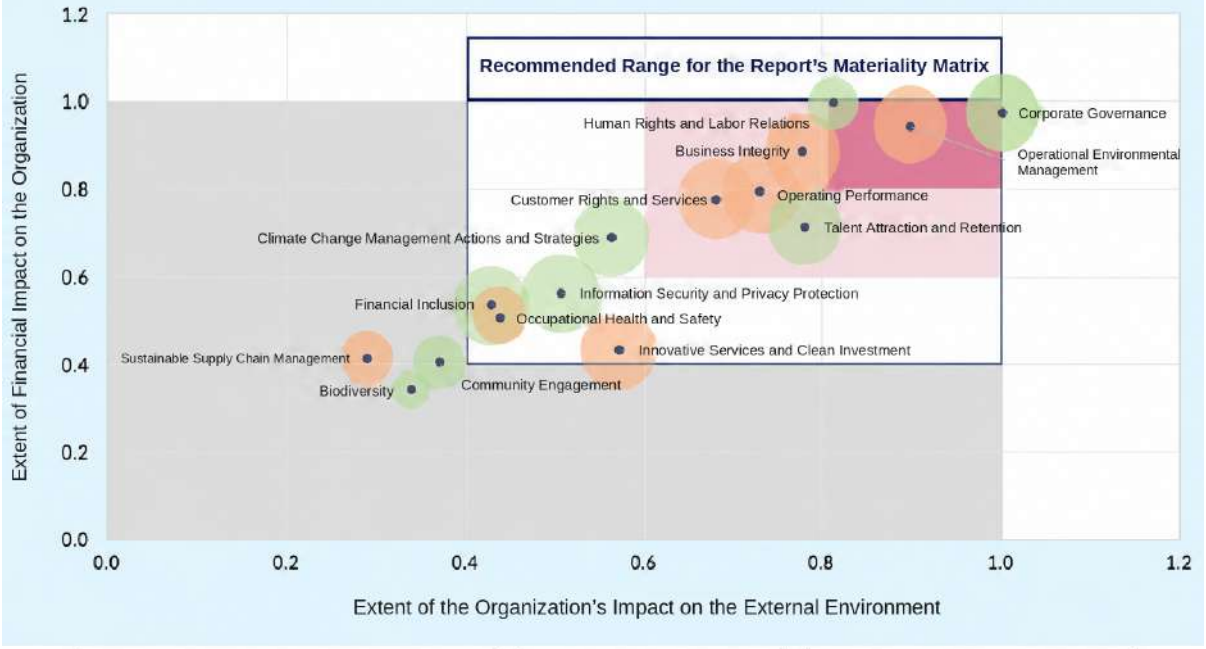
Hotai Finance follows the "GRI 3: Material Topics" standards to establish a systematic process for identifying material stakeholders and material topics, which are integrated into overall Enterprise Risk Management (ERM) evaluations for active management and target setting. In 2025, the double materiality assessment approach was adopted to identify 7 annual material topics. Following reports to the Board of Directors and the ESG Committee, this report was compiled in accordance with the principles of completeness, responsiveness, and stakeholder inclusiveness.

Materiality Assessment Process

Understanding the organization's sustainability context	**Step1: Stakeholder Identification** To effectively identify key stakeholders, Hotai Finance references peer benchmarks and industry experience. Through discussions within the ESG Committee working group and in adherence to the AA1000 Stakeholder Engagement Standard (AA1000SES), the company evaluates the impact of various stakeholders on the organization, successfully identifying 9 stakeholder categories.	9 stakeholder categories
	Step 2: Impact Factor Identification Hotai Finance compiles relevant events occurring throughout the year while referencing GRI Standards, SASB, ISO 26000:2010 Guidance on Social Responsibility, international standards, industry issues from global ratings (including DJSI, MSCI, etc.), the United Nations Sustainable Development Goals (SDGs), domestic and international industry trends, and global macro trends. Through this process, the company identifies corporate impact items as well as their actual and potential, positive and negative impacts on the organization, ultimately establishing 106 impact factors.	106 impact factors Risk identification Regulatory facts Trend initiatives Expert consultation
Identifying actual and potential impacts	**Step 3: Integrating Corporate Impact Factors into Sustainability Issues** Through discussions between the consulting team and the Sustainable ESG Committee working group, the impact factors are consolidated by theme into 15 annual sustainability issues. Qualitative analyses are also conducted on the identified sustainability issues, followed by subsequent materiality assessments to serve as the basis for managing material topics and establishing management approaches.	15 sustainability issues 3 issues under the Environmental (E) dimension 6 issues under the Social (S) dimension 6 issues under the Governance (G) dimension
	Step 4: Materiality Analysis and Prioritization Hotai Finance administers questionnaires to survey the 9 identified stakeholder categories, capturing insights from both internal and external stakeholders. Simultaneously, senior executives are invited to evaluate and rank the importance of stakeholders and sustainability issues. Based on the risks and opportunities associated with each issue, evaluations are conducted across two major dimensions—"the degree of financial impact of the issue on the organization" and "the degree of impact of the organization on the external environment"—utilizing a three-tier scale (high, medium, and low) to analyze and identify their significance.	338 questionnaires collected 7 from senior management 331 from stakeholders
Assessing impact significance	**Step 5: Material Topic Impact Assessment** Through collaborative discussions between the Hotai Finance ESG Committee working group and the expert consulting team, Hotai Finance's annual material topics are jointly determined. For high- and medium-impact material topics, an in-depth evaluation of the significance and likelihood of their impacts is conducted. By applying GRI 3, double materiality analysis processes, and integrating Enterprise Risk Management (ERM) evaluations, a final total of 7 material topics is established.	7 material topics 1 issue under the Environmental (E) dimension 3 issues under the Social (S) dimension 3 issues under the Governance (G) dimension
Reporting on material impact topics	**Step 6: Topic Response and Disclosure** • The ESG Committee working group and the expert consulting team comprehensively evaluate the materiality analysis results to gauge topic significance. They discuss the likelihood of future occurrences and confirm that medium- and high-significance topics will be disclosed and reported as material topics. • Material topics are evaluated by respective business units for completeness, impact scope, boundary, and reporting period collection to adequately meet and respond to the key information and performance metrics of concern to stakeholders.	

Double Materiality Analysis Matrix

Hotai Finance identified 15 sustainability issues of concern to stakeholders. Through collaborative discussions between respective business units and the ESG Committee working group, 7 high- and medium-impact topics with the greatest significance were selected as the basis for annual reporting, with their management approaches and performance outcomes comprehensively disclosed in the report.



Management Approach	
3	Highly Material Topics
4	Moderately Material Topics
5	Low-Materiality Topics
3	Topics Tracked Outside the Matrix

Opportunities / Risks	
8	Opportunities
7	Risks

Likelihood		
10	High Likelihood	High
4	Medium Likelihood	Med
1	Low Likelihood	Low

Material Topics Variation Description

Material Topic	Significance		Adjustment	Explanation
	2024	2025		
Human Rights and Labor Relations	Low	High	Upward	As human rights due diligence is integrated into regulatory frameworks and supply chain requirements, stakeholders have significantly increased their attention toward organizational management systems, thereby elevating the importance of this issue.
Business Performance / Economic Performance	High	Medium	Downward	In response to the advancement of domestic regulatory policies, Hotai Finance has enhanced the transparency of its information disclosure. Furthermore, the Financial Supervisory Commission (FSC) has proposed amendments to the "Financial Consumer Protection Act," driving Hotai Finance's operational management toward greater stability and transparency. Consequently, while the attention surrounding this issue has decreased, it remains a key area of significant focus.
Talent Attraction and Retention	High	Medium		Hotai Finance has achieved steady progress in operational policies such as talent recruitment and career training. With no major regulatory updates in this area, management effectiveness has stabilized.
Climate Change Management Actions and Strategies	Medium	Low		Hotai Finance has conducted scenario analyses for climate-related risks and opportunities, completed greenhouse gas inventories for its subsidiaries, established mature management systems, formulated corresponding carbon reduction measures, and progressively rolled out management actions.

2025 Material Topics Description and Management Approach

ESG	Material Topic	Impact Dimensions	Impact Level Note 2	Risk and Opportunity Identification	
				Identification and Assessment	Strategy Description
Economic Governance	Corporate Governance	Potential Positive	High	Opportunities	Establish robust governance mechanisms and internal management systems to ensure the compliance and transparency of all business operations, enhance operational resilience, and earn the trust of stakeholders.
	Business Performance	Potential Negative	Medium	Risks	Deepen the development of diversified businesses, maintain the leading brand position in Taiwan's automotive installment financing market, actively expand into overseas markets to drive corporate growth momentum, and create positive value for investors and stakeholders.
	Business Integrity	Potential Negative	Medium	Risks	Establish and adhere to codes of ethics and internal control systems to ensure that key internal stakeholders, such as senior executives and employees, strictly comply with laws and regulations, thereby preventing a decline in corporate competitiveness and risks to the company's external reputation caused by activities such as bribery, corruption, and anti-competitive behavior.
Human Rights	Customer Rights and Services	Actual Negative	Medium	Risks	As consumer safety awareness rises, the government is gradually expanding regulations on the leasing industry to protect consumer rights. We continue to build comprehensive communication channels and product risk management mechanisms to safeguard customer rights, earn market trust, and prevent government penalties.
	Human Rights and Labor-Management Relations	Potential Positive	High	Opportunities	As international human rights awareness spreads and labor regulations become increasingly stringent, we mitigate operational risks arising from labor disputes or poor workplace environments through relevant regulations and labor-management dialogue.
	Talent Attraction and Retention	Potential Positive	Medium	Opportunities	Continuously introduce diverse employee benefits and establish a robust talent development mechanism to achieve the synergies of attracting, cultivating, and retaining talent in a highly competitive labor market, thereby maintaining corporate competitiveness.
Environment	Operational Environmental Management	Potential Negative	High	Risks	In recent years, in response to energy costs and climate issues, there have been extensive discussions regarding upward trends in energy and water resource tariffs. In addition to creating a safe and comfortable working environment, we must continuously improve energy and resource use efficiency to mitigate potential impacts from increased management costs driven by future resource price hikes.

- Note 1: Impact dimensions describe the effects of the impacts using "actual/potential" and "positive/negative" aspects.
- Note 2: Impact significance is assessed by comprehensively considering operational and financial dimensions.
- Note 3:

● Caused: The material topic "directly" causes an impact on the stakeholder.

▲ Contributed to: Although the material topic does not cause a direct impact on the stakeholder, any changes by Hotai Finance regarding this issue will still affect their rights and interests.

■ Related: Collaboration with stakeholders (such as procurement, outsourcing, etc.) may be required for the material topic.

Value Chain Impact Boundary and Involvement Level Note 3							Corresponding GRI	Corresponding SASB	Corresponding Chapter
Hotai Finance	Capital Providers	Customers	Suppliers	Government	Media	Non-Profit Organizations (NPOs)			
●	▲			▲			-	-	Chapter 2 Corporate Governance 2.1 Corporate Governance
●	●	●	■	▲	■		201 Economic Performance	-	Chapter 2 Corporate Governance 2.2 Business Performance
●	▲	■	■	●	■		205 Anti-corruption 206 Anti-competitive Behavior	Sales Practices	Chapter 2 Corporate Governance 2.4 Business Integrity
●		●	▲	●			-	Customer Privacy	Chapter 3 Customer Value 3.3 Customer Rights and Services
●							401 Employment	-	Chapter 4 Human Capital and Workplace Well-being 4.1 Talent Attraction, Remuneration, and Benefits 4.3 Human Rights Protection, Occupational Health, and Safety
●		■					404 Training and Education GRI 405 Diversity and Equal Opportunity	-	Chapter 4 Happy Enterprise 4.1 Talent Attraction, Remuneration, and Benefits 4.2 Talent Development and Diverse Learning
●			▲	■			302 Energy 303 Water and Effluents	-	Chapter 5 Environmental Sustainability 5.3 Operational Environmental Management

1.5 Stakeholder Engagement

GRI 2-26、2-29

Hotai Finance provides vehicle and equipment leasing services. Through material topic analysis, we comprehensively evaluate the impacts of our service value chain on nine categories of stakeholders, incorporate stakeholder feedback into sustainability management, and take responsive actions.

Stakeholder Issues of Concern and Communication Performance

Stakeholders	Significance	Hotai Finance's Products and Services Target Audience	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Individual Customers	Ethical Corporate Management Operational Environmental Management Human Rights, Labor, and Employment Relations (Labor-Management Relations) Corporate Governance Talent Attraction and Retention	• Disclosures on the official website as needed • Customer service hotline available as needed • Customer grievance hotline available as needed • LINE mobile customer service available as needed • Customer satisfaction surveys	• Conducted customer satisfaction surveys for new car buyers of this brand, achieving an annual average satisfaction score of 4.8 out of 5. • Provided real-time consultation and problem-response services through multiple channels, including the official website, customer service hotlines, mobile apps, and LINE mobile customer service. • Released service information and announcements as needed to enhance customer understanding of products and operational processes. • Continuously processed customer grievances and feedback while establishing a tracking and response mechanism to ensure effective issue resolution. • Established grievance and feedback channels to ensure prompt handling and feedback, while gathering customer insights to serve as the basis for service optimization.
Corporate Customers	Corporate Governance Operational Environmental Management Human Rights, Labor, and Employment Relations Business Performance Talent Attraction and Retention	• Disclosures on the official website as needed • Customer service hotline as needed • Customer grievance hotline as needed • LINE mobile customer service as needed	
Contact Information		Operations and Services Department (02) 2276-1511 https://www.hfcfinance.com.tw/contact	



Stakeholders	Significance	Establish a sound corporate governance system, safeguard shareholder rights and interests, ensure fair treatment of all shareholders, and secure their long-term support for the company.	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Shareholders	Business Performance Operational Environmental Management Talent Attraction and Retention Corporate Governance Customer Rights and Services	• Convene annual shareholders' meetings • Periodically announce financial statements, annual reports, and sustainability reports • Institutional investor conferences as needed • Disclose material information as needed in accordance with regulatory requirements • Disclosures on the official website as needed	• Convened the annual general meeting of shareholders on May 27 to report on operational conditions, dividend policies, and other key issues. • Held four institutional investor conferences to explain business performance. • Promptly disclosed material financial and business information. For detailed information, please visit the "Quarterly Financial Statements" section on the official website.
Contact Information		Corporate Planning and Public Relations Department (02) 2502-4567 #16301 HFC-INVESTOR@hfcfinance.com.tw	

Stakeholders	Significance	Suppliers are key partners in driving Hotai Finance's sustainable operations.	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Suppliers	Ethical Corporate Management Operational Environmental Management Talent Attraction and Retention Corporate Governance Human Rights, Labor, and Employment Relations	• Tiered supplier evaluation system • Signing of supplier commitment letters	• Completed 100% of the annual supplier evaluations on December 25, 2025. • 100% of contractors signed supplier commitment letters in accordance with the "Supplier Management Policy". • A total of 5 suppliers jointly responded to and supported ESG initiatives.
Contact Information		General Affairs Section, Administrative Department (02) 2502-4567 #11203 HFCFINANCE@hfcfinance.com.tw	

Stakeholders	Significance	Employees are the foundation of corporate operations and sustainable development.	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Employees	Corporate Governance Operational Environmental Management Human Rights, Labor, and Employment Relations Ethical Corporate Management Talent Attraction and Retention	• Publish employee benefits, education and training systems, and information on job boards and the internal website. • Provide an employee grievance and feedback mailbox on the intranet. • Conduct an annual employee satisfaction survey. • Education and training courses. • Provide job seekers with a personal data protection consent form to sign.	• Received employee feedback, forwarded relevant matters to the competent units for handling, and successfully completed all subsequent follow-up procedures. • Achieved a 100% response rate for the 2025 employee satisfaction survey. • Provided a total of at least 7 online courses per quarter covering regulatory compliance, general knowledge, and professional expertise.
Contact Information		Administrative Department (02) 2502-4567 #11100 appeal@hfcfinance.com.tw	

Stakeholders	Significance	Regulate and assist Hotai Finance in compliant operations.	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Government agencies	Corporate Governance Operational Environmental Management Human Rights, Labor, and Employment Relations Occupational Health and Safety Ethical Corporate Management	• Regulatory compliance audits conducted as needed • Regulatory advocacy and briefing sessions held by competent authorities as needed	• All directors comply with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE-listed and TPEx-listed Companies". • Conduct advocacy sessions for employees as needed to integrate the concepts of ethical management and regulatory compliance into daily operations. In 2025, a total of 11 courses related to ethical management were held, with an average of 1,004 employees completing training per session, accumulating a total of 4,978 training hours. • Strictly execute risk management to strengthen regulatory compliance and legal adherence capabilities.
Contact Information		Corporate Planning and Public Relations Department (02) 2502-4567 #16301 HFC-INVESTOR@hfcfinance.com.tw	

Stakeholders	Significance	Provide financial support for Hotai Finance's operations.	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Banks	Corporate Governance Operational Environmental Management Customer Rights and Services Ethical Corporate Management Human Rights, Labor, and Employment Relations	• Material information announcements disclosed as needed in accordance with competent authority regulations • Periodic publication of financial reports, annual reports, and sustainability reports • Website disclosures updated as needed	• Awarded the long-term credit rating of "twAA-" by Taiwan Ratings for 19 consecutive years • Awarded the long-term credit rating of "BBB" by Standard & Poor's for 6 consecutive years • Financial reports are published quarterly; for details, please visit the "Quarterly Financial Statements" section on the website
Contact Information		Treasury Department (02) 2502-4567 #16202 HFCFINANCE@hfcfinance.com.tw	

Stakeholders	Significance	Disseminate accurate information to the general public and maintain a positive corporate image	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Media	Financial Performance Operational Environmental Management Human Rights and Labor Relations Corporate Governance Customer Rights and Services	• Host annual media networking events • Hold press conferences as needed • Issue press releases as needed	• Held 1 annual media networking event • Issued 21 press releases
Contact Information		Corporate Planning and Public Relations Department (02) 2502-4567 #16305 PR@hfcfinance.com.tw	

Stakeholders	Significance	Hotai Finance invests resources in charitable giving, social care advocacy, and environmental awareness initiatives, partnering with non-profit organizations to advance social inclusion	
	Topics of Concern	Communication Channels and Frequency	2025 Communication Performance
Non-Profit Organization	Financial Performance Operational Environmental Management Human Rights and Labor Relations Corporate Governance Customer Rights and Services	• Holiday gift procurement • Volunteer activities • Scooter road safety promotion	• Over 100 partner non-profit organizations and community partners • Employee volunteer participation reached 2,832 person-times annually, accumulating 11,969 hours • Social enterprise procurement amount reached NT$11 million
Contact Information		Corporate Planning and Public Relations Department (02) 2502-4567 #16305 PR@hfcfinance.com.tw	

Hotai Finance has also established a whistleblowing email address WHISTLE@hfcfinance.com.tw





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Material Topic Management

GRI 2-23、2-24、2-25、2-26、3-3

Material Topics
Corporate Governance

International Frameworks and Indicators
-

Definition

Through a professional, independent, and diverse Board of Directors composition, along with a comprehensive accountability mechanism, Hotai Finance mitigates operational risks and enhances the quality of governance decision-making. Key indicators include information disclosure transparency and Board operations.

Policy Commitment

Formulated the Corporate Governance Best Practice Principles, Regulations for Election of Directors, Rules of Procedure for Board of Directors Meetings, Rules for Performance Evaluation of Board of Directors, Rules Governing Scope of Powers of Independent Directors, and Tax Governance Policy to establish a comprehensive governance mechanism

Strategy

Establish a comprehensive governance mechanism and internal management system to ensure the legality and transparency of the company's various operations and enhance operational resilience, thereby earning stakeholders' trust in the company

Risk Management

Integrate corporate governance risks into the overall business strategy, formulate comprehensive systems such as the Corporate Governance Best Practice Principles and Tax Governance Policy, and combine Board supervision with transparent information disclosure to ensure that the governance structure can effectively identify and respond to potential risks, thereby fulfilling the commitment to long-term value creation

Management Actions	Performance Indicators	2025 Performance Tracking	Achievement Status	Short-term Goals	Mid- to Long-term Goals
Enhance information transparency	Issue material information announcements	42 items	✓	Continue to implement information disclosure	
Participate in the Corporate Governance Evaluation	Participate in the Corporate Governance Evaluation	Evaluation results ranked in the top 6% to 20%	✓	Continue to participate in the Corporate Governance Evaluation	
Board of Directors performance evaluation	Self-evaluation of performance by directors and the Board of Directors	1 self-evaluation	✓	Continue to implement	
Board diversity policy	Board seats held concurrently by corporate managers	Less than 1/3	✓	Continue to implement	
Regularly disclose tax information	File financial report information	File regularly per regulations on a quarterly basis	✓	Continue to implement	

Stakeholder Groups	Engagement Channels	Engagement Effectiveness
Government Shareholders	Investor conference / Quarterly	Held 4 investor conferences to explain operational performance
	Shareholders' meeting / Annually	Convened the Annual General Shareholders' Meeting on May 27, 2025, to report operational conditions to shareholders
	Annual report / Annually	Filed and disclosed information within the statutory deadline
	Sustainability report / Annually	The issuance of the sustainability report was approved by the Board of Directors resolution and filed and disclosed within the statutory deadline
	Official website / As needed	Update the latest operational information (including financial and non-financial data) on the company's official website as needed
	Financial reports / Quarterly	Filed and disclosed financial reports regularly on a quarterly basis within the statutory deadline
	Corporate Governance Evaluation / Annually	Participated in the Corporate Governance Evaluation, maintained a ranking in the top 20% of the evaluation, and was selected as a constituent stock of the Taiwan Corporate Governance 100 Index
	Market Observation Post System (MOPS)	100% compliant with competent authority requirements for regular reporting of operating information and release of material information

Material Topics
Operating Performance

International Frameworks and Indicators
GRI 201: Economic Performance

Definition

Good operating performance indicates high stability in corporate operational decision-making and growth potential, helping to enhance corporate market value, which falls under the opportunity dimension. Key indicators include operating revenue and dividends

Policy Commitment

Create value to contribute to society, maximize profits for shareholders, and foster an environment for employee growth

Strategy

Deepen the development of diversified businesses, maintain our position as the leading brand in Taiwan's automotive installment business, actively expand into overseas markets to enhance corporate growth momentum, and create positive benefits for investors and stakeholders

Risk Management

The management team regularly conducts performance reviews, continues to deepen core business development and diversified operations, and regularly discloses financial information in accordance with the law for review and oversight by all stakeholders, ensuring the stability of the company's operating performance

Management Actions	Performance Indicators	2025 Performance Tracking	Achievement Status	Short-term Goals	Mid- to Long-term Goals
Regularly disclose operating results	Disclose financial information and hold investor conferences; update internal management performance reports	Financial reports: Quarterly Internal reports: Monthly	✓	1. Maintain the No. 1 brand position in vehicle installment services 2. Continue diversified and multifaceted business operations to sustain growth momentum.	
Optimize affiliated enterprise governance	Assist affiliated enterprises in introducing standardized reporting operational procedures to maintain output consistency	Annually	✓		
Annual key projects and policy planning	Conduct performance reviews and proactively plan key indicators and projects for the upcoming year	Semi-annually	✓		

Stakeholder Groups	Engagement Channels	Engagement Effectiveness
Shareholders	• Investor conferences / Quarterly • Financial reports / Quarterly • Shareholders' meeting / Annually • Annual report / Annually • Official website / As needed	Distributed a cash dividend of TWD 3.3 per share.
Media	• Press releases / As needed	Issued a total of 21 press releases in 2025 (including financial and non-financial information) to disseminate accurate information through the media and uphold stakeholders' right to know

Material Topics
Ethical Management

International Frameworks and Indicators
GRI 205: Anti-corruption
GRI 206: Anti-competitive Behavior

Definition

Hotai Finance strictly adheres to business ethics and internal control mechanisms, and strictly prohibits bribery, corruption, and anti-competitive practices to prevent legal violations that could lead to operational risks and impact brand reputation. Evaluation metrics include internal audit results and the implementation of educational campaigns

Policy Commitment

Establishing and adhering to codes of professional conduct and internal control mechanisms—while strictly prohibiting bribery, corruption, and anti-competitive practices—helps enhance stakeholder trust. As these elements are critical to corporate legal compliance and operational risk management, they fall under the risk dimension. Assessment indicators include internal audit results and the implementation of educational advocacy programs.

Strategy

Formulating and adhering to professional codes of conduct and internal control mechanisms to ensure that internal key stakeholders, such as senior executives and employees, strictly comply with laws and regulations, thereby preventing bribery, corruption, anti-competitive practices, and other activities from diminishing corporate competitiveness and jeopardizing the company's external reputation

Risk Management

Supervised at the Board of Directors level, anti-corruption and other control measures are implemented through regular assessments combined with the *Ethical Corporate Management Best Practice Principles*, employee education and training, and an independent whistleblowing system, ensuring no material impacts on the company's financial position and reputation

Management Actions	Performance Indicators	2025 Performance Tracking	Achievement Status	Short-term Goals	Mid- to Long-term Goals
Formulate annual audit plans in accordance with the *Regulations Governing Establishment of Internal Control Systems by Public Companies*	Completed the audit plan, including items such as derivative financial instrument transactions and cybersecurity inspections, with all related deficiencies successfully resolved	44 items	✓	Complete and effectively execute the annual audit plan each year	
Continuing Professional Education for Internal Auditors of Public Companies	Internal auditors shall annually participate in audit-related professional training courses conducted by designated professional training institutions	At least 12 hours per person	✓	Continuously dispatch personnel for professional development annually in response to updates in regulatory compliance and internal control systems	
Implementation of the Ethical Corporate Management Policy by directors, managers, and employees	Execution of the Declaration of Compliance with the Ethical Corporate Management Best Practice Principles by directors and managers	Execution rate reached 100%	✓	Continuously promote and ensure internal personnel's compliance with the ethical corporate management policy	
	Directors and senior executives promote the prevention of insider trading in writing	Twice a year (May 2 and November 13)	✓		
	All directors and the corporate governance officer have completed anti-money laundering training courses	3 hours	✓		
	Conducted training courses related to ethical corporate management	4,978 hours	✓		

Stakeholder Groups	Engagement Channels	Engagement Effectiveness
Suppliers	Supplier assessment / Annually	Ensured that 100% of suppliers sign a declaration of commitment to guarantee their compliance with standards related to ethical corporate management
Retail Customers	Official website disclosure / As needed LINE Official Account / As needed	Completed 4,978 hours of ethical management education and training for employees to ensure compliance with professional conduct codes and protect customer rights and interests

2.1 Corporate Governance

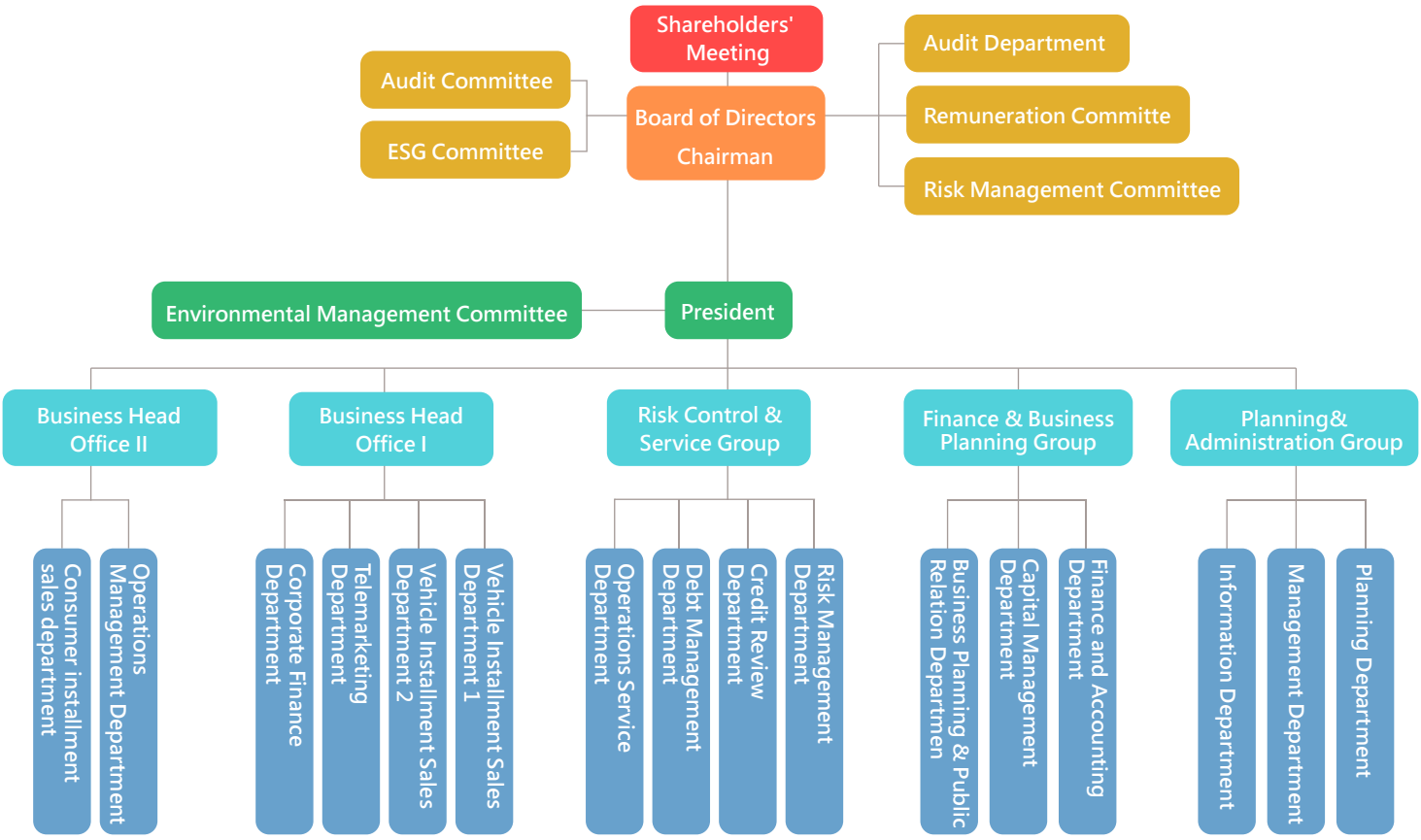
GRI 2-9

For Hotai Finance, a sound and effective Board of Directors operation is the foundation of sustainable business. Establishing a comprehensive corporate governance system helps reduce corporate operational risks, enhance competitiveness, and create long-term value for the company and its shareholders. To build a sound corporate governance system, with reference to the *Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies* formulated by the Taiwan Stock Exchange, Hotai Finance has formulated its own *Corporate Governance Best Practice Principles* to strengthen and implement corporate governance. In response to development trends in international and domestic corporate governance systems, the content of the principles is regularly reviewed and updated to enhance corporate governance effectiveness.

Hotai Finance has ranked in the top 6% to 20% of the Corporate Governance Evaluation for 5 consecutive years and has been included as a constituent stock of the "Taiwan Corporate Governance 100 Index" since 2021, marking 5 consecutive years of selection. This demonstrates widespread recognition of Hotai Finance's performance in corporate governance and financial performance.

Corporate Governance Best Practice Principles

Corporate Governance Structure of Hotai Finance



Professional, Independent, and Diverse Board of Directors

GRI 2-9、2-10、2-11、2-15、2-17、2-18、405-1

Since 2018, the election of directors has adopted a candidate nomination system. Directors are elected by the shareholders' meeting from a list of director candidates in accordance with the Company Act, serving a three-year term that runs until May 28, 2027. Hotai Finance has established the *Corporate Governance Best Practice Principles*, which stipulate that the composition of the Board of Directors shall consider diversity and formulate appropriate diversity policies based on its own operations, operational models, and development needs. Furthermore, the *Rules for Scope of Powers of Independent Directors* have been enacted, setting forth clear regulations regarding independent directors' attendance at board meetings, board resolutions, the exercise of powers, and professional development to enable them to effectively perform their functions. Meanwhile, regulations concerning conflict of interest and recusal are also explicitly stipulated in the *Corporate Governance Best Practice Principles*.

Rules for Election of Directors

Rules Governing the Scope of Powers of Independent Directors

Corporate Governance Code of Practice

Composition of the Board of Directors

The Hotai Finance Board of Directors is composed of 9 directors with extensive experience, including 3 independent directors (accounting for 33%). None of the directors are employees, ensuring the independence of decision-making. Board members span fields such as the automotive industry, finance, environmental science, advertising, accounting, and economic analysis, providing a composition that combines diversity with professional depth. In terms of age distribution, 2 members are under 50 years old, 5 are between 51 and 65 years old, and 2 are 66 or older. In terms of gender diversity, the Board currently has one female director.

Beyond professional practice, the company places high value on the personal integrity, leadership reputation, and core operational capabilities of its directors.

Director Backgrounds, Terms of Office, and Related Information

Details of Continuing Education for Directors (Chapter 2 of the Annual Report)

Continuing Education for Directors

Hotai Finance places high importance on the ethical integrity and professional leadership of its directors. In addition to procuring directors' and officers' liability insurance (D&O insurance) for all board members to enhance risk protection, the company actively aligns with global governance trends. Board members participate deeply in diverse courses covering corporate sustainability, ethical culture, internal control and risk management, and anti-money laundering, in accordance with the *Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE-listed and TPEx-listed Companies*. In 2025, the total annual continuing education hours for all directors reached 99 hours, with an average of 11 hours per director. Through ongoing professional development, the board ensures precise grasp of industry trends and regulatory frameworks, thereby practicing sound and steady management.

Board of Directors Operations

The Board of Directors of Hotai Finance bears the responsibility of supervision and guidance, enhancing management, and promoting sustainable operations, while remaining committed to maximizing stakeholder interests. Board meetings are conducted in accordance with the Regulations Governing Procedure for Board of Directors Meetings, strictly implementing the principle of recusal due to conflicts of interest to ensure objective and impartial decision-making. All major resolutions are disclosed on the official website with a commitment to integrity and transparency, concretely practicing high standards of corporate governance.

Significant Resolutions of the Board of Directors

Convened 9 meetings of the Board of Directors in 2025, with an in-person attendance rate reaching 95%

Board Performance Evaluation

Hotai Finance has established the Rules for Board Performance Evaluation. The annual evaluation is conducted at the end of December, with an external evaluation performed at least once every three years. Questionnaires and on-site interviews are used to assess the effectiveness of the Board and functional committees, including participation and decision-making quality across economic, environmental, and social matters.

Hotai Finance's most recent external board performance evaluation was commissioned to the Taiwan Association of Corporate Integrity and Ethics in the fourth quarter of 2023, and the evaluation results were reported to the Board of Directors on January 24, 2024. The board performance self-evaluation for the 2025 fiscal year was conducted in the fourth quarter, with the results reported to the Board of Directors on January 22, 2026.

Rules for Board Performance Evaluation

Performance Evaluation Details

Description of Board Performance Evaluation

	Board Operations	Board Members
Evaluation Items	1. Participation in the company's operations 2. Enhancement of board decision-making quality 3. Board composition and structure 4. Election and continuing education of directors 5. Internal control 6. Sustainable development	1. Comprehension of corporate goals and missions 2. Awareness of directors' duties 3. Level of participation in corporate operations 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control
Evaluation Year	2023	2025
Evaluation Nature	External Evaluation	Internal Self-Evaluation
Evaluation Results	The performance evaluation results for both the Board of Directors and individual directors are rated as excellent.	The performance evaluation results for both the Board of Directors and individual directors are rated as Excellent.
Recommendations and Scoring Results	• Board Diversity: Consider incorporating directors with diverse professional backgrounds to facilitate risk assessment. • Recording of Discussion Details in Meeting Minutes: To facilitate the review of past experiences, it is recommended to record key summaries of the discussion content. • Whistleblowing Intake Units and External Hotlines: In addition to current mechanisms, it is recommended to seek external institutions to serve as whistleblowing intake units to strengthen credibility. • Continuous Promotion of Corporate Sustainability: It is recommended to pay attention to and gradually implement the principle of treating customers fairly.	• Average score of the Board of Directors' performance self-evaluation: 4.75 points (out of a full score of 5) • Average score of individual board members' performance self-evaluation: 4.74 points (out of a full score of 5)

2.1.2Functional Committees

GRI 2-20

Committee Name	ESG Committee	Risk Management Committee	Remuneration Committee	Audit Committee
Establishment Objectives	Implement corporate sustainable management, systematically plan ESG strategies, and ensure the long-term resilience and competitiveness of the enterprise.	Strengthen corporate risk control and management, and enhance the functions of the Board of Directors.	Soundly establish the remuneration systems for directors, supervisors, and managers of the company.	Strengthen corporate governance, fulfill the supervisory functions of independent directors, and ensure the fair presentation of financial reports.
Number of Meetings Convened in 2025	3	2	3	8
In-Person Attendance Rate	100%	100%	100%	100%

Matters Discussed and Resolution Results of Functional Committees in 2025

ESG Sustainable Development Committee

To promote the implementation of corporate social responsibility policies and sustainable business development, Hotai Finance elevated the Corporate Social Responsibility Committee under the President's Office to report directly to the Board of Directors and renamed it the ESG Sustainable Development Committee in September 2021. For detailed information, please refer to Section 1.1 "Corporate Sustainability Management Strategy" of this Report.

Convened 3 meetings in 2025 with a 100% personal attendance rate.

Risk Management Committee

Hotai Finance established the Risk Management Committee in September 2021, comprising three members with an independent director serving as the convener. The Committee regularly reviews the company's risk management policies and procedures, conducts semiannual reviews of changes in the quality of financial assets held by the company as well as associated risks and trends, and periodically reviews regulatory requirements, management mechanisms, and other issues mandated by competent authorities and the Board of Directors regarding various risk management systems. Proposed solutions and review results for all aforementioned matters are reported to the Board of Directors.

Convened 2 meetings in 2025 with a 100% personal attendance rate.

Audit Committee

To strengthen the functions of the Board of Directors and corporate internal control mechanisms, and to assist the Board in fulfilling its supervisory duties regarding the effective execution of powers conferred by the Company Act, the Securities and Exchange Act, and other relevant laws and regulations, Hotai Finance has established an Audit Committee in accordance with the Audit Committee Charter since 2018, with all independent directors serving as members.

Convened 8 meetings in 2025 with a 100% personal attendance rate.

Remuneration Committee

Hotai Finance is committed to enhancing governance quality by regularly reviewing the remuneration systems for directors and managers to ensure that standards are transparent and fair. The remuneration policy is deeply integrated with individual performance, operational performance, and risk management to achieve talent retention and enhance productivity. The company established the "Remuneration Committee" in 2018, with all independent directors serving as members, to ensure the reasonableness of the remuneration system from an objective and professional standpoint.

Convened 3 meetings in 2025 with a 100% personal attendance rate.

Timely Disclosure of Important Information

Hotai Finance is committed to operational transparency and integrity, and has established diversified communication channels. Financial and non-financial information—including the official website, financial reports, investor conference briefings, and the articles of incorporation—is provided in both Chinese and English bilingual versions to ensure that stakeholders can access information in a timely manner. In addition, material information is publicly announced on the Taiwan Stock Exchange' s Market Observation Post System (MOPS) in accordance with the law, safeguarding the rights and interests of investors and stakeholders through an open and transparent mechanism.

Taiwan Stock Exchange (TWSE) Market Observation Post System (MOPS)

2.1.3 Remuneration Policy and Performance Linkage

GRI 2-19、2-20

The remuneration for directors of Hotai Finance is disbursed in accordance with the Articles of Incorporation and industry standards, following rigorous review by the Remuneration Committee and the Board of Directors. The disbursement standards are deeply integrated with operational performance indicators such as company revenue and net profit before/after tax, and incorporate the evaluation results of individual directors' contributions and attendance rates. Manager remuneration comprises salaries, bonuses, and employee compensation, implemented pursuant to the *Manager Performance Evaluation Regulations*. The evaluation scope covers annual target achievement rates, operational performance, and leadership management capabilities, ensuring that remuneration payouts are closely linked to individual performance and corporate profitability to practice an incentive mechanism of aligned rights and responsibilities. Employee compensation is handled in accordance with Hotai Finance's Articles of Incorporation. Employee opinions are gathered annually through questionnaires to be incorporated into remuneration consideration items, which are then submitted to the Remuneration Committee for review, resolved by the Board of Directors, and reported to the Shareholders' Meeting.

For detailed remuneration information

Remuneration Policy of Hotai Finance

In accordance with the provisions of the "Hotai Finance's Articles of Incorporation"

	Remuneration Structure	Performance evaluation
director	• Directors' remuneration	• Overall performance of the company's operations • Refer to the director performance evaluation results
Manager	• Employee compensation • Bonuses	• Financial Indicators: Company Revenue: Performance achievement rate, pre-tax net profit achievement rate, etc. Financial Structure: Delay rate (a quality risk indicator of accounts receivable), principal surplus, return on net revenue per dollar of personnel expense, and net profit per dollar of revenue • Relative financial indicators: Return on equity (ROE), market performance, and annual target achievement rate, etc. • Non-financial indicators: 1. Employee Satisfaction 2. ESG Sustainability Development includes assessing the risks and opportunities for sustainable business operations, and reviewing the company's key performance indicators in social responsibility, environmental sustainability, and corporate governance. 3. Other: Achievement of annual policy/strategic objectives and other significant issues.
staff	• Employee compensation • Bonuses	• Based on annual performance evaluation results

The composition of employee bonuses varies depending on the nature of the business.

remuneration information Deliberation → Submitting a resolution to the Board of Directors

2.2 Operational Performance

GRI 201-1、201-4

Since its establishment in 1999, Hotai Finance has centered on "satisfying customer needs" and translated its sustainability philosophy into stable operational performance. Driven by the three strategic pillars of "strengthening core businesses, developing diversified products, and strategic investments," combined with talent development and channel innovation, the company propels its corporate growth flywheel. Supported by exceptional risk management, Hotai Finance has maintained Taiwan Ratings' "twAA-" rating for 19 consecutive years since 2007, and Standard & Poor's "BBB" rating for 6 consecutive years since 2020, consistently maintaining the highest credit rating in Taiwan's automotive finance industry and solidifying its leading market position.

Direct Economic Value Generated and Distributed in 2025

Unit: NTD thousand

Direct Economic Value Generated (A)	23,953,303
Operating Revenues	23,704,115
Rental Revenues	4,286
Interest Income on Deposits	33,375
Other Revenues	162,086
Government Grant Revenues	49,441
Direct Economic Value Distributed (B)	15,495,052
Operating Costs	9,479,110
Employee Salaries and Benefits	2,885,337
Payments to Capital Providers: Dividend Payments	2,304,451
Income Taxes Paid to Government	826,154
Economic Value Retained (A - B)	8,458,251

Note 1: Based on consolidated financial statements, the subsidiaries included in the consolidated financial report are Hoyun International Limited, HFC (Cambodia) Microfinance PLC, HE JING CO., LTD., HE JUN ENERGY CO., LTD., and HOTAI FINANCE DEVELOPMENT CO., LTD.
Note 2: Government grant income items in 2025 include training subsidies from the Ministry of Labor, appliance tax rebate subsidies, and tax refunds from the Chinese government.

Creating Value for Shareholders

Unit: NTD

Item	2023	2024	2025
Consolidated Net Income After Tax	4,092million	3,274million	3,437million
Earnings Per Share (EPS)	6.41	4.44	4.72
Consolidated Return on Assets (ROA)	2.72%	2.48%	2.47%
Consolidated Return on Equity (ROE)	11.23%	8.02%	8.08%
Dividend Distribution	4	3	3.3
Dividend Payout Ratio	62%	68%	70%

Tax Management

Hotai Finance complies with the tax regulations of all operational jurisdictions and the "Tax Governance Policy" approved by the Board of Directors. In addition to issuing uniform invoices or electronic invoices and filing taxes in accordance with the law, the company adheres to the Transfer Pricing Guidelines published by the Organisation for Economic Co-operation and Development (OECD), avoiding the intentional shifting of profits to low-tax jurisdictions. In accordance with international (such as IFRS) and domestic regulations and standards, Hotai Finance maintains tax structures with commercial substance and regularly discloses tax information to enhance corporate transparency.

Tax Governance Policy

Income Tax Expense Paid in the Past 3 Years

Unit: NTD million

Year	2023	2024	2025
Consolidated Income Tax Paid	1,443	1,456	826
Individual Income Tax Paid	1,080	1,127	550

Political Contributions, Donations, and Participation in External Organizations

Hotai Finance adheres to the principle of political neutrality and has made no political contributions over the years, including any direct or indirect payments or donations to candidates, political parties, policy lobbying groups, political campaigns, organizations seeking to influence legislation, or organizations related to referendum proposals. To promote industry and social development, Hotai Finance also participates in industry associations and public-interest initiatives, working with stakeholders toward shared sustainability.

Unit: NTD thousand

Year	2023	2024	2025
Donations	4,054	3,709	4,296
Membership Fees for External Organizations	276	268	330

Note: The disclosure scope covers Hotai Finance on an individual (standalone) basis.



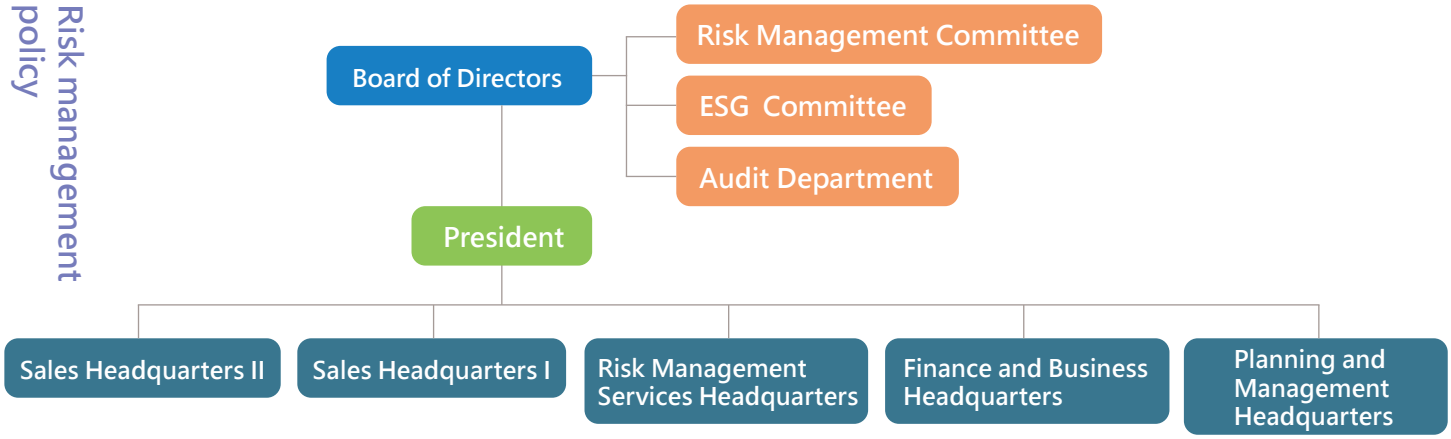
2.3 Risk Management

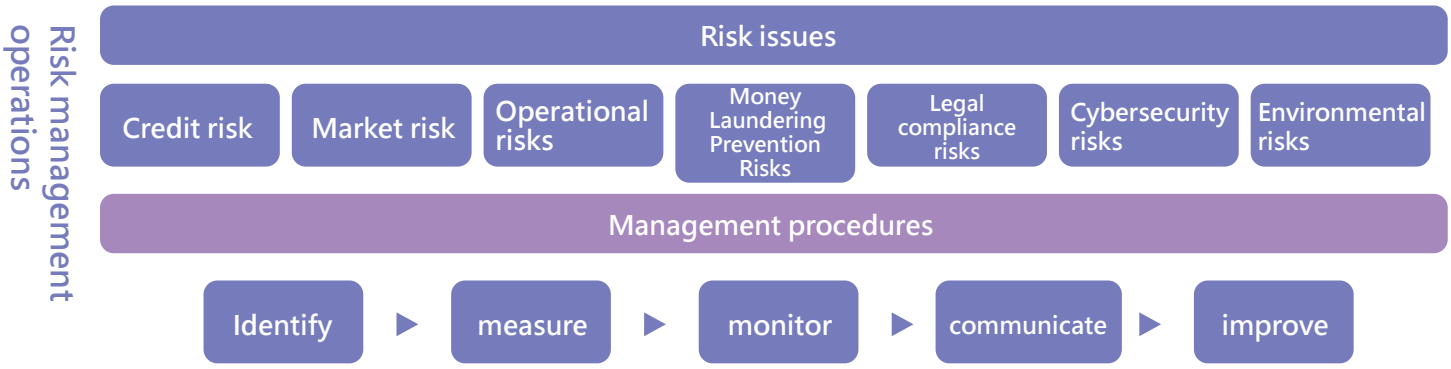
To soundly control and manage corporate risks, Hotai Finance established the Risk Management Committee in 2021, with the Board of Directors serving as the highest governance unit responsible for oversight. The "Risk Management Policy" was also enacted in the same year to strengthen corporate governance and enhance operational resilience. Hotai Finance strictly complies with laws and regulations to ensure that while pursuing innovative transformation, it minimizes operational risks, protects its corporate reputation, fulfills the fiduciary duty of a good manager, and achieves the goal of sustainable business operations.

Risk Management Policy

Risk Management Framework and Mechanism

Facing rapid changes in the market and social environment, and in order to grasp relevant risks and opportunities across various products and services, Hotai Finance has established a comprehensive control process and underwriting mechanism. This reduces the operational impact of customer defaults while safeguarding customer credit and preventing exposure to financial risk scenarios.





Risk Management

Risk Control Process and Underwriting Mechanism

Stage	Scope	Overview of Risk Control Mechanism
Know Your Customer(KYC)	All Products and Services	• Business application report / system setup-related KYC information fields • Filtering of "negative factors" for prohibited clients: Applicants or business operators with criminal convictions affecting company operations, illegal business activities explicitly defined by government regulations, media exposures verified to pose threats to operational conditions, and severe anomalies (such as recorded repayment abnormalities, provisional seizures, provisional injunctions, etc.)
Professional Review	Retail Finance	For both retail finance and corporate finance, distinct underwriting KPIs are established based on risk profiles, balancing efficiency for low-to-medium risk cases while strengthening underwriting rigor for medium-to-high risk cases.
	Corporate Finance	
Multi-faceted Evaluation	Retail Finance	Focusing on credit checks, financial affordability, as well as the underwriting and transaction targets
	Corporate Finance	• Focusing on operational performance, financial performance, management teams, use of funds, and industry development trends (such as sustainability-forward renewable energy industries). • HOTAI FINANCE DEVELOPMENT, Hotai Finance' s business entity dedicated to corporate financial services, further incorporates "corporate sustainability" into its underwriting scoring criteria, with evaluation dimensions including: 1. Corporate Governance: Whether the company's operations involve negative reports or penalty matters. 2. Social Commitment: Such as the soundness of human resources management systems. 3. Environmental Management: Emphasis on environmental protection (such as the presence of pollution or resource waste, or the establishment of energy-saving systems and use of renewable energy).
Risk Quantification Assistance		Designing quantitative scoring mechanisms to assist in credit decision-making reference
Review Committee		For cases with larger exposure amounts or divergent opinions, they are submitted to the Review Committee for recommendations from professional members.
Post-lending Tracking		• Regular tracking through external institutions (such as the dishonored check and rejected customer lists from C.C.I.S. Credit Rating Corp.) • In 2024, introduced the "Collection Scorecard" (C-card) to establish a comprehensive collection risk model, enabling precise identification of risks across different delinquent customers while safeguarding client credit quality.

2.3.1 Material Risk Management

Hotai Finance reviews and establishes management measures for significant risks directly associated with its operations. In 2025, in accordance with various internal management measures, no incidents occurred that exceeded the company's expectations or generated significant negative impacts.

Material Risks	Risk Description	Corresponding Management Measures	Management Unit
Market Risk	Fluctuations in interest rates and exchange rates affecting company operations	• Maintaining a considerable proportion of fixed-rate medium- and long-term financing to avoid the risk of market interest rate fluctuations. • Executing cross-currency swap (CCS) transactions to hedge against exchange rate risks arising from foreign currency loans undertaken with financial institutions, effectively reducing risks caused by future exchange rate volatility. • Adjusting the structure of short- and long-term borrowings to ensure sufficient capital to support operational needs and reduce liquidity risk.	Funding Department
Credit Risk	Loan defaults impacting corporate profitability and endangering operations	• Establishing internal operating procedures. • Rigorous credit review and approval systems along with comprehensive deliberation processes to implement and execute risk management. • Identifying, analyzing, and monitoring assets and changes in the external environment. • Continuously enhancing credit investigation skills and other underwriting and review knowledge related to post-lending management to mitigate loan default events. • Regularly reviewing the total exposure limits of the same group and affiliated enterprises, and monitoring the financing levels of single industries to prevent excessive concentration of credit risk caused by specific industry downturns.	Credit Assessment Department
	Borrower default losses impacting company profitability	• Developing statistical credit rating models for customer application cases to calculate the probability of customer default risk. • Monitoring the company's asset quality status and development trends, and submitting a monitoring report to the "Risk Management Committee" on a semi-annual basis; additionally, convening the "Asset Quality Management Meeting" semi-annually with relevant departments to jointly discuss response strategies for current asset quality trends and deliberate on future feasible credit and collection policies.	Risk Management Department
Anti-Money Laundering (AML) Risk	Failure to implement KYC (Know Your Customer) principles, leading to inadequate control over fund flows	• Strengthening vendor controls: new application vendors must be screened through the TDCC AML/CFT query system to verify whether they are on any blacklist. • Annually monitoring high-risk cases and implementing differential management density according to risk levels: high-risk cases annually, medium-risk cases every 3 years, and low-risk cases every 5 years. • Conducting educational and training sessions to enhance employees' awareness of anti-money laundering. • Establishing auditing items in accordance with internal regulations and procedures, conducting regular audits, and issuing audit reports. • For detailed management measures, please refer to section "2.4.2 Anti-Money Laundering and Counter-Terrorist Financing".	• First Line of Defense: Anti-Money Laundering Task Force • Second Line of Defense: Dedicated Anti-Money Laundering Personnel • Third Line of Defense: Internal Audit Department
Compliance Risk	Failure to comply with laws and regulations, resulting in government penalties and adversely affecting company operations and reputation	• Hotai Finance complies with government laws and regulations, internally supervising that all operations and contracts adhere to compliance requirements. • Promoting compliance self-assessments, regularly inventorying compliance matters within the scope of departmental responsibilities, and enhancing the effectiveness of internal corporate governance.	All Departments
Information Security and Personal Data Protection Risk	Failure to properly maintain information security and personal data protection, resulting in government penalties and impacting company operations and reputation	• Formulating the "Information Security Policy", "Personal Data Management Policy", and other management regulations while establishing control systems. • Implementing the ISO 27001 Information Security Management System to establish a secure and reliable information operating environment, ensuring the safety of data, systems, equipment, and networks. • For detailed management measures, please refer to section "2.5 Information Security and Personal Data Protection".	Information Department

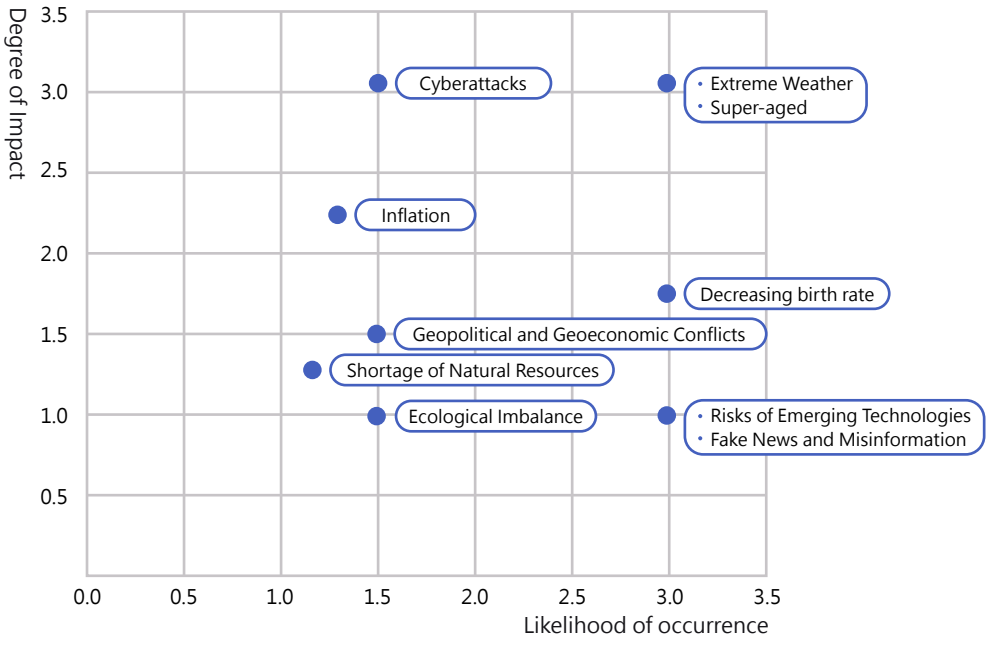
Material Risks	Risk Description	Corresponding Management Measures	Management Unit
Environmental Risk	Natural disasters or changes in environmental regulations that may affect company operations	• Promoting environmental and energy management, including environmental protection, energy conservation and carbon reduction, waste reduction and recycling, while emphasizing safety maintenance at operating sites. • For detailed management measures, please refer to section "5.3 Operational Environmental Management".	Administration Department
Climate Change Risk	Failure to grasp the physical risks and transition risks arising from climate change, which may affect company operations	• Actively understanding market trends and paying attention to customer needs to timely adjust products and services, such as providing preferential interest rates for eco-friendly vehicles and designing and promoting green and environmentally related products and services. • For detailed management measures, please refer to section "5.1 Climate Change Risk Management".	Corporate Planning Department Debt Management Department Credit Review Department

2.3.2 Emerging Risk Management

The World Economic Forum (WEF) publishes the Global Risks Report annually, providing multi-dimensional assessments of the potential impacts of emerging risk issues on various stakeholders. Hotai Finance comprehensively references the WEF Global Risks Report and consults the "Taiwan Sustainability Risk Survey". Through joint discussions between the risk management department and relevant units, the company focuses on ten emerging risk issues relevant to its industry and business operations, assesses their future likelihood and impact levels, and further formulates management policies to prevent and mitigate potential impacts caused by the occurrence of risks.

Emerging Risk Assessment Matrix





Emerging Risk Management Measures

Issue	Risk Description	Management Measures
Geopolitical and Economic Conflicts	Geopolitical and economic conflicts may lead to the rise of protectionism, and sanction measures could impact supply chains, causing increases in raw material and energy prices as well as financial turbulence. Restrictions on technology usage or capital mobility could drive up logistics costs, while material shortage issues may disrupt client operations, leading to delayed payments and collections, which in turn affect clients' repayment capacities.	Establishing comprehensive risk control processes and underwriting mechanisms, combined with quantitative evaluation tools to track clients' credit risk statuses. Relevant units also conduct OJT (on-the-job training) sessions covering topics such as credit risk assessment and analysis, product knowledge, industry knowledge, and industry trend information, thereby enhancing operational personnel's grasp of market changes.
Inflation	The government may raise interest rates to curb worsening inflation, and fluctuations in interest rates and exchange rates will consequently impact company operations. Runaway inflation may lead to a decline in employees' real wages, thereby affecting their living standards.	
Fake News and Misinformation	In the era of information explosion on the internet, unscrupulous individuals engage in financial fraud through fake accounts, impersonation websites, and false information, causing financial losses to the public and subjecting the company to government penalties.	To prevent customers from being scammed and suffering financial losses, Hotai Finance conducts bidirectional advocacy campaigns targeting both internal personnel (employees) and external stakeholders (customers) to enhance public anti-fraud awareness. For details, please refer to section "3.1.1 Financial Inclusion".
Cyberattacks	Customer data is a critical digital asset of the company and is frequently targeted by cyberattacks. The risk of data breaches or ransomware intrusions caused by cyberattacks will impact the company's operations.	In response to rapid technological development and the frequent occurrence of cyberattacks and emerging technological risks, Hotai Finance continues to strengthen information security and personal data management to safeguard the stability of its information systems and protect the rights and interests of stakeholders. For details, please refer to section "2.5 Information Security and Personal Data Protection".
Emerging Technologies and Potential Risks	• The rapid development of generative artificial intelligence (AI) brings new opportunities to society and the economy; however, if AI technologies are integrated with external systems, the risk of data leakage increases. • AI may generate biased content due to inaccurate original training data, thereby affecting decision-making.	

Issue	Risk Description	Management Measures
Declining Birthrate	1. The declining birthrate causes a shortage in labor market supply, intensifying talent competition and cooperation among enterprises; if an enterprise lacks competitiveness, it may miss out on securing top talent. 2. The declining birthrate reflects an increase in future family care burdens for the younger generation of employees. 3. The declining birthrate may lead to shifts in market demand, requiring the planning and design of innovative products and services to respond to changing consumer preferences.	By building a friendly and happy workplace, the company attracts exceptional talent to join its team, thereby maintaining competitiveness. In response to the issues of declining birthrate and aging population, digital transformation initiatives are also promoted to support employees in improving operational efficiency. For details, please refer to section "3.4 Digital Innovation Services" and Chapter 4 "Happy Workplace".
Super-Aging Society	Taiwan entered a super-aging society in 2025, highlighting the issue of a shrinking labor force. Amid the global trend where governments encourage middle-aged and elderly employment to bridge the labor gap, failing to foster a friendly workplace environment may render enterprises less attractive in the labor market.	
Extreme Weather	Frequent extreme weather events, such as droughts, short-duration heavy rainfall, and an increased frequency of typhoons and other natural disasters, have massive impacts on both society and the economy.	Implementing the TCFD (Task Force on Climate-related Financial Disclosures) framework to examine and manage the potential impacts of business operations on the natural environment. For details, please refer to section "5.1 Climate Change Risk Management".
Biodiversity Loss and Ecological Imbalance	If business operations occur in environmentally sensitive areas, they may lead to threats against biodiversity, impacting the maintenance of natural capital and the development of global resources.	Implementing the TNFD (Task Force on Nature-related Financial Disclosures) framework to examine and manage the potential impacts of business operations on the natural environment. For details, please refer to section "5.2 Natural Environment Risk Management".
Natural Resource Scarcity	The depletion of natural capital may lead to increased raw material costs or supply chain disruptions, thereby impacting business operations by lengthening operational time costs and reducing corporate banking clients' repayment capacities.	Relevant units conduct OJT (on-the-job training) sessions to enhance operational personnel's grasp of market changes.

2.3.3 Internal Control System

The Internal Control System of Hotai Finance is designed by professional managers and approved by the Board of Directors. It strictly reviews whether the internal operating procedures of each management unit comply with regulations to prevent operational risks or non-compliance deficiencies. Through an independent auditing unit conducting regular and irregular inspections, business and support units are required to cooperate in performing self-assessments. Concurrently, evaluations are conducted across items such as the control environment, risk assessment, control activities, information and communication, and monitoring and improvement, thereby strengthening the control of operational risks.

Audit Department

The Audit Department reports directly to the Board of Directors and is staffed by one audit supervisor and four dedicated audit personnel. Operating under the principle of integrity, it conducts regular and irregular inspections, assists in supervising the implementation of the "Internal Control System", and tracks improvements for abnormal items to ensure that all business operations comply with laws, regulations, and relevant provisions. In 2025, a total of 44 audit plans were rigorously executed, with regular reports submitted quarterly to the Audit Committee and the Board of Directors. The scope covers key areas such as derivatives, information security, personal data protection, and sustainability report compilation and management.

Sustainability-Related Management Control Activities

Management Item	Audit Result	Evaluation Frequency	Latest Audit Date	Board Reporting Date
Information Security Management	Audit results comply with relevant laws and regulations.	Annually	July 25, 2025	November 6, 2025
Personal Data Protection and Management	Audit results comply with relevant laws and regulations.	Annually	October 30, 2025	January 22, 2026
Sustainability Report	Audit results comply with relevant laws and regulations, and the "Procedures for the Preparation and Verification of Sustainability Reports" was revised in response to updates in regulatory requirements.	Annually	November 13, 2025	January 22, 2026
Anti-Money Laundering and Counter-Terrorist Financing	Audit results comply with relevant laws and regulations.	Biennially	December 5, 2025	January 22, 2026
Prevention of Insider Trading	Audit results comply with relevant laws and regulations.	Not mandatory by regulation; voluntarily included in internal controls	July 29, 2025	November 6, 2025

2.4 Ethical Management

GRI 2-15、205-2、205-3、206-1

To maintain a culture of ethical corporate management and corporate reputation, Hotai Finance manages the integrity relationships between employees and stakeholders through relevant internal mechanisms and establishes anti-corruption policies. It conducts commercial activities based on the principles of fairness, honesty, trustworthiness, and transparency, thereby serving as the backbone for a sound and sustainable corporate culture. In 2025, Hotai Finance had no incidents of corruption or anti-competitive behavior.

Hotai Finance Ethical Corporate Management Guidelines

Regulation	Summary Description	Target Audience	Public Disclosure
Ethical Corporate Management Code	Preventive items include the prohibition of offering and accepting bribes, providing illegal political contributions, making improper charitable donations or sponsorships, providing or accepting unreasonable gifts or other improper benefits, infringing upon trade secrets, trademarks, patents, copyrights, and other intellectual property rights, and engaging in unfair competition practices.	• General employees • Managers • Directors	
Operating Procedures and Code of Conduct for Ethical Management	Clearly defines various unethical behaviors and handling guidelines, incorporates ethical management into employee performance evaluations and human resources policies, establishes clear and effective reward, disciplinary, and grievance systems, and enforces a zero-tolerance policy for violations.	• General employees • Managers • Directors	
Code of Ethical Conduct	Guides the behavior of the company's directors and managers to align with ethical standards, and enables the company's stakeholders to better understand its ethical standards.	• Managers • Directors	

Ethical Corporate Management Promotion Framework

Department	Responsibilities and Roles
Board of Directors Sustainability Committee	• Supervisory Role: Report annual execution results to the Board of Directors and the ESG Committee at least once a year. • The annual execution status of ethical corporate management was reported to the Sustainability Committee on December 11, 2025, and to the Board of Directors on December 11, 2025.
Supervising Unit Audit Department	Periodically supervise the implementation of ethical corporate management and report its execution status directly to the Board of Directors.
Responsible Unit Respective Relevant Departments	Responsible for the revision, implementation, interpretation, consulting services, and reporting record management of the Operating Procedures and Code of Conduct for Ethical Management, managing employee codes of conduct and reporting records related to ethical management, and directly reporting the execution status to the Board of Directors.

and the "Operating Procedures and Code of Conduct for Ethical Management" for directors, managers, and general employees. It also requires directors and senior management to issue a statement of compliance with the ethical corporate management policy, mandates employee adherence to the policy as a condition of employment, and has formulated a "Code of Ethical Conduct" for directors and managers to prevent conflicts of interest and ensure fair trading practices.

No whistleblowing or grievance cases regarding violations of ethical corporate management were received in 2025.

To ensure no instances of bribery occur, Hotai Finance requires suppliers to sign integrity commitment letters or clauses, stipulating the prohibition of bribery and compliance with domestic and international business-related laws and regulations. Any violation will result in the immediate rescission or termination of any contracts or orders signed with the supplier without prior notice. In 2025, 100% of suppliers signed the commitment letters and corporate social responsibility clauses.

Hotai Finance regularly conducts advocacy for employees to integrate the concept of ethical management into daily operations. In 2025, a total of 11 training courses related to ethical management were provided to employees in Taiwan, covering intellectual property rights, anti-bribery, information security education, prevention of insider trading, and the Personal Data Protection Act. An average of 1,004 employees completed each course, with cumulative training hours reaching 4,978 hours.

Integrity Management Course (Taiwan Region)

Course Name	Employee Type	Total Hours	Number of Trainees Completing the Training	Percentage of Taiwan Employees
[2025 Q1 Regulations] Personal Data Protection Act	All employees	324.0	1,080	82.0%
[2025 Q1 Regulations] Information Security	All employees	543.0	1,086	82.5%
[2025 Q2 Regulations] Workplace Harassment and Unlawful Infringement Prevention	All employees	126.6	1,266	96.1%
[2025 Q2 Regulations] Anti-Fraud Advocacy	All employees	487.9	1,126	85.5%
[2025 Q3 Regulations] Key Considerations for the Trade Secrets Act and Employee Non-Compete Provisions	All employees	1,795.1	1,238	94.0%
[2025 Q4 Regulations] Explanation of TIPS Management Standards & Advocacy for the Company's Intellectual Property Management System	All employees	324.3	1,297	98.5%
[2025 Q4 Regulations] Prevention of Insider Trading	All employees	324.8	1,299	98.6%
[2025 Regulations] Ethical Corporate Management	All employees	248.8	933	70.8%
[2025 Information Security] Phishing Email Prevention	All employees	620.5	1,241	94.2%
2025/09 Briefing on the Vehicle Installment Plan Consumer Protection Act	General sales staff and supervisors	94.0	376	28.5%
2025 Money Laundering Control Act	General sales staff and supervisors	89.2	107	8.1%

Note 1: The Taiwan region includes Hotai Finance, HE JING, HE JUN ENERGY, and HOTAI FINANCE DEVELOPMENT, totaling 1,317 personnel.
Note 2: The number of course completions are calculated based on statistics as of December 31, 2025, excluding departed employees.

2025 Ethical Management Performance of Hotai Finance and Its Taiwan Subsidiaries

Target Audience	Communication Channel	2025 Performance
Directors	Written advocacy and board continuing education courses	• All directors and the corporate governance officer completed 3 hours of anti-money laundering training. • Monthly written advocacy distributed to directors and senior management regarding the prevention of insider trading.
Employees	Promoting ethical management measures and communicating company policies through training courses	Conducted 11 training courses, with an average of 1,004 employees completing each course, accumulating 4,978 hours of training.
Suppliers	Required to sign supplier commitment letters and corporate social responsibility clauses, stipulating the prohibition of bribery	100% of suppliers signed the supplier commitment letters and corporate social responsibility clauses.

2.4.1 Regulatory Compliance

GRI 2-15、205-2、205-3、206-1

Hotai Finance places great emphasis on legal compliance and discipline, establishing detailed regulations tailored to different responsibilities and levels for guidance. Upholding the principle of ethical corporate management, the company irregularly reviews the latest updates in legal databases. Upon identifying regulatory amendments relevant to the company, relevant units are notified to conduct impact assessments and report to superiors. Through irregular educational and training sessions (including but not limited to online legal courses and legal popularization e-newsletters), the company continuously strengthens compliance management and deepens its corporate compliance culture, strictly ensuring that all operations comply with regulatory requirements.

Hotai Finance defines major events as those meeting the criteria requiring the release of material information announcements in accordance with Taiwan Stock Exchange (TWSE) regulations. In 2025, a total of 42 material information announcements were issued, with no incidents of non-compliance with laws and regulations. If a major event occurs, the responsible unit will conduct an investigation in accordance with the "Hotai Finance Co., Ltd. Internal Material Information Processing Procedures" and submit a special project report to the President for a detailed briefing, covering response handling, follow-up tracking, and improvement strategies. In the event of major events, detailed communication is also conducted in advance with directors through preliminary meetings to reach a consensus, ensuring that directors fully understand the detailed contents of the major events, followed by a formal report or resolution passed by the Board of Directors. In 2025, Hotai Finance held 9 preliminary meetings with directors, primarily communicating on major operational proposals such as financial reports, investment projects, and budget proposals.

Regulatory Compliance Status

2023		2024	2025
1 Incident of Non-Compliance			
Description	Sanction		
A user personal data leakage incident occurred at the subsidiary Hotai Mobility Service (iRent). Note: 100% of the shares of Hotai Mobility Service were sold in August 2024, and it is no longer a subsidiary.	Hotai Finance's supervision and management of its subsidiaries were found to be non-compliant with the Taiwan Stock Exchange' s "Regulations Governing the Establishment of Internal Control Systems by Public Companies," resulting in a fine of NTD 50,000 imposed by the TWSE.	0 incidents of non-compliance	0 incidents of non-compliance

Stakeholder-Focused Issues

Issue	Explanation and Clarification	Follow-up Action Plan
The case involving the alleged manipulation of Hotai Finance's stock	Upon investigation, the concerned parties have never been employed by, served as directors or supervisors of, or been insiders of the company.	The matter has entered judicial investigation proceedings and is being handled in accordance with the investigations of government authorities.

Amendment to the Financial Consumer Protection Act and Expansion of Regulatory Scope

Since its inclusion in the regulatory framework on September 15, 2025, Hotai Finance has viewed this institutional upgrade positively. While it increases institutional setup and compliance costs, clear and consistent industry standards and refined regulation help raise professional thresholds, curb illegal financing practices, and strengthen market order and consumer trust.

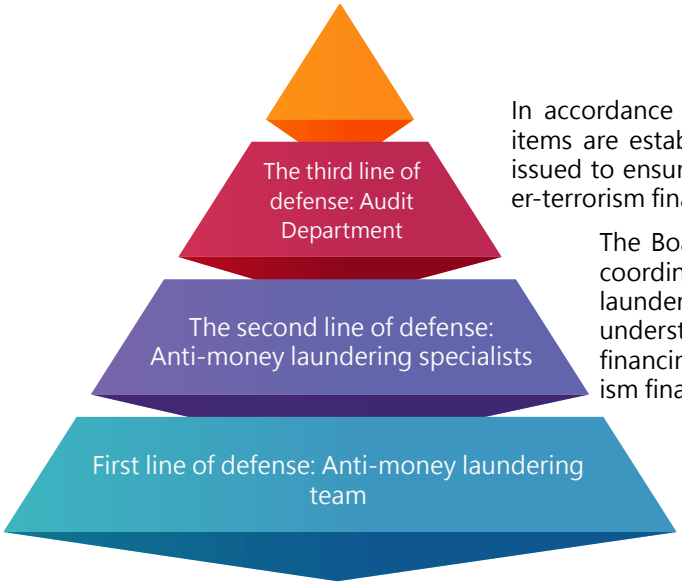
This inclusion represents more than just a compliance requirement for Hotai Finance; it is a vital opportunity to comprehensively optimize its operations. On the operational front, the company continues to refine its product structure and sales processes, strengthen information disclosure and risk explanations, and elevate its professional brand image. In terms of debt collection, traditional debt management has been upgraded to financial-grade customer relationship management, reinforcing transparency and compliance to build sustainable engagement. Regarding complaint and customer grievance handling, a tiered and rapid response mechanism has been established, incorporating standardized processes and cross-departmental collaboration to instantly safeguard consumer rights and lower dispute risks, moving toward more robust, transparent, and sustainable business development.

2.4.2 Anti-Money Laundering and Counter-Terrorism Financing

Hotai Finance has established the "Anti-Money Laundering and Counter-Terrorism Financing Program" approved by the Board of Directors, and strictly complies with relevant laws and regulations such as the "Money Laundering Control Act" and the "Counter-Terrorism Financing Act" to improve mechanisms for anti-money laundering and counter-terrorism financing. Hotai Finance has appointed one management-level personnel as the dedicated anti-money laundering and counter-terrorism financing officer, granting them sufficient authority to coordinate and supervise anti-money laundering and counter-terrorism financing operations, and ensuring that such personnel do not hold concurrent positions that conflict with their anti-money laundering and counter-terrorism financing responsibilities. The dedicated officer shall report to the Board of Directors and supervisors or the Audit Committee at least annually, and in the event of discovering any material violation of laws and regulations related to anti-money laundering and counter-terrorism financing, shall immediately report to the Board of Directors and the Audit Committee.

Anti-Money Laundering and Counter-Terrorism Financing Program

Anti-Money Laundering and Counter-Terrorism Financing Governance Mechanism



In accordance with internal control measures and relevant regulations, audit items are established, audits are conducted regularly, and audit opinions are issued to ensure the effectiveness of money laundering prevention and counter-terrorism financing plans.

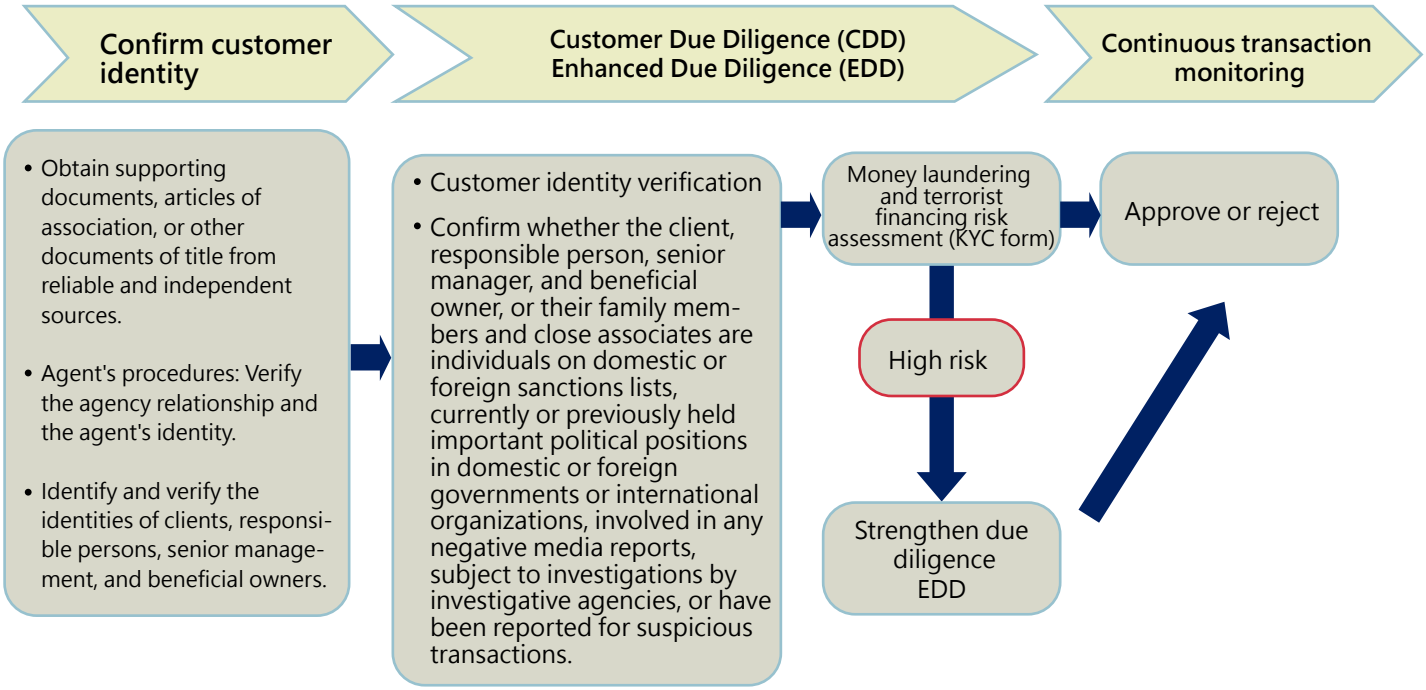
The Board of Directors will appoint one management-level personnel to coordinate and supervise the planning and implementation of money laundering and terrorism financing risk identification, assessment, and understanding; monitor risks related to money laundering and terrorism financing; and develop money laundering prevention and counter-terrorism financing plans.

Composed of sales, credit review, and planning units, this team adheres to the company's anti-money laundering and counter-terrorism financing operational guidelines, including rigorously implementing Know Your Customer (KYC) procedures, identifying beneficial owners, and reporting suspected money laundering or terrorist financing transactions.

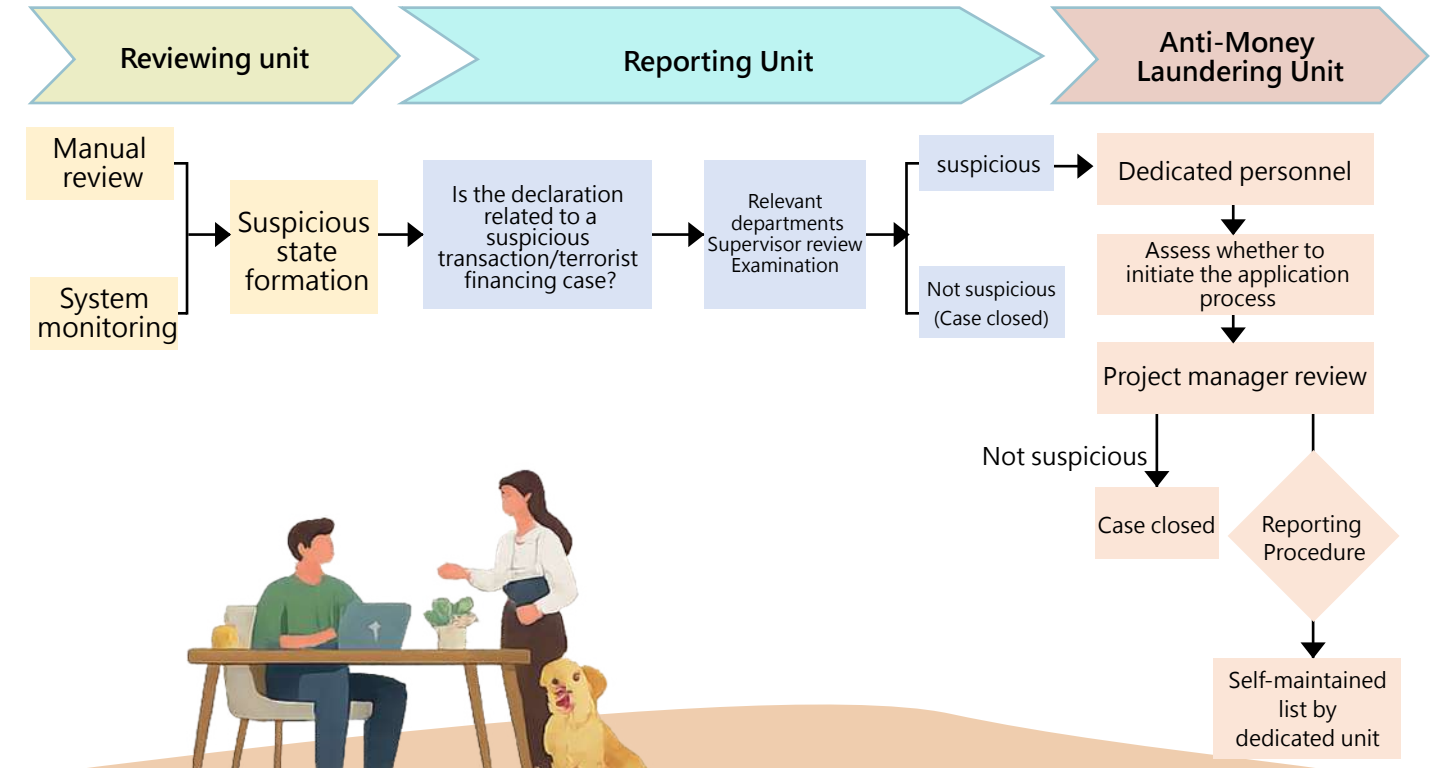
Monitored Item	Item Summary Description	Review Frequency
Anti-Money Laundering and Counter-Terrorism Financing Program	Customer due diligence; screening of names and designations of customers and parties related to customers and transactions; ongoing transaction monitoring; record keeping; reporting of currency transactions above a certain threshold; reporting of suspicious money laundering or terrorist financing transactions; dedicated personnel and related matters	**Annually**
Comprehensive Money Laundering and Terrorist Financing Risk Assessment	Assessment report covering overall risk levels across dimensions such as customers, countries or regions, products and services, transactions or payment channels, as well as appropriate risk-mitigation measures	**Biennially**
Record-keeping operations	Implementation of retention operations for transaction vouchers, reporting data and related record vouchers concerning currency transactions above a certain threshold, and suspicious money laundering or terrorist financing transactions; where laws provide for a longer retention period, such provisions shall prevail	**Retained for at least five years**
Internal Audit	Verification of whether various operations comply with the procedural regulations of policies and laws	**Biennially**

Anti-Money Laundering and Counter-Terrorism Financing Review Process

Hotai Finance's Anti-Money Laundering and Counter-Terrorism Financing Program stipulates that comprehensive consideration shall be given to factors such as customer background, characteristics of occupation and socio-economic activities, geographic region, and the organizational form and structure of non-natural person customers, in order to identify risks of money laundering, terrorist financing, and proliferation financing.



Suspicious Case Reporting Mechanism



Conduct educational training to raise risk awareness

To enhance the awareness of frontline employees regarding money laundering prevention and terrorist financing, and to ensure that risky cases can be identified in a timely manner during business operations, Hotai Finance continuously "improves market risk control and case review and evaluation capabilities" through a top-down approach. The results of this initiative by 2025 are shown in the table below.

Specific Actions	Description
Board Education and Training	Annually conduct education and training on anti-money laundering and counter-terrorism financing, with mandatory participation for all directors
Enhancing Market Risk Mastery	1. Regularly hold meetings to share macroeconomic information (including interest rates, exchange rates, fiscal and monetary policies, etc.) with each other, enhancing employees' sensitivity to emerging macroeconomic issues. 2. For sporadic economic events or information, announcements are released immediately within the departmental group chat, enabling colleagues to quickly understand and grasp market conditions.
Enhancing Case Review Evaluation Capabilities	1. Regularly hold team meetings for discussion and exchange. 2. Conduct discussions and reviews on default cases and special complex cases. 3. Other On-the-Job Training (OJT): Content: Includes credit risk assessment and analysis, product knowledge, industry knowledge, industry trend information, financial analysis, recognition and evaluation of movable equipment, real estate professional knowledge and valuation, and Central Bank credit control regulations, etc. Method: Regularly schedule themes with internal colleagues taking turns as lecturers to share insights, and irregularly invite external instructors to conduct classes.

2.4.3 Adoption of the Taiwan Intellectual Property Management System

To support diversified business development, Hotai Finance has successively established subsidiaries and newly launched Hotai Finance's installment brand (Pay4U) and corporate mascot to drive digital transformation, while actively optimizing its intellectual property management system. Through strengthening the acquisition, protection, and utilization mechanisms of trademarks, compliance risks are effectively controlled, and brand penetration is enhanced. Simultaneously, employee awareness of intellectual property is deepened through internal education training, embedding regulatory compliance into corporate governance and consolidating sustainable brand value.

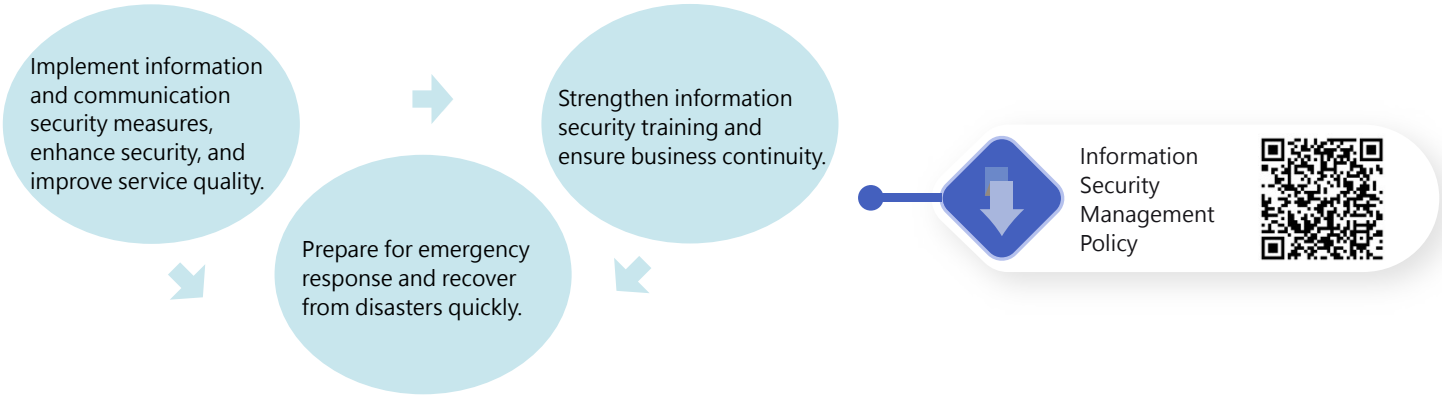
According to the results of the intellectual property inventory, as of the end of 2025, Hotai Finance held a total of 206 copyrights, including advertisements, promotional materials, and education and training course materials produced by the company, as well as 12 trademark rights, all of which are currently registered and effective.

2.5 Information Security and Personal Data Protection

2.5.1 Information Security Management

Hotai Finance completed the transition to the ISO 27001:2022 Information Security Management System (ISMS) in 2024, and completed a re-audit in December 2025, successfully passing third-party verification to establish the confidentiality, integrity, and availability of the information security management system. Annually, comprehensive evaluations are conducted on information system development and maintenance as well as data center management operations provided by the Information Department, in order to review annual performance across the 14 information security control items under ISO 27001. Regarding information security violations over the past three years, Hotai Finance recorded one violation in 2023, as detailed in "2.4.1 Regulatory Compliance."

Information Security Management Policy



Information security management

In recent years, incidents involving corporate exposure to cyberattacks, network information and communications threats, and compromised product security have occurred frequently. The World Economic Forum's Global Risks Report 2025 indicates that cyberattacks and the potential risks of emerging technologies continue to rank among the top ten global risks.

To address information security, Hotai Finance designates the Information Department as the primary responsible unit to plan information security engineering and has established information security management policies and computerized information system control operations. These measures ensure the confidentiality, integrity, and availability of information, protecting the company's information assets from unauthorized use, disclosure, and other related incidents.

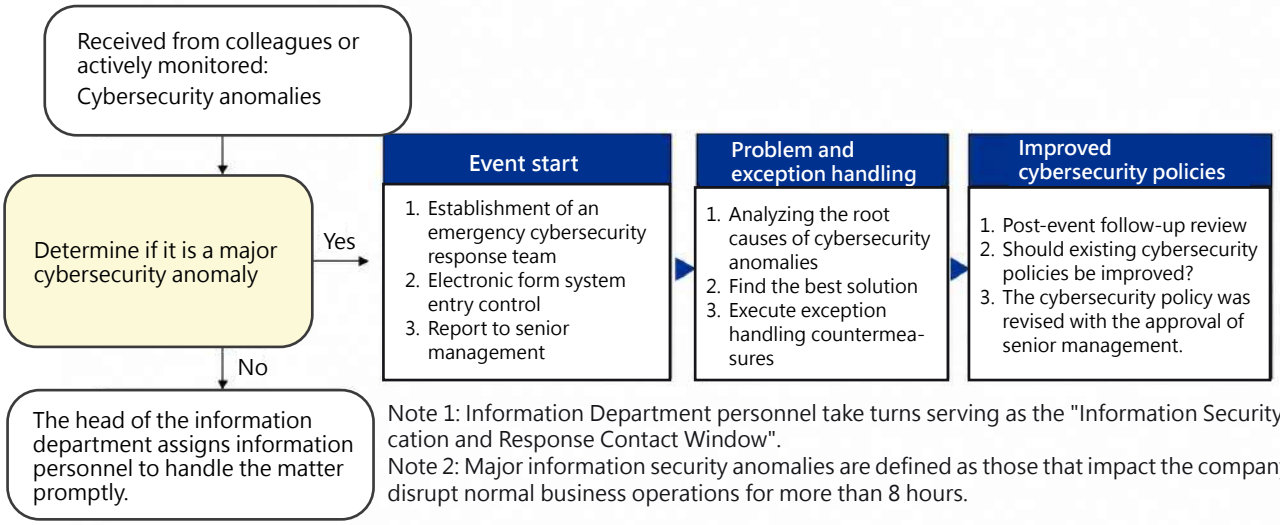
Information Security Management Mechanism

Department	Responsibilities and Roles
Board of Directors Sustainability Committee	• Supervisory Role: Review the implementation status of information security policies and plans, and report the annual execution results to the Board of Directors and the ESG Committee. • The annual execution status of information security management was submitted and reported to the Sustainable Development Committee and the Board of Directors on December 11, 2025.
Information Security Dedicated Head Manager of the Information Department	• Determine and provide the resources required for the establishment, implementation, operation, and maintenance of the management system • Periodically report the conclusions, implementation results, and improvement recommendations of the Information Security Management System (ISMS) management review meetings to senior management • Responsible for early warning and monitoring of information security status, as well as handling information security incidents and situations
Information Security Execution Team	• Risk Management: Formulate information security risk management procedures and conduct evaluation operations annually or on an ad-hoc basis. • Incident Management: Establish prevention, response, and recovery processing operations for information security incidents.
Emergency Response Team	Handle matters in accordance with the "Cybersecurity Incident Notification and Response Management Procedure"
Internal Audit Team	Incorporate the promotion of information security management into the internal control system management

Summary Table of Information Security Implementation Measures

Method	Item	Frequency	Summary Description
Internal	Internal Control Self-Assessment	Annually	All departments conduct self-inspection to ensure the implementation of information security internal controls Completed the internal control self-assessment and audit on November 25, 2025.
	Internal Audit	Annually	The Audit Department collaborates with all departments to audit the implementation status of information security Completed the internal audit on July 31, 2025.
	Information Security Audit	Annually	The Information Department initiates company-wide cooperation for auditing Completed the information security audit on July 29, 2025.
	Information Security Education and Training	Annually	Enhance information security awareness through education and training courses Conducted 1 session in 2025, with a total of 1,137 attendees completing the training.
	Phishing Email Testing	Irregularly	Enhance employees' vigilance against unfamiliar emails, conducting a total of 2 tests in 2025
External	Regular Vulnerability Scanning	Annually	Entrusted third-party professional IT vendors to conduct vulnerability scanning; a total of 3 executions were performed in 2025
	APP Source Code Testing	Annually	Entrusted third-party professional IT vendors to conduct APP source code testing
	ISO 27001:2022 Audit	Annually	Completed third-party verification in December 2025

Information Security Incident Management Process



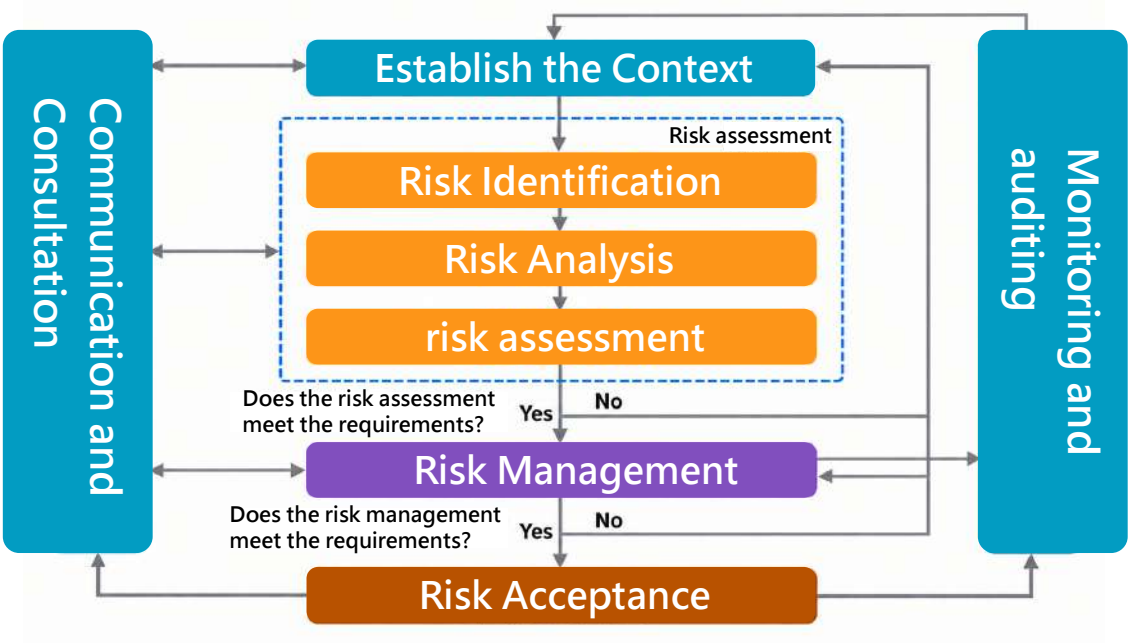
Note 1: Information Department personnel take turns serving as the "Information Security Incident Notification and Response Contact Window".
Note 2: Major information security anomalies are defined as those that impact the company's reputation or disrupt normal business operations for more than 8 hours.

Description of Information Security Violations of Hotai Finance Over the Past Three Years

Item	2023	2024	2025
Number of significant information security incidents	0	0	0
Number of violations involving customer privacy	0	0	0
Number of customers affected by information leaks	0	0	0
Total amount of fines/penalties paid due to information security incidents	0	0	0

Note: Data for 2023 covers Hotai Finance on an individual entity basis, while from 2024 to 2025 onwards, the reporting scope includes consolidated subsidiaries.

Information Security Risk Management Process



Regular Risk Assessment Operations

Hotai Finance regularly reviews information asset risks in accordance with the ISO 27001 information security risk management process under the ISMS framework, formulates information asset risk treatment plans, and reviews and improves upon 1 "high" risk level.

Regular Review of Information Security Vulnerabilities

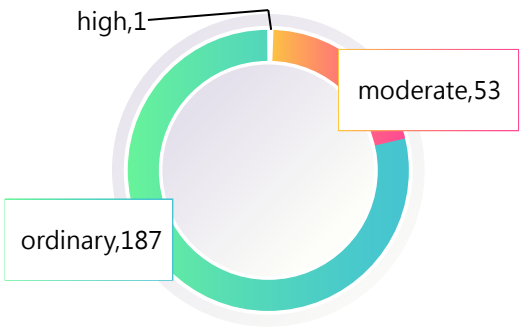
To strengthen the depth and breadth of all systems and information security within the individual entity of Hotai Finance, the company commissioned a third-party information security consulting firm to perform vulnerability scanning tasks, comprehensively assess information system vulnerabilities and overall information security risk levels, conducting a total of 3 vulnerability scans in 2025.

Internal Information Security Audits

To ensure the secure and normal operation of overall information systems and operations, Hotai Finance conducts regular internal audit operations led by the Information Department every month, targeting post-launch verification of system mechanisms and requirements as well as information security risks to ensure normal operation. With varying levels of audit mechanisms and operational methods, different audit themes are planned annually based on the "Personal Computer Information Security Checklist." Dedicated personnel are then assigned by the Information Department to randomly inspect 10% to 20% of the company's personal computers. Following the audits, defect rates across departments are compiled, and the annual information security audit report along with relevant improvement measures are prepared.

Information Asset Assessment Results and Risk Treatment Plan

In 2025, a risk assessment was conducted on information assets, identifying a total of 241 vulnerabilities and their corresponding threats, categorized by risk level as 1 "high," 53 "medium," and 187 "low" (or normal). External audits found no significant information security deficiencies impacting financial reporting.



Unacceptable high-risk item "Core Network Primary Firewall": High risk due to equipment being in service for many years. To address this high-risk item, Hotai Finance has completed system updates to ensure the security of the operational environment.

Enhancing Information Security and Personal Data Protection Awareness Among All Employees

Hotai Finance lists personal data protection courses and information security courses as mandatory training for employees, reinforcing their emphasis on information security through course content. Failure to complete the courses within the designated timeframe will be factored into the annual performance appraisal. In 2025, Hotai Finance provided 1 course for employees to study, with a total of 1,137 attendees completing the information security education and training course. In 2025, Hotai Finance provided 3 courses for employees to study, with a total of 3,407 attendees completing education and training courses on personal data, information security, and phishing email prevention.

2.5.2 Personal Data Security Protection

Hotai Finance designates the "Planning Department" as the dedicated department for promoting personal data management, establishing the "Personal Data Affairs Office." The Personal Data Management Policy has been formulated and approved by the Board of Directors, applying to stakeholders such as full-time employees, contract employees, part-time employees, and outsourced vendors of the Company (including subsidiaries). Furthermore, operational guidelines such as the Personal Data File Security Management Regulations, Personal Data Collection, Processing, and Utilization Management Regulations, and Outsourced Vendor Personal Data Security Management Operational Regulations have been established, alongside the implementation of firewalls to prevent personal data breaches or misuse, thereby enforcing personal data security management. In 2025, the Personal Data Affairs Office of Hotai Finance convened a total of 1 meeting, and there were no incidents of violating the Personal Data Protection Act or leaking customer information throughout the year.

Personal Data Management Policy

Personal Data Security Protection Management Mechanism

Department		Roles and Responsibilities
Board of Directors Sustainability Committee		• Supervisory role: Reviews the implementation status of personal data management policies and plans, and reports annual execution results to the Board of Directors and the Sustainability Committee. • The annual execution status of personal data security protection was reported to the Sustainability Committee and the Board of Directors on December 11, 2025.
Personal Data Affairs Office Note	Head of the Office Head of Planning Department	Responsible for adjudicating various issues within the Office, as well as overseeing personal data security policies and resource allocation.
	Secretary-General	Responsible for recording the meetings of the Personal Data Affairs Office, serving as the communication bridge among various departments, and planning and promoting various personal data security-related activities within the company.
	Standing Committee	• Risk Management: Executes personal data risk assessment and management procedures. • Incident Management: Responsible for personal data inventory and provision, serves as the execution and communication window for related affairs, and plans and promotes company-wide personal data security-related activities.
	Emergency Response Team	Responsible for emergency response and handling personal data breach incidents to prevent the expansion of damage.
Internal Audit Team		Integration of personal data protection management into the internal control system

Note: Under the Personal Data Affairs Office of Hotai Finance, there are 6 standing task forces—Planning, Customer Service, Credit Review, Collection Management, Human Resources, and Information Technology—along with 1 ad-hoc task force, the Emergency Response Team.

Internally: Strengthen management and control of authority

- Dedicated personnel management mechanism: Each department has a dedicated personal data management specialist, and annual review meetings are held to dynamically optimize management practices and close security gaps.
- Strict access restrictions: The "principle of least privilege" is implemented, allowing only authorized personnel to access personal data, and storing personal data on unencrypted portable devices is prohibited to ensure information is not leaked.

Outsourcing: Carefully Selecting Partners and Adhering to Standards

- Cybersecurity standard thresholds: For outsourced entities involved in personal data processing and access (such as data centers and hardware maintenance providers), ISO 27001 information security management system certification is mandatory.
- Compliance Supervision and Management: Through contractual and certification requirements, ensure that the information security quality of outsourced partners is aligned with the company's internal standards, implementing end-to-end privacy protection.

Key Projects for Personal Data Protection

Key projects	Purpose and Benefits	Implementation results by 2025
Regularly conduct personal data and file inventory checks.	Each unit must have a clear understanding of the sensitive customer information in the business processes, how it is used, and the retention period.	On May 28, 2025, an inventory of "Personal Data Files" was conducted to update the current status of personal data held by each unit.
Annual internal access control system inventory	Implement personnel system access control to ensure that personnel in each department use customer personal data with the minimum required permissions.	Two internal access control audits were completed in 2025.
The company conducts employee personal data protection training every year.	All employees must undergo "personal data protection training" annually to strengthen each employee's awareness of personal data protection and maintain a high level of sensitivity.	One course was conducted, with a total of 1,080 participants completing the course and accumulating a total of 324 hours of reading time.
Regularly conduct drills for responding to personal data infringement incidents.	When simulating a customer data breach, can the system quickly retrieve relevant customer data usage records to determine potential clues and reasons for the breach, thereby improving the ability to respond to real data breaches in the future	One Personal Data Infringement Incident Response Drill was conducted in 2025.
Zero Tolerance for Personal Data Protection Violations	Any employee of this company or its subsidiaries who violates the "Personal Data Protection Management Policy" or otherwise infringes upon the rights of the parties involved shall be punished according to the severity of the offense, along with the relevant supervisor, in accordance with the company's code of conduct and relevant regulations.	No violations were found in 2025.

3 Customer Value

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Material Topic Management

GRI 2-23、2-24、2-25、2-26、3-3

Material Topics
Customer Rights and Services

International Frameworks and Indicators
Custom themes
SASB Customer Privacy

Definition

Hotai Finance protects customer rights and avoids consumer disputes by establishing comprehensive customer service channels, feedback mechanisms, and increasing product information transparency. Evaluation indicators include customer service training and customer complaint resolution rates.

Policy Commitment

- Continuously promote digitalization and improve service quality.
- The "Principle of Fair Treatment of Customers" was established, and a comprehensive customer complaint mechanism was set up. In accordance with the "Standard Operating Procedures for Handling Customer Complaints," cases were classified and handled by designated personnel who continuously tracked the progress of each case.
- Improve consumer protection mechanisms, including personal data protection, customer complaints and disputes, customer financial risk warning and debt settlement mechanisms, and ensuring that marketing and advertising are free of false, misleading, or deceptive information.

Strategy

As consumers become more safety-conscious, the government is gradually expanding regulations on the financial leasing industry to protect consumer rights. The government continues to build and improve communication channels and product risk management mechanisms to protect customer interests, gain market trust, and avoid government penalties.

Risk Management

Through standardized customer complaint handling mechanisms and customer satisfaction surveys, we proactively identify and mitigate reputational risks, establish a cybersecurity system to protect customer privacy, and continuously optimize digital service processes to ensure customer rights are protected.

Management Actions	Performance indicators	2025 Performance Tracking	Overview of Achievements	Short-term goals	Medium and long-term goals
Implement customer complaint handling procedures and management	Major customer complaints	100% of cases filed and tracked	✓	• 100% of major customer complaints filed and tracked • Analyze common customer complaints and implement systematic improvements.	• Provide a full response to customer complaints and optimize and improve business execution.
OJT Education and Training	Course completion	100%	✓	• Online courses / 100% attendance rate • Implement standard customer service response scripts	

Stakeholder groups	Engagement Channels	Engagement Outcomes
Corporate/ Individual Customers	• LINE Mobile Customer Service / Irregular • Official website information disclosure / Irregular	• No customer data breaches occurred in 2025. • Customer satisfaction among vehicle installment customers reached 4.8 points.
media	• Issue press releases or respond to media inquiries / Occasionally • Network inspection/irregular	Conduct online inspections to report fake news on social media and prevent customers from being misled by false information.

3.1 Sustainable and Inclusive Services

Hotai Finance's core products include vehicle, equipment, and merchandise installment financing, as well as leasing services that provide enterprises with financing for required equipment, semi-finished goods, or raw materials. By offering flexible installment payment plans, the company enables customers to enjoy greater financial flexibility, thereby advancing social justice and responding to sustainable development.

3.1.1Financial Inclusion

The United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) points out that "financial inclusion is a driver of economic growth, job creation, and social development," highlighting the critical role financial services play in the process of societal development. Responding to United Nations Sustainable Development Goal 8 (SDG 8: Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), Hotai Finance actively implements financial inclusion and is committed to launching diverse financial products and services tailored to the needs of different groups and targets.

Financial Service Convenience	Fairness of Financial Services	Availability of Financial Services
• SME Financing • Taxi Financing Program	• Treating Customers Fairly Principles • Financial Literacy Promotion	• Financial Friendly Services • Digital Accessibility and Convenience

Financial Inclusion Policy

Financial Service Usability - Providing Convenient Personal and SME Financing Services

To serve small and medium-sized enterprises (SMEs) that face greater difficulty in securing bank resources—particularly in sectors such as healthcare, construction machinery, and machine tools—Hotai Finance has established "Direct-Approval Projects." Utilizing streamlined and expedited loan approval workflows, these projects deliver services closely aligned with business owners' needs, supporting SMEs in achieving stable operations and turning their aspirations into reality during rapid growth.

Hotai Finance's Financial Inclusion Performance over the Past Three Years

Target Customer Group	Year	2023	2024	2025
SMEs	Number of New Cases	3,529	3,943	4,003
	Total Contract Amount (NT$100 million)	122.96	158.18	131.2
	Non-Performing Loan Ratio	0.39%	0.74%	0.44%

Note 1: According to the definition established by the Ministry of Economic Affairs (MOEA), SMEs refer to enterprises with a paid-in capital or investment amount of NT$100 million or less, or those regularly employing fewer than 200 workers.
Note 2: Non-Performing Loan Ratio (NPL Ratio) = Amount of Non-Performing Loans / Total Portfolio Amount. Asset quality has remained sound over the past three years, with NPL ratios consistently below 1%.

Financial Inclusion Performance of Subsidiaries over the Past Two Years

Target Customer Group SMEs	Subsidiaries	2024			2025		
		HE JING CO., LTD.	HOTAI FINANCE DEVELOPMENT CO., LTD.	Heyun International Leasing Co., Ltd.	HE JING CO., LTD.	HOTAI FINANCE DEVELOPMENT CO., LTD.	Heyun International Leasing Co., Ltd.
SMEs	Number of New Cases	2,658	267	19,657	4,002	560	14,812
	Total Contract Amount (NT$100 million)	85.54	57.78	374.1	125.66	122.12	276.3

Note 1: Starting from 2024, Hotai's sustainability report has incorporated information from its subsidiaries; therefore, data collection begins in 2024.
Note 2: According to the definition established by the Ministry of Economic Affairs (MOEA) of Taiwan, SMEs refer to enterprises with a paid-in capital or investment amount of NT$100 million or less, or those regularly employing fewer than 200 workers. Hotai Greater China (Heyun International) defines SMEs in accordance with the Chinese government's criteria as enterprises with a paid-in capital or investment amount of RMB 400 million or less, or those regularly employing fewer than 1,000 workers.
Note 3: All monetary amounts are denominated in New Taiwan Dollars (NTD). The transaction amounts of Hotai Greater China (Heyun International) were converted based on the exchange rate announced by Bank of Taiwan on December 31, 2025, at an exchange rate of RMB 1 to NT$4.48.

Fairness of Financial Services — Implementing Treating Customers Fairly Principles and Enhancing Public Financial Literacy

Guided by the business philosophy of "Customer First, Professionalism at Core," Hotai Finance is committed to delivering high-quality services and products to meet customer needs and expectations. To safeguard consumer rights and interests, Hotai Finance has not only established the "Treating Customers Fairly Principles" but has also signed the "Buy Now Pay Later (BNPL) Self-Regulatory Code," aiming to establish a secure transaction environment that ensures consumer peace of mind and trust during shopping.

Amid the rise of fraudulent incidents in recent years, Hotai Finance has actively engaged in communication and dialogue with consumers by integrating self-media platforms, including its official website, LINE@ account, and fan pages. By compiling common fraud methods, Hotai Finance seeks to enhance consumers' financial literacy, strengthen their self-defense awareness, and reduce the occurrence of fraud incidents.








category	Fake website of our company	Fake social media websites of our company	Fraudulent Text Messages Impersonating Our Company	Impersonating our company's sales staff
Technique	The website is a clone, with keywords similar to the official website.	Inducing users to click on links to add friends	Click the URL and enter the verification information.	Providing fake business cards and ID cards
Purpose	Lure people to fake websites to steal their personal information.	Claiming to guarantee successful application and charging a processing fee	Credit card fraud and account misuse	Fraudulently obtaining personal information or bank cards
Avoidance methods	Do not click links from unknown sources.	Do not hand over your bank card, PIN, passbook, or signature.	Do not click on links in unknown text messages.	Verify with our company or apply directly on our official website.

Accessibility of Financial Services — Creating a Friendly Financial Service Environment

Hotai Finance views "accessibility" as a key driver of socio-economic development. We actively promote digital transformation, establishing a comprehensive digital integration platform spanning loan submission, contracting, and disbursement applications, while introducing automated screening bots to provide customers with an accessible, convenient, and efficient service experience.

To serve remote areas and mobility-impaired groups, we significantly enhance operational efficiency through the "Smart Mobile Office" and artificial intelligence technologies. In addition to equipping 100% of our personnel with iPads for mobile operations, we have developed diverse digital app tools to strengthen sales representatives' service mobility, ensuring that financial services transcend geographical limitations and fulfill the value of financial inclusion.

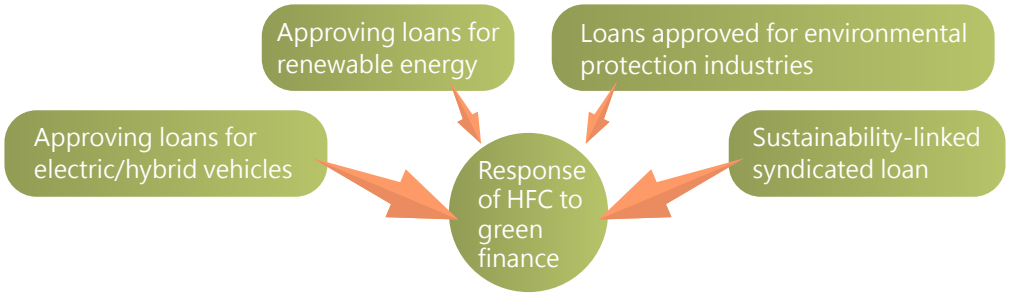
Digital Tools		Target Audience	2025 Performance
EZ Loan+	Offers installment payment products covering new and used cars of all brands, fulfilling all customer vehicle financing needs while eliminating the time required for traditional paper applications, contract preparation, and physical delivery.	Vehicle Financing Customers	Implemented across 17 service locations island-wide, with a total of 303 sales representatives equipped with iPads. The mobile office service coverage reaches 100% across Taiwan.
E-Loan App	Provides online loan verification services to customers, reducing customer travel costs and enhancing operational efficiency.	Customers in Remote Areas	Coverage extends across all 22 cities and counties in Taiwan, with a total of 15,644 cases processed via online loan verification.
Pay4U APP	Designed to help fresh graduates—who often face difficulties applying for credit cards and installment purchases due to a lack of established credit history—achieve their dreams and pursue personal growth without financial constraints by providing the Pay4U digital platform.	New Entrants to the Workforce	Registered members of the service exceeded 120,000. Annual online application ratio reached 80.8%. Cumulative Pay4U members increased by 131.7% compared to the previous year.

3.1.2 Sustainable Finance

The World Economic Forum (WEF) pointed out in the Global Risks Report 2025 that risks such as extreme weather and biodiversity loss pose challenges to the future operating environment of enterprises, necessitating a transformation or reimagining of financial models toward commercial decisions driven by green mutual prosperity and environmental sustainability. Hotai Finance officially had its "Sustainable Finance Policy" approved by the Board of Directors in 2024, committing to leverage its core business to support public and social sustainable transformation.

Sustainable Finance Policy

Hotai Finance actively responds to the government's "Taiwan's 2050 Net-Zero Emissions Pathway" as well as SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action) by launching "Green Financing Products" tailored for electric vehicles, electric motorcycles, and the renewable energy industry, thereby committing to balancing corporate operations with environmental sustainability.



Transaction Amount for Electric and Hybrid Vehicles

Year	2023		2024		2025		Growth Rate of Approved Amount Compared to 2024
Category	Approved (Cases)	Approved Amount (NT$100 million)	Approved (Cases)	Approved Amount (NT$100 million)	Approved (Cases)	Approved Amount (NT$100 million)	
Electric Vehicles	1,030	18.75	1,560	25.8	2,027	29.39	14%
Hybrid Electric Vehicles	15,084	135.94	19,799	190.5	20,135	189.5	-1%
Electric Motorcycles	6,625	10.98	3,889	5.5	542	0.49	-91%
Subtotal	22,739	165.67	25,248	221.8	22,704	219.39	-1%

In response to the demand for emerging technologies and equipment, Hotai Finance provides equipment installment financing to customers in environmental protection-related industries who face difficulties in securing capital, addressing their needs for equipment acquisition and timely pairing it with working capital to enable them to smoothly undertake projects, thereby promoting the development of the environmental protection industry. Examples include the pollution remediation industry and the recycled materials wholesale industry.

Hotai Finance's Transaction Amounts for Environmental Protection and Renewable Energy Industries over the Past 3 Years

Environmental Protection Industry	2023	2024	2025
Pollution Remediation Industry	2.40	-	0.014
Recycled Materials Wholesale Industry	0.40	0.55	1.48
Renewable Energy Industry	1.17	1.06	0
Subtotal	3.97	1.61	1.494

Unit: hundreds of millions of NTD

Note: The identification criteria for the environmental protection and renewable energy industries follow the business registration data from the Department of Commerce, Ministry of Economic Affairs (MOEA).

Sustainable Finance Transaction Amounts of Subsidiaries over the Past 2 Years

Unit: hundreds of millions of NTD

Subsidiaries		2024			2025		
		HE JING CO., LTD.	HOTAI FINANCE DEVELOPMENT CO., LTD.	Heyun International Leasing Co., Ltd.	HE JING CO., LTD.	HOTAI FINANCE DEVELOPMENT CO., LTD.	Heyun International Leasing Co., Ltd.
Environmental Protection Industry	Pollution Remediation Industry	-	0.3	0.16	-	0.99	-
	Recycled Materials Wholesale Industry	0.18	0.39	0.8	0.2	0.43	0.27
	Renewable Energy Industry	-	0.51	21.90	3	0.82	30
Eco-Friendly Vehicles	Electric Vehicles	-	-	39.78	-	-	31.82
	Hybrid Electric Vehicles	0.07	-	19.89	-	-	22.3
	Electric Motorcycles	-	-	-	-	-	-
Subtotal		0.25	1.2	82.53	3.2	2.24	84.39

Note 1: Starting from 2024, Hotai Finance's sustainability report has incorporated information from its subsidiaries, and therefore data has been compiled starting from 2024. As the main product offerings vary among subsidiaries, the primary sustainable finance products handled also differ.
Note 2: All amounts are denominated in New Taiwan Dollars (NTD). The transaction amounts for Heyun International Leasing are converted based on the exchange rate announced by Bank of Taiwan on December 31, 2025 (RMB 1 = NT$4.48).

Sustainable-Linked Syndicated Loans

Enterprises must engage a broader range of stakeholders to create change hand in hand. Hotai Finance actively responds to and promotes sustainable finance by "connecting different stakeholders within the value chain," linking both capital acquisition and utilization directly to ESG. Through collaborative agreements with banks on sustainability-linked loans, Hotai Finance and its subsidiaries have accumulated NT$91.65 billion in participating sustainability-linked loans since 2021.Hotai Finance's latest sustainability-linked loan is the 3-year, NT$13.25 billion "Hotai Finance Sustainability-Linked Syndicated Credit Facility," signed with a domestic banking syndicate on August 27, 2025. Co-lead managed by CTBC Bank, the facility saw participation from a total of 20 domestic financial institutions and was ultimately closed at NT$13.25 billion, achieving an oversubscription rate of 132.5%. This demonstrates the high recognition from financial institutions regarding Hotai Finance's strategic direction of integrating operations with sustainability goals. This experience in co-creating sustainability has also been extended to its subsidiary (HE JING) and overseas business locations (Heyun International Leasing).

In addition to maintaining current business operations, the funds acquired through sustainability-linked loans will be used to support green development and tied to several key sustainability performance indicators (KPIs). These include performance in low-carbon vehicle financing, inclusion as a constituent stock in ESG indices, the publishing of sustainability reports, and green energy development. By actively responding to sustainable finance initiatives, Hotai Finance drives the industry toward the goal of sustainable mutual prosperity.

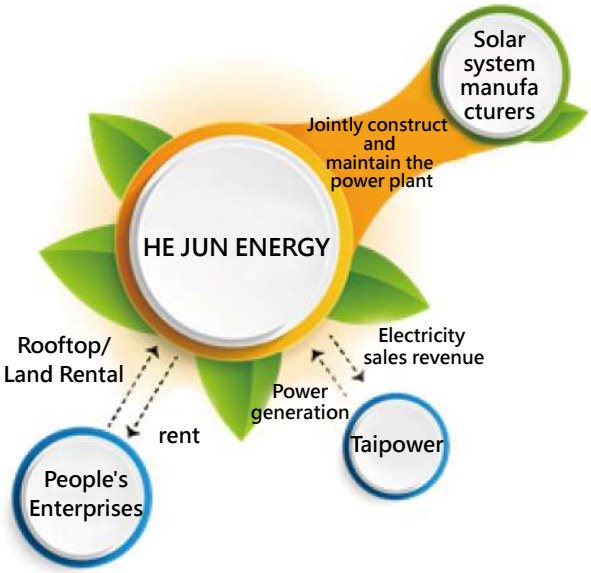
3.2 Sustainable and Clean Investment

HE JUN ENERGY, a subsidiary of Hotai Finance, adheres to three core directions—"prioritizing energy generation, accelerating energy storage, and advancing EV charging and electricity retailing in parallel." It is dedicated to the comprehensive development of green energy businesses encompassing power generation, energy storage, and charging, providing various green energy solutions to make every effort toward environmental sustainability.

2025 Performance on Sustainable and Clean Investment

Energy Generation

HE JUN ENERGY plays a crucial supporting role in the solar energy supply chain through green energy investment. By leasing suitable spaces and matching them with system contractors, it participates in the construction of solar power plants while providing reasonable compensation to lessors, offering stakeholders a sustainable solution that satisfies both environmental sustainability and economic development. Since its establishment, HE JUN ENERGY has continuously increased its investments in power plants, with its portfolio spanning three types of installations: ground-mounted, floating, and rooftop. As of December 31, 2025, it has built and acquired 372 grid-connected power plants; additionally, there are 127 contracted or under-construction sites, bringing the total capacity to over 187.9 MW.



2025 performance

- There are 372 grid-connected solar power projects, totaling 106.7MW of installed capacity.
- The carbon reduction benefit is approximately 62,210 metric tons of CO_2e per year.

Energy consumption

In response to the goals of the "Taiwan 2050 Net-Zero Emissions Pathway and Strategy," and to address the "range anxiety" felt by consumers when purchasing electric vehicles, HE JUN ENERGY ventured into the "charging station business" in 2023, establishing the EVRun brand to provide 24/7 charging services for various electric vehicle owners. For example, a 30-minute charge for a Lexus RZ450e can provide 80% battery power, allowing for approximately 360 kilometers of driving range under WLTP testing standards. By the end of 2025, He Jun Energy had 150 charging piles in operation.

2025 performance

- 36 charging stations have been put into operation.
- The total number of charging piles has reached 150.



Energy storage

Energy storage plays a critical role in developing and building energy resilience. In response to government policies, as of December 31, 2025, HE JUN ENERGY has completed 2 energy storage systems with a total installed capacity of 6.6 MW, while another energy storage site is currently under construction. Meanwhile, the company actively participates in the electricity trading platform to provide frequency regulation ancillary services for Taiwan's power grid. To strengthen its operational and trading expertise, 6 employees have obtained professional qualifications for the electricity trading platform, making HE JUN ENERGY an integral part of Taiwan's stable power supply system.

2025 performance

- One energy storage system is under construction, and two systems have been commissioned.
- The installed capacity is 6.6MW.



Electricity sales

In 2023, He Jun Energy Co., Ltd. established its electricity retailing subsidiary,"Hejun Electricity Co., Ltd.", and obtained an electricity retailing license.In 2025, it continued to promote clean energy investment, primarily collaborating with two major electricity sales companies, Hsu Hsing and Sing Hsing Power, to transfer green electricity from Horun Power's projects, expanding the application of renewable energy. Furthermore, by 2025, Horun had completed the full transfer of green electricity from its own sites and simultaneously assisted the Hotai Group and its distributors (Kuo-Du, Kao-Du, Bei-Du, Lan-Yang, and Eastern Taiwan) in completing the transfer of green electricity, effectively implementing the Group's low-carbon operations. Through stable electricity sales cooperation and transfer mechanisms, Horun Power continues to deepen its clean energy investment results, supporting energy transition and sustainable development.

2025 performance

- Electricity sales and wheeling reached 20.8 million kWh.



3.3 Customer Rights and Services

GRI 2-26

To make customer communication more convenient, Hotai Finance has established diverse and multi-layered communication channels. Customers can communicate with us based on their convenience and promptly report various issues. Hotai Finance is online at all times to serve customers and resolve their difficulties.

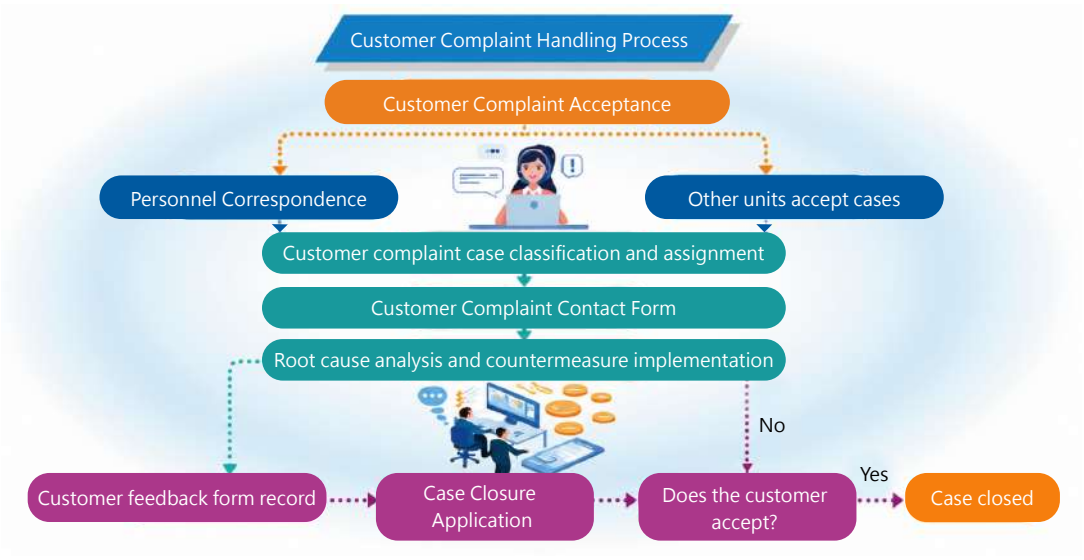
Communication Channels		2025 Customer Communication Performance
Telephone	Application：0800-365-365 Customer Service：(02) 2276-1511 Early Settlement：(02) 5599-9955	In 2025, a total of 150,747 telephone inquiries were handled through the telephone channel for customer applications, consultations, and early settlement-related matters. This ensured immediate responses to customer needs, assisted in problem clarification and resolution, and enhanced overall service efficiency and customer satisfaction.
LINE Text Customer Service	LINE ID: @hfcfinancecs	In 2025, real-time online consultation services were provided through LINE text customer service, alongside the continuous optimization of intelligent card interactive functions. Frequently asked questions and explanations of required application documents were provided via intelligent cards to help customers quickly obtain relevant information. This enabled the immediate resolution of routine inquiries, optimizing the overall service process and enhancing service capacity.
Loan Application Inquiry Stakeholder Email	https://www.hfcfinance.com.tw/ Communicating with relevant stakeholders through the investor email.	

Customer Complaint Processing Classification and Optimization

To address issues raised by customers, Hotai Finance has established the "Standard Operating Procedure for Customer Complaint Handling," managing complaint cases by severity levels—such as whether they involve legal issues, public opinion, or corporate image—into major customer complaint cases (Level A) or general customer complaint cases (Levels B and C). In addition to proactively contacting the units and individuals involved, initial response times for business offices are regulated based on different complaint levels, and the communication and handling process is recorded case-by-case to fully understand customer feedback and serve as the basis for Hotai Finance's continuous improvement.

Complaint Level		Business Office Initial Response Time
Major Customer Complaint	A	3 working days
General Customer Complaint	B	5 working days
	C	

Customer Complaint Handling Workflow



2025 Customer Complaint Handling Performance

Processing Days	A	B	C	Total	Proportion %
0–10 days	7	7	14	28	73.7%
11–20 days	0	1	0	1	2.6%
Over 20 days	1	3	5	9	23.7%
Total	8	11	19	38	100%

Note: Customer complaint categories include penalty fee disputes and interest rate disputes.

Upholding the spirit of "Customer First," Hotai Finance implements a high-efficiency customer complaint handling mechanism, ensuring that all cases handled in 2025 met the SOP time-limit requirements. Through tiered management, open cases are tracked regularly on a weekly basis, and the monthly average case closure days are reported to senior management. Among these, 35% of general cases (Levels B and C) were resolved ahead of schedule within 10 days.

We have established a comprehensive "feedback-to-action mechanism" to regularly compile and analyze complaint data, converting constructive customer feedback into practical service optimization actions and product R&D momentum. Throughout the handling process, we consistently adhere to a "people-oriented" approach, prioritizing the customer's perspective and providing solutions dedicated to resolving customer difficulties and fulfilling the core value of Treating Customers Fairly. A customer complaint case handled in 2025 exemplifies this approach:

Customer Complaint Case and Hotai Finance's Handling Explanation

Event Summary - Customer Experience

The borrower’ s father called the company to inquire about vehicle owner loan-related matters. Customer service personnel patiently explained the application process and provided the required document information. During the conversation, the father expressed a desire to help his son settle the loan early. However, upon learning that an early settlement incurs penalty fees and related charges, he felt financial pressure due to the high amount and hoped the company could provide assistance to alleviate his burden.
Subsequently, a customer service specialist proactively called to express care and further understand the background of the case. It was learned that the vehicle owner had entered into an installment purchase agreement after being misled by a friend, and had already filed a lawsuit regarding the relevant matters. The father also had another loan with the company that was being repaid normally. He expressed a willingness to bear a portion of the expenses according to his ability, but found it difficult to afford the full penalty fee, hoping the company could grant flexible assistance.

Company Response

After fully understanding the customer's circumstances, the Company, guided by empathy and corporate social responsibility, jointly assessed the case with management and the business office. It decided to grant a partial waiver of the penalty and related handling fees to reduce the lump-sum settlement amount, materially ease the family's financial burden, and balance the Company's risk management principles.

Embodiment of ESG Values

Environment (E): Although this case does not directly involve environmental issues, the company prioritizes digital communication and document provision in its operational processes, reducing the use of paper documents and implementing the concept of energy conservation and carbon reduction in daily operations.

Society (S): Upholding a customer-centric service spirit, the company actively listens to customer dilemmas and provides flexible assistance under the premise of compliance with regulations and internal control systems. This demonstrates care for vulnerable families or those facing sudden risks, practicing the company's positive impact and responsibility toward society.

Governance (G): The case handling process underwent prudent internal evaluation and supervisory approval to ensure decisions comply with corporate governance principles and risk control mechanisms, balancing humanized treatment within the institutional framework and implementing a transparent, compliant, and responsible governance spirit.

Customer Feedback

Subsequently, the customer's father expressed high appreciation for the understanding and assistance demonstrated by the company. The case was successfully closed under good communication and consensus, further enhancing the customer's trust and positive perception of the company.

Enhancing Service Quality





Hotai Finance conducts monthly on-the-job training (OJT) courses covering basic communication responses and role-playing to help personnel understand how to handle callers, quickly clarify customer issues, and provide timely responses, thereby continuously improving customer service quality.
Customer service colleagues also participate in scenario-based role-playing training to simulate Q&A strategies when interacting with customers, aiming to enhance customer satisfaction with staff responses and problem-solving efficiency. For special cases, irregular case-based training sessions are arranged to enable representatives to exchange and share experiences. In addition, because frontline customer service personnel face high work pressure and potential burnout, Hotai Finance organizes relaxation courses and activities for them—such as encouraging participation in club activities, sports classes (e.g., yoga), movie clubs, and singing clubs—promoting comprehensive physical, mental, and spiritual well-being.

Customer Satisfaction Survey

Hotai Finance conducts a regular quarterly after-sales customer care survey targeting "vehicle installment customers." By sending SMS questionnaires, the company gathers customer satisfaction and feedback regarding its services, subsequently compiling and categorizing all feedback for relevant units to serve as an important reference base for future service optimization.

Dimension	Goal	2023	2024	2025
Satisfaction with service personnel's explanation of installment program contents	>4	4.7	4.8	4.8
Overall service attitude of service personnel		4.7	4.8	4.8
Waiting time for vehicle installment approval		4.8	4.8	4.9
Overall service of the vehicle installment operation process		4.7	4.8	4.8
Overall Average Satisfaction		4.7	4.8	4.8

Note 1: Maximum score is 5 points.
Note 2: 6,000 post-service survey SMS messages are distributed quarterly to vehicle installment customers.

3.4 Digital Innovation Services

Focusing on user orientation and integrating diverse customer needs, Hotai Finance provides one-stop solutions covering service workflows such as payment, information inquiry, and data modification applications. This offers customers the most diversified and convenient service methods, sparing them the trouble of visiting service counters and traveling back and forth.

2025 Corporate Computer Leasing Project

Capitalizing on the trend of corporate digital transformation, Hotai Finance partnered with ASUSTeK Computer (ASUS) in May 2025 to launch the brand-new "Corporate Computer Leasing Project," tailoring an efficient and flexible computer equipment management solution for enterprises. Compared to traditional purchasing methods, the leasing model enables enterprises to flexibly adjust their capital structures, lower initial expenditures, and simultaneously enjoy the convenience of equipment upgrades and maintenance, alleviating IT management pressures and serving as a robust backing for corporate digital transformation.

All equipment is fully recycled by the ASUS Group and undergoes military-grade data wiping to ensure absolute enterprise information security. This initiative also enhances corporate ESG sustainability practices by realizing the concepts of the circular economy and green procurement.



2025 HFC Digital Innovation

Responding to the wave of artificial intelligence and digital transformation, Hotai Finance launched the "AI Empowerment Initiative" in 2025. Through top-down AI literacy cultivation and skill development, the company encourages back-office employees to drive digital innovation and integrate workflows with AI. By introducing and applying AI tools, operational efficiency is significantly enhanced.

Talent Empowerment and Exchange	Held 12 specialized workshops and presentation exchange events annually to deepen employees' digital literacy.
Project Implementation and Application	Successfully promoted 63 AI workflow improvement projects, covering core operations such as financial process automation, electronic document dispatch, and case data setup.
Operational Efficiency Optimization	Significantly reduced staff workloads through process automation. According to statistics, the projects collectively saved more than 10,000 working hours, substantially enhancing human resource allocation flexibility and market competitiveness.

Digital Environmental Sustainability: Paperless Processes Driving Low-Carbon Services

Hotai Finance deeply recognizes the symbiotic relationship between corporate operations and the natural environment, deeply integrating the concept of environmental sustainability into its core operational strategy. We are committed to treating "digitalization" as a core tool for practicing green management. While pursuing enhanced operational efficiency, we continuously promote comprehensive paperless transformations, creating a more convenient and low-carbon value experience for our customers.

Starting from customer needs, Hotai Finance has redesigned its core business processes and promoted an end-to-end digital workflow spanning front-end application intake, case review, and loan approval through mid- and back-office identity verification and contract signing, disbursement, and subsequent repayment. Systematic paperless operations substantially shorten the turnaround time for physical documents and manual processing, reduce paper waste and the carbon footprint of logistics, and accelerate case processing.

Building a Digital Ecosystem to Promote Financial Inclusion

Hotai Finance has developed the "e-Moving Office," integrating technological applications with diverse smart apps. This not only significantly enhances employee operational efficiency and convenience but also provides customers with swift, fast, and high-quality services, responding instantly to a wide range of needs.

Service Stage	Digital Tool	Service Content			2025 Performance
		Users	Usage Scenario	Benefits	Highlight Achievements
Customer Intake	EZ Loan App (Automotive Services)	Sales Personnel	Intake operations and disbursement applications	Meeting customers' vehicle financing needs while eliminating the time required for traditional paper application forms, contract creation, and physical transmission	• Saved approximately 963,612 sheets of paper. • Deployed across 17 service locations island-wide, equipping 303 sales personnel with iPads. Mobile office service coverage reached 100% island-wide.
	Moto Loan App (Scooter Services)	Sales Personnel	• Intake: New scooter application intake, temporary application storage list, and supplementary document submission. • Case List: Review, case history, image browsing, approval notifications, and inquiry. • Report Management: Disbursement detail queries. • Document Tools: ID card return form generation.	Enhancing intake efficiency and enabling real-time tracking of case progress	• Saved 616,524 sheets of paper annually
	Pay4U (Consumer Finance Services)	Customers & Sales Personnel	• Provides customers with card-free installment services; customers can simply scan partner store barcodes and fill out information to complete transactions.	Offering the public diverse payment options while enabling effortless application and payment completion	• Saved approximately 53,334 sheets of paper. • Membership exceeded 120,000.
	Video Notarization	Customers & Sales Personnel	• Video Notarization: Appointment scheduling, online video notarization document confirmation, and vehicle inspection photo uploads. • Push Notifications: Ensures important information is never missed. • Case List: Real-time tracking of case progress.	Providing video notarization services to clients in remote areas, which not only lowers customer travel costs but also enhances service operational efficiency.	• Approximately 119,958 sheets of paper saved. • Services covered 22 counties and cities across Taiwan, with a total of 15,644 cases adopting online notarization in 2025.

Service Stage	Digital Tool	Service Content			2025 Performance
		Users	Usage Scenario	Benefits	Highlight Achievements
	Mobile Sign App	Sales Supervisors	• Mobile Office: Supervisors can sign off on documents anytime and anywhere, accelerating operational efficiency and increasing customer satisfaction.	Intake and disbursement are free from time and location constraints	• Saved approximately 442,291 sheets of paper
Disbursement Tracking	EZ Report (Performance Daily Report)	Sales Personnel	Report Digitization: Includes performance reports, order backlog, unreturned document bags, unperfected chattel mortgages, legal collection reports, and intake management.	Real-time tracking of sales performance and case status	• Saved approximately 4,368 sheets of paper
Payment and Customer Service	Easy Pay App / SMS / Email / LINE and other digital payment methods	Customers	Diverse and convenient payment methods, loan/payment information queries	Real-time tracking of case and payment status	• Saved approximately 670,940 sheets of paper. • App downloads reached 428,000.
	Official LINE Account		Providing personalized services through dedicated personnel assisting with application processing, personal data inquiries and updates, and payment notifications.		• Membership reached 543,287.
	Automatic Debit Service		Applying for automatic monthly bank account debits for installment payments, enabling customers to complete authorization and authentication via ATMs 24/7.	Preventing overdue payments while significantly shortening application processing time (reduced from 21 days to 1 day)	-
Channel Service Platform (Cross-Platform Integration Operations)		Partner Channels	Intake: New applications, document resubmissions. Case List: Review, case history, approval notifications, progress inquiries. Report Management: Querying intake and disbursement details.	Real-time tracking of application intake and disbursement status	• Saved approximately 31,952 sheets of paper. • Partnered with 25 channel partners
		Customers	Providing diverse digital payment methods	Reducing paper mailing and re-mailing operations to enhance operational efficiency	

4 Harmonious Workplace

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Material Topic Management

GRI 2-23、2-24、2-25、2-26、3-3

Material Topics
Human Rights and Labor-Management Relations

International Frameworks and Indicators
GRI 401: Employment

Definition

Hotai Finance is committed to safeguarding human rights and fostering an inclusive and respectful workplace for employees and its supply chain. It has established the Employee Code of Conduct and Human Rights Policy in accordance with the Universal Declaration of Human Rights to actively uphold its human rights commitments. Evaluation indicators include holding labor-management meetings and monitoring the diversity ratio of employees.

Policy Commitment

- Upholding Labor Laws and Human Rights Commitments: Established the Employee Code of Conduct and Human Rights Policy, aligning with international human rights frameworks such as the Universal Declaration of Human Rights, the United Nations Global Compact, and International Labour Organization (ILO) Conventions to create a fair, inclusive, and respectful workplace.
- Building a Zero-Discrimination and Safe Workplace: Issued the Written Statement on Prohibiting Unlawful Infringement and Threats.

Strategy

With the growing prevalence of international human rights awareness and increasingly rigorous labor regulations, operational risks arising from labor disputes or poor workplace environments are mitigated through relevant policies and labor-management dialogue.

Risk Management

By convening meetings and establishing diverse grievance channels, a two-way communication mechanism is established to identify potential labor-management conflicts. Training programs are implemented for key risk items to ensure compliance with human rights policies. Through the establishment of a transparent and respectful labor-management relationship, the social capital for sustainable corporate operations is deeply cultivated.

Management Actions	Performance Indicators	2025 Performance Tracking	Achievement Status	Short-term Goals	Mid- to Long-term Goals
Smooth Labor-Management Communication	Convene labor-management meetings	4 times	✓	Maintain an open communication platform between labor and management by holding regular labor-management meetings.	
Strengthen Human Rights Awareness	Human rights-related education and training	Reached 1,290 trainees with a total training duration of 344 hours	✓	Conduct annual human rights-related courses and track training effectiveness.	

Stakeholder Groups	Engagement Channels	Engagement Effectiveness
Employees	• Education and training / Irregular • Labor-management meetings / Irregular	Human rights-related training reached 1,290 trainees with a total of 344 training hours. Convened 4 labor-management meetings.
Corporate / Individual Customers	• Annual reports and sustainability reports / Annually • Official website / Irregular	Irregularly disclose human rights compliance status on the official website.

Material Topics

Talent Attraction and Retention

International Frameworks and Indicators

GRI 404 Training and Education
GRI 405 Diversity and Equal Opportunity

Definition

Hotai Finance provides employees with competency development and benefit mechanisms, ensuring diverse development and equal opportunities. This helps enhance human capital and corporate competitiveness, falling under the opportunity dimension. Evaluation metrics include employee satisfaction surveys and employee education and training.

Policy Commitment

- Competitive Remuneration: Stipulated in Hotai Finance's Articles of Incorporation that a certain percentage of profits shall be allocated as employee compensation.
- Diverse Benefits: Established the "Employee Welfare Committee" to plan diverse benefits and enhance employee satisfaction.
- Value Talent Development: Established the "Training and Development Committee" to plan and develop comprehensive training mechanisms.

Strategy

Continuously expand diverse benefits and establish a comprehensive talent development mechanism to achieve the synergistic effects of recruiting, nurturing, and retaining talent in a highly competitive labor market, thereby maintaining corporate competitiveness.

Risk Management

Annually evaluate remuneration and benefit policies to ensure compensation competitiveness for attracting top talent, strengthen employees' professional resilience through training, and periodically conduct employee satisfaction surveys to ensure the organization retains a continuous capacity for innovation.

Management Actions	Performance Indicators	2025 Performance Tracking	Achievement Status	Short-term Goals	Mid- to Long-term Goals
Building a Happy Workplace	Employee satisfaction survey	1 time	✓	Plan to establish an employee care team	Maintain satisfaction > 4
	Wedding and Childbirth Subsidies	Wedding gift increased to NT$10,000, childbirth subsidy increased to NT$8,000 per child	✓		
Enhancing Employee Training Effectiveness	Average employee training hours	11 hours	✓	Improve training quality	Increase completion rate and strengthen the company's human capital
Employee Performance Evaluation	Annual evaluation rate, internal transfer rate	• Annual evaluation rate: 100% • internal job rotation rate: 12%	✓	• Regularly implement job rotations and performance evaluations. • Maintain an annual evaluation rate of 100%.	

Stakeholder Groups	Engagement Channels	Engagement Effectiveness
Shareholders	• Management education and training / Irregular • Annual reports and sustainability reports / Annually • Official website / Irregular	Completed the annual management co-learning camp, with a total of 304 participants.
Employees	• Employee satisfaction survey / Annually • Post-training satisfaction survey / Irregular • Employee newsletter / Monthly • Education and training / Irregular • Labor-management meetings / Irregular • Employee Welfare Committee / Irregular	2025 employee satisfaction survey response rate reached 100%.

4.1 Talent Attraction, Remuneration, and Benefits

In response to industry shifts and labor shortages in the post-pandemic era, Hotai Finance remains committed to building a comprehensive and happy workplace environment for its employees. Through sound human resources policies, a secure employment environment, well-established training systems, and communication channels—along with market-competitive salaries, year-end bonuses, profit-sharing bonuses, and diversified incentive awards—the average annual salary of employees exceeds 15 months.

In employee development, through a comprehensive job rotation system and career planning, employees are cultivated into versatile talents via education and training, as well as activities such as study groups and cross-departmental projects. Care and concern for employees are concretely implemented across every stage of "recruitment, selection, development, and retention."

4.1.1 Hiring Outstanding Talent

GRI 2-7、2-8、401-1

As of the end of 2025, Hotai Finance and its subsidiaries had a total of 2,008 employees. By gender, there were 933 male employees and 1,075 female employees. Compared to 2024, the total number of employees decreased by 8%, which was attributed to adjustments in workforce structuring.

Non-employee workers at Hotai Finance and its subsidiaries include IT resident personnel as well as outsourcing return personnel responsible for company document bag verification, document bag digital scanning, and customer data online setup, all of whom are contractors. In 2025, there were a total of 42 such individuals, resulting in an employee-to-non-employee ratio of approximately 98% to 2%. Detailed information regarding employee composition—such as gender, place of residence, ethnicity, and education level—is also fully disclosed in the employee-related data appendix of this report.

Year	2023	2024	2025
Number of Employees	1,183	2,189	2,008
Number of Non-Employee Workers	23	41	42

Note 1: The disclosure scope for 2023 covers Hotai Finance on an individual basis; the disclosure scope for 2024–2025 covers Hotai Finance and all subsidiaries.
Note 2: The non-employee headcount for 2024 was a data misstatement, which does not affect subsequent explanations.

Hotai Finance is committed to building a friendly working environment, continuously recruiting professional talent through public channels and providing employees with career development opportunities. As of the end of 2025, the new hire rate for Hotai Finance and its subsidiaries was 23.4%, and the turnover rate was 32.7%. Compared to the previous year, the overall new hire rate decreased by 3.1%, while the overall turnover rate increased by 0.7%, with personal career planning being the most common reason for departure.

Total Number and Rate of New Hires and Turnover

Year	2023	2024	2025
New Hires	349	579	469
Overall New Hire Rate	29.5%	26.4%	23.4%
Departing Employees	259	694	656
Overall Turnover Rate	21.9%	31.7%	32.7%

Note 1: The disclosure scope for 2023 covers Hotai Finance on an individual basis, with a total employee count of 1,183.
Note 2: Starting from 2024, the disclosure scope covers Hotai Finance and its subsidiaries, with a total employee count of 2,189 in 2024 and 2,008 in 2025.

For employee-related data, please refer to pages129of the Appendix.

Total Number of Departing Employees and Turnover Rate

2025	Region	Taiwan		Overseas	
	Category	Headcount	Percentage	Headcount	Percentage
Under 30 years old	Male	86	6.5%	15	2.2%
	Female	92	7.0%	8	1.2%
31–50 years old	Male	113	8.6%	12	1.7%
	Female	112	8.5%	3	0.4%
51 years old and above	Male	22	1.7%	0	0%
	Female	6	0.5%	0	0%
Overall New Hire Rate		431	32.7%	38	5.5%

Note 1: Taiwan includes 4 companies: Hotai Finance, HE JING, HE JUN ENERGY, and HOTAI FINANCE DEVELOPMENT with a total of 1,317 employees.
Note 2: Overseas includes Heyun International Leasing Co., Ltd., with a total of 691 employees.
Note 3: New hire rate (%) = Number of new hires in the current year / Total number of employees in the current year.

Total Number and Rate of Turnover Employees

Age	Region	2024 Taiwan		2025 Taiwan	
	Category	Headcount	Percentage	Headcount	Percentage
Under 30 years old	Male	53	4.17%	58	4.40%
	Female	81	6.37%	67	5.09%
31–50 years old	Male	77	6.05%	121	9.19%
	Female	145	11.40%	100	7.59%
51 years old and above	Male	9	0.71%	27	2.05%
	Female	10	0.79%	6	0.46%
Voluntary turnover rate (excluding retirement)		370	29.09%	369	28.02%
Involuntary turnover rate		2	0.16%	5	0.38%
Turnover rate (excluding retirements)		372	29.24%	374	28.39%
Overall turnover rate (including retirement)		375	29.48%	379	28.78%

age	area	2024 Overseas		2025 Overseas	
	Category	Headcount	Percentage	Headcount	Percentage
Under 30 years old	male	65	7.1%	64	9.3%
	female	30	3.3%	47	6.8%
31-50 years old	male	157	17.1%	109	15.8%
	female	63	6.9%	56	8.1%
51 years and older	male	4	0.4%	1	0.1%
	female	0	0%	0	0%
Voluntary turnover rate (excluding retirement)		147	16%	121	17.5%
Involuntary turnover rate		172	18.8%	156	22.5%
Overall turnover rate		319	34.8%	277	40%

Note 1: Taiwan includes 4 companies: Hotai Finance, HE JING, HE JUN ENERGY, and HOTAI FINANCE DEVELOPMENT with a total of 1,317 employees.
Note 2: Overseas includes Heyun International Leasing Co., Ltd., with a total of 691 employees.
Note 3: Turnover rate (%) = Number of departing employees in the current year / Total number of employees in the current year.

Hotai Finance recruit' s employees through an open selection process and actively engages and communicates with outstanding talent through diverse physical and online channels, allowing job seekers, recent graduates, and college students to gain a deeper understanding of Hotai Finance.

Channel	Description
Physical	• Actively participated in campus recruitment events at universities, hosting a total of 3 sessions in 2025. • Conducted internship programs and industry-academia collaborations as needed, with partner institutions including Yuan Ze University and National Taiwan University of Science and Technology.
Online	• Hotai Finance Recruitment Website：https://www.hfcfinance.com.tw/zh-tw/career • Social media platforms, including official Instagram account, LinkedIn network, and official Facebook page. • Job bank platform networks.

Hotai Finance provides equal employment opportunities regardless of gender, age, marital status, race, religion, or nationality. We actively implement workplace equality, offering employees fair competition and development opportunities to promote gender equality and workplace diversity. In addition, to safeguard the rights and interests of vulnerable workers, Hotai Finance actively employs indigenous peoples and individuals with physical and mental disabilities, offering them working opportunities, salaries, and benefits identical to those of general employees. As of the end of 2025, Hotai Finance had a cumulative total of 5 employees with physical and mental disabilities.

4.1.2 Providing Fair Remuneration

GRI 2-21、405-2

Competitive compensation and rewards are key factors in attracting top talent and motivating employees. Hotai Finance conducts an annual salary increase of 1% to 3% every September based on the consumer price index and individual performance.

On an individual entity basis in 2025, Hotai Finance recorded an average salary of NT$1.38 million and a median salary of NT$1.08 million for full-time employees who are not in managerial positions. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS) salary query platform, the average salary of Hotai Finance exceeds that of employees in the same category of "support services." The ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual) was 13.5 times, while the ratio of their respective salary growth rates was 2.7 times. The company will continue to monitor external environmental changes, steadily adjust its remuneration structure, and move toward sustainable operations.

Ratio of Annual Total Compensation for the Past 3 Years

Year	2023	2024	2025
Ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual)	12	12	13.5
Ratio of the percentage increase in annual total compensation for the highest-paid individual to the median percentage increase in annual total compensation for all other employees (excluding the highest-paid individual)	1.1	2.2 (Note 2)	2.7

The average monthly total compensation for employees in the support services industry in 2025 was NT$41,000.
The average monthly total compensation for Hotai Finance employees was NT$115,000.

Note 1: The scope of disclosure mainly focuses on individual companies within Hotai Finance.
Note 2: The rate of change of both the highest individual salary and the median employee salary in 2024 was negative. Therefore, the ratio obtained by dividing the two rates of change is positive and is only used as a reference for the magnitude of change.

Salary Information of Full-Time Employees Not in Managerial Positions for the Past 3 Years

Year	2023	2024	2025
Number of Full-Time Employees Not in Managerial Positions (Persons)	1,090	1,079	952
Average Salary of Full-Time Employees Not in Managerial Positions (NT$ thousand)	1,347	1,294	1,387
Median Salary of Full-Time Employees Not in Managerial Positions (NT$ thousand)	1,068	977	1,084

Note 1: The disclosure scope is based on the individual entity of Hotai Finance.
Note 2: Full-time employees not in managerial positions refer to employees who are not defined as managers under the Tai-Cai-Zheng-San-Zi No. 0920001301 Letter and whose working hours meet the normal working hours stipulated by the company.

Hotai Finance bases salary and remuneration on work performance, establishing an equal workplace environment to ensure that the employee salary structure is both market-competitive and fair, thereby attracting and retaining top talent. From 2023 to 2025, the male-to-female remuneration ratios for both managerial and non-managerial levels remained generally stable. Overall, the remuneration ratio for males was slightly higher than that for females, though the gap was minimal, demonstrating Hotai Finance's commitment to equal pay for equal work without significant gender-based disparities.

Male-to-Female Employee Remuneration and Compensation Ratios for the Past 3 Years

Job Level	Male-to-Female Ratio	2023	2024	2025
Managerial	Remuneration Gender Ratio	1.22	1.02	1.04
	Compensation Gender Ratio	1.14	1.05	0.98
Non-Managerial	Remuneration Gender Ratio	1.05	0.92	1.10
	Compensation Gender Ratio	1.11	1.16	1.21

Note 1: The disclosure scope is based on the individual entity of Hotai Finance.
Note 2: "Remuneration" refers to monthly salary; "compensation" refers to remuneration plus bonuses and rewards.
Note 3: For operational units, managerial positions are defined as department manager (director) level and above, while non-managerial positions are below department manager level. For internal administrative units, managerial positions are defined as section manager level and above, while non-managerial positions are below section manager level.

4.1.3 Providing Diverse Benefits

GRI 201-3、401-2、401-3、404-2

Driven by declining birth rates and automation, the labor market is undergoing a transformation. In addition to salary and compensation, enterprises must place greater emphasis on employee benefits and physical and mental health, supporting employee career development while promoting work-life balance. Hotai Finance established its Employee Welfare Committee in 2008, consisting of 10 members, including 1 ex-officio member appointed by the company, with the remaining 9 members elected by employees. The Welfare Committee holds regular meetings, convening a total of 4 meetings in 2025 to discuss topics such as holiday gifts, expenditures, event planning, and annual reviews, actively building a happy workplace to care for employee needs across all life stages.

Providing Diverse Benefits to Build a Happy Workplace

Diverse Cash Gifts	Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, and birthday cash gifts; scholarships and educational grants
Health Care	• Health Protection: Regular health check-ups, employee hospitalization subsidies and condolence money, regular environmental disinfection, and subsidies for participating in sports clubs (e.g., yoga club, sports and leisure club, softball club, badminton club, etc.) • Work-Life Balance: Birthday leave, volunteer leave, travel subsidies, travel reward bonuses, diverse club subsidies, and quarterly fixed meal allowances • Flexible Working Hours (applicable to certain employees)
Insurance	Labor insurance, health insurance, personal accident insurance, term life insurance, medical insurance, travel insurance, and contributions to the labor pension
Family Care	• Female Employees: Menstrual leave, maternity leave, prenatal check-up leave, parental leave, and clean, well-lit lactation rooms • Male Employees: Paternity leave and parental leave • Childbirth and wedding cash gifts, children's scholarships and educational grants, and family member hospitalization subsidies and condolence money
Work Incentives	• Model employee awards, language proficiency study subsidies, foreign language certification score rewards, AI application planner rewards, and AI promotion ambassador rewards • Long-Term Work Incentives: Employee stock ownership trust
Tenure Incentives	• Tenure Bonus: Senior employee awards granted upon reaching 25 years of service • Tenure Welfare Leave: 1 to 3 days of tenure welfare leave for employees with 3 or more years of seniority
Other Benefits	Vehicle purchase discounts, corporate group product discounts, etc.

Note: Benefit contents may vary depending on the company and department.

Employee Stock Ownership Trust

In the past, Hotai Finance offered 10% of its Class A and Class B preferred shares for employee subscription. Beginning in 2024, the company further implemented the "Employee Stock Ownership Trust." Through this trust mechanism, employees can voluntarily contribute a specified amount from their salaries, and the company provides a 1-to-1 matching incentive subsidy to regularly purchase company shares, enabling employees to become shareholders and share in the company's operational growth. Cumulative participation reached 84% of Hotai Finance employees by the end of 2025, further enhancing employee cohesion and alignment with the company.

Provision of Health Check-ups and Travel Subsidies

To safeguard the physical health of every employee and build a healthy workplace environment, Hotai Finance regularly conducts annual employee health check-ups and provides disease and medical subsidies. The check-up items cover general and special health examinations. In 2025, health check-up subsidies were provided to 646 employees, amounting to NT$3,781,800 in subsidies. In addition, employee travel subsidies are provided annually, and sales personnel who meet their competition targets are further rewarded with overseas group travel for employees and their families, enabling employees to balance their lives and safeguard their essential physical and mental health amidst busy work schedules.

Subsidized health check-ups for 646 employees
Total subsidy amount: NT$3,781,800

Family-friendly initiatives promote workplace inclusion

Hotai Finance provides a pro-family environment that safeguards the maternity needs and rights of pregnant and postpartum female employees, offering a comfortable, safe, and relaxing lactation room within the office environment. Furthermore, to alleviate the caregiving burden of employees with children, Hotai Finance provides childbirth cash gifts and children's scholarships and educational grants. In 2025, the number of applicants for childbirth cash gifts was 14, with a total disbursement of NT$106,000; the number of applicants for children's scholarships and educational grants was 1,050, with a total disbursement of NT$26,390,000.

Parental Leave Application and Return-to-Work Rate Statistics

Item	2023			2024			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees eligible for parental leave	41	27	68	51	41	92	28	23	51
Number of employees applying for parental leave	12	1	13	11	0	11	14	0	14
Number of employees due to return to work in the current year (A)	5	1	6	16	0	16	15	0	15
Number of employees returning to work in the current year (B)	3	0	3	12	0	12	12	0	12
Return-to-work rate (B/A)	60%	-	50%	75%	-	75%	80%	-	80%
Number of employees continuing to work for 1 year after returning to work in the previous year (C)	-	-	-	3	0	3	8	0	8
Number of employees returning to work in the previous year (D)	-	-	-	3	0	3	12	0	12
Retention rate (%) (C/D) Note 3	-	-	-	100%	-	100%	67%	-	67%

Note 1: The reporting boundary for 2023 covers Hotai Finance; the reporting boundary for 2024–2025 covers Hotai Finance, HE JING, HE JUN ENERGY and HOTAI FINANCE DEVELOPMENT.
Note 2: Return-to-work rate (%) = Number of employees returning to work in the current year (B) / Number of employees due to return to work in the current year (A).
Note 3: Retention rate (%) = Number of employees continuing to work for 1 year after returning to work in the previous year (C) / Number of employees returning to work in the previous year (D).
Note 4: Data on employees returning from parental leave began to be tracked in 2023; therefore, for 2023, the data for "Number of employees continuing to work for 1 year after returning to work in the previous year" and "Number of employees returning to work in the previous year" are not available.

Diverse Club Activities

Employees interact through their day-to-day work, and Hotai Finance encourages them to cultivate interests and strengthen collegial relationships during their leisure time, promoting cross-departmental social and personal interaction in informal settings. Clubs include badminton, yoga, singing, LOHAS, hiking, and film. Employee lounges are also provided in the workplace to help relieve work-related stress.

Protections upon Termination of Employment

In compliance with relevant laws and regulations such as the Labor Standards Act, the Labor Pension Act, and the Employment Insurance Act, comprehensive resignation and retirement policies have been established. Statutory notice periods and job-search leave are provided, and employees are connected with government employment counseling and vocational training resources.For employees who voluntarily resign, exit interviews are conducted to protect employee rights and serve as a reference for internal optimization.

Legal Basis	Labor Pension Act (New System)
Contribution Rate	6% of employees' monthly salary is contributed to their personal accounts as a labor pension reserve
Employee Participation Rate	100%
Conditions for Eligibility	Handled in accordance with relevant laws and regulations

4.2 Talent Development and Diversified Learning

GRI 404-1

Employees are the company's most important asset. Effectively planning and formulating education and training mechanisms while reviewing talent development effectiveness will create a competitive advantage for the enterprise. In 2025, the total employee training hours reached 21,577 hours, with an average training time of 10.75 hours per employee, and total resources invested in employee training reached NT$3.86 million.

2025 Training Effectiveness

Region	Employee Category	Managerial		Non-managerial		Subtotal
		Male	Female	Male	Female	
Taiwan	Total Training Hours (Hours)	2,150.3	804.5	5,333.5	7,291.7	15,580
	Total Number of Trainees (Persons)	115	43	464	695	1,317
	Average Training Hours (Hours/Person)	18.7	18.7	11.5	10.5	11.8
Overseas	Total Training Hours (Hours)	2,230	1,203	1,537	1,027	5,997
	Total Number of Trainees (Persons)	108	49	246	288	691
	Average Training Hours (Hours/Person)	20.65	24.55	6.25	3.57	8.68
Total	Total Training Hours (Hours)	4,380.3	2,007.5	6,870.5	8,318.7	21,577
	Total Number of Trainees (Persons)	223	92	710	983	2,008
	Average Training Hours (Hours/Person)	19.64	21.82	9.68	8.46	10.75

Note 1: Taiwan includes four companies: Hotai Finance, He Jing, He Jun Energy, and Hotai Finance Development.
Note 2: Overseas includes Heyun International Leasing Co., Ltd.
Note 3: In Taiwan, managerial positions for business units refer to department managers (and equivalent) and above; for internal administrative units, they refer to division heads (and equivalent) and above. Non-managerial positions refer to those below department managers for business units and below division heads for internal administrative units.
Note 4: Managerial positions at overseas branches hold approval authority, referring to division heads, business section managers, and above.

Human Capital ROI Over the Years

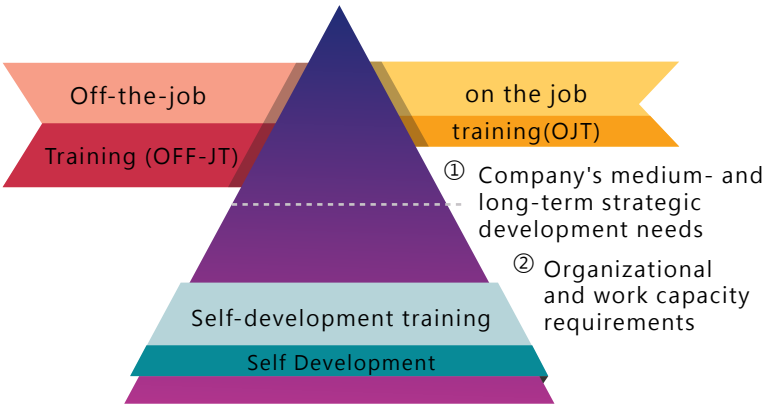
Indicator	2023	2024	2025
Human Capital ROI HCROI	596.78%	570.4%	569.4%

Note 1: Human Capital ROI (HCROI) = [Operating Revenue - (Operating Expenses - Employee Benefit Expenses)] / Employee Benefit Expenses

4.2.1 Comprehensive Training Resources

Investing in talent is investing in the company's future; Hotai Finance believes that employee growth drives corporate growth. In 2025, the company continued to provide relevant courses to employees across different job levels and departments, strengthening employees' workplace competitiveness and up-to-date working capabilities through these courses, enabling employees and supervisors to understand the competencies required for promotion and future areas for improvement.

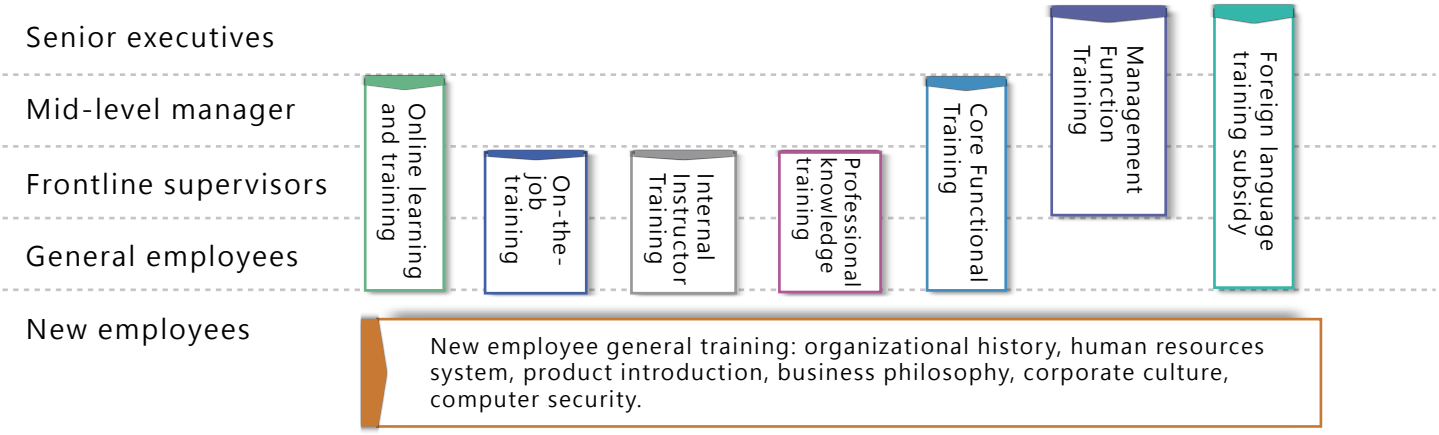
Integrating the company's mid-to-long-term strategic development needs, organizational and job competency requirements, and individual development needs, a diversified education and training system has been developed through three dimensions of training methods: On-the-Job Training (OJT), Off-the-Job Training (Off-JT), and Self-Development.



Based on the company's vision, we provide diverse learning channels and training resources, and have established "Key Points for the Implementation of In-Person Training," planning a comprehensive training and development plan and career development blueprint. We have developed functional training programs for colleagues at all levels, continuously launching programs such as sales manager development programs, high-potential talent development programs, and core corporate skills development programs.

Each year, we review the implementation of various education and training programs to make training courses more structured and interconnected, expand the training scope to all levels, and clarify education and training policies. We also continuously adjust and review course content, aiming to provide employees with a more complete learning map to build a talent pipeline at all levels.

Education and Training Career Development Functional Framework

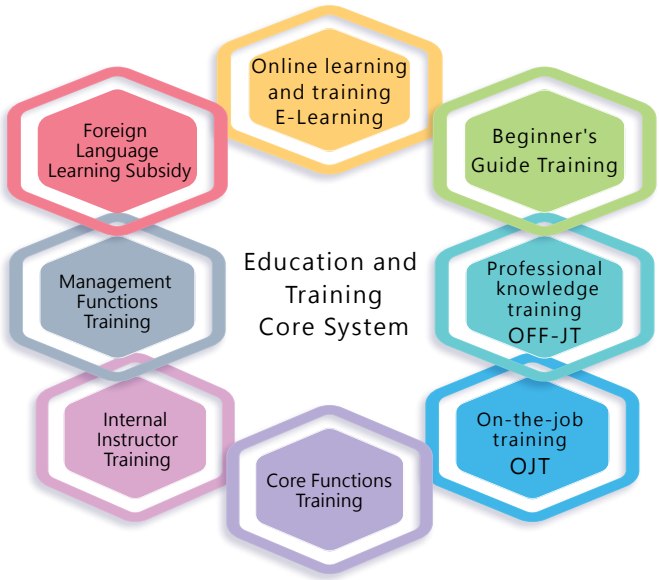


Newcomer Orientation Training

To help new employees onboard and integrate into Hotai Finance's corporate culture, online "Common Foundational Education and Training Courses" are planned. The content includes HR-related policies and dress code guidelines, computer and cybersecurity education, company introduction, Personal Data Protection Act, anti-corruption courses, basic knowledge of vehicle installment sales, introduction to vehicle installment products, contract and legal knowledge, application tools, operational processes, and more, providing different courses according to employee competency requirements. In 2025, a total of 1,826 participants underwent training, with total training hours reaching 905 hours. To enhance cross-departmental communication and interaction among colleagues, newcomer consensus camps are arranged every quarter, along with scheduled office visits to the headquarters and internal administrative departments to familiarize employees with working partners.

On-the-Job Training (OJT)

The OJT training system is comprehensively implemented. Each unit formulates annual OJT themes for the current year, where department supervisors and senior employees share and guide department colleagues and newcomers. Through practical operations and seminars, on-the-job education is conducted on daily work, necessary knowledge, and skills, alongside sharing practical work methodologies to cultivate unit colleagues and jointly strengthen their working capabilities.



Off-the-Job Training (Off-JT) Professional Knowledge Training

Based on the requirements of different positions, Hotai Finance provides internal and external in-person courses in relevant professional fields. These include AI-HR courses for training personnel; AI, RPA, information security, and big-data application courses; AZ-900 certification training for IT personnel; and core courses for internal auditors covering audit techniques, regulatory requirements, sustainability report assurance, and carbon inventory certification.

Core Competency Training

In addition to cultivating professional capabilities through training courses, soft skills are fostered, covering technical knowledge, communication skills, and problem-solving abilities. Through systematic training, colleagues' core competencies that they ought to know and be capable of are developed, comprehensively elevating required work attitudes or skills, thereby increasing work efficiency and quality, and strengthening employees' core workplace competitiveness.

Managerial Competency Training

Series of courses are designed targeting managerial competencies such as leadership and governance, subordinate training, organizational planning, strategic planning, and employee motivation. For instance, a two-year learning plan is designed for business supervisors to enhance their managerial competencies. In addition, the company values learning new knowledge, providing management books and magazines monthly and regularly organizing co-learning camps. The grandly held annual co-learning camp not only includes supervisors' professional knowledge and practical experience sharing, but also invites experts to conduct thematic lectures on trend issues, alongside diverse activities such as Team Building to increase interaction among supervisors and demonstrate the emphasis placed on supervisor development.

Foreign Language Study Subsidy

Beyond work-related professional courses, Hotai Finance also encourages every employee to actively learn English and Japanese to enhance foreign language proficiency, specially establishing a foreign language study subsidy measure to provide diverse learning channels and study subsidies, cultivating employees into international talents. Those who pass examinations meeting certain thresholds can also receive additional bonuses. From 2015 to 2025, the cumulative number of awarded participants has reached 81, and the total amount of bonuses disbursed has reached NT$1,410,000.

Abundant Online Courses

Hotai Finance provides employees with online learning education. Through "Hotai e-Learning", compulsory courses for general employees and supervisors are provided each quarter, along with four major MBA academies (Finance, Marketing, Business, Customer) and comprehensive general courses, offering employees diverse choices. Employees can also log in to learn using the exclusive APP, allowing learning to be free from the limitations of time and space.

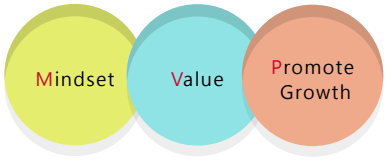
In 2025, aside from prescribing 1–2 compulsory courses for each job level and 2 core competency elective courses for general personnel each quarter, Hotai Finance updated courses annually and provided over 40 courses, enabling colleagues to select fields of interest for further development on the foundation of their work expertise. Colleagues also gave much positive feedback regarding the online course content, noting that the course contents are rich and interesting, bringing personal growth whether in work or life.

Professional Internal Trainer Cultivation

Enhancing personnel professional quality is a long-term management focus of the enterprise. Hotai Finance actively invests in cultivating employees to become internal seed trainers. As of the end of 2025, 81 internal seed trainers have been cultivated, planning internal instruction courses targeting business content, product introductions, success case sharing, and related information. Through mutual exchange, discussion, and the design of teaching materials with senior employees, colleagues are inspired to continuously grow in their professional fields, effectively passing down experience on the basis of knowledge management, and shaping an organizational learning culture.

4.2.2 Talent Development Highlight Programs

Hotai Finance promotes the MVP Talent Development Program to systematically cultivate talent with a global perspective and innovative thinking. The program focuses not on professional and leadership competency development alone, but also introduces professional talent cultivation mechanisms to enhance learning effectiveness and organizational competitiveness, ensuring that talent development is closely aligned with the company's sustainable business management goals.



Gamified Empowerment: Building Next-Generation Business Talents to Drive the Future

In the MVP Talent Development Program, business unit supervisors who shoulder the responsibility of organizational growth are key targets for cultivation. The curriculum integrates and outlines the "Five Key Competencies" spanning managerial and core competencies, and innovatively introduces the "Octalysis Framework of Gamification" learning engine. This subverts traditional training frameworks, shifting trainees' learning mindset from the passive "I am asked to learn" to the active pursuit of "I want to learn," stimulating autonomous growth and ensuring the effective transfer of training benefits. Courses mapped to competencies also translate trainees' classroom outputs into concrete practices that drive the organization forward.

Highlight Results	
Key Performance	Description
Percentage of trainees among all employees	• Business unit supervisors: 29 persons, accounting for 2.2%
Highlight performance	• "Supervisor interaction" scores showed stable, positive growth. • "Work morale" scores consistently maintained a high level of 4.65 points even during periods of change. • Average attendance rate reached as high as 97.8%. • Average satisfaction score reached as high as 4.76 points (out of 5 points).
1-year retention rate of trained talent	• Through precise competency-based training, the retention rate reached over 90%.

Supervisor Co-learning Camp

Along with organizational growth and expansion, Hotai Finance holds supervisor consensus camps to enhance the operational and management competencies of supervisors at the section manager level and above. Through the format of consensus camps, it not only jointly shapes the company's future development vision and direction, but also helps cultivate professional successors to achieve the goal of sustainable business management.
In 2025, the supervisor co-learning camp conducted in-depth discussions on financial statement numerical sensitivity and digital empowerment-driven innovative transformation. Through practical case analyses, key points of financial statement analysis were discussed to assess the company's stability, along with the feasibility of applying digital transformation trends to departments and teams. The number of training participants reached 304 person-times, with a course satisfaction score of 4.87 points.

All-Employee ESG Education and Training

ESG is a compulsory course for enterprises. To embed ESG into the DNA of every Hotai Finance employee, Hotai Finance arranged ESG trend briefings during the supervisor consensus camp to guide colleagues in reflecting on the significance of sustainability to Hotai Finance, while also connecting sustainability concepts with daily life experiences through interactive games. Since 2021, an all-employee "ESG Online Education and Training Course" has been planned to enable colleagues to understand sustainability and practice it in their daily routines. The course content also incorporates the sharing of Hotai Finance's sustainability actions, helping employees understand the company's various sustainability policies. In 2025, the course theme was "The Distance Between Us and Sustainability," showcasing the sustainable practices demonstrated by various company departments in daily operations. This provided colleagues with more inspiration regarding feasible actions and allowed them to genuinely perceive the cumulative results of daily sustainability actions, with the number of training participants reaching 1,244 person-times.

4.2.3Performance Appraisal and Rotation System

GRI 404-3

To encourage employees to pursue exceptional performance and achieve the objectives of opinion communication, work improvement, salary adjustment and promotion, and training and development, Hotai Finance has established a comprehensive performance appraisal system and formulated performance evaluation measures. All employees of Hotai Finance are required to undergo regular performance and competency evaluations annually, with the percentage of employees receiving regular performance evaluations reaching 100%. Performance appraisal methods include: team appraisal, KPI appraisal, competency appraisal, and feedback questionnaires.

The percentage of employees receiving regular performance reviews is 100%.

Performance appraisal	Strategy formulation	Goal setting	Routine performance evaluation	End-of-period performance evaluation	Management application
Team appraisal	Promulgate annual strategic objectives	• Set team goals	• Monthly goal review • Quarterly policy review • Goal adjustment and review	• Annual goal achievement review	• Optimization and formulation of new-year policies
Individual KPI appraisal		• Formulate individual goals • Goal-setting interview	• Mid-term performance evaluation • Proactively initiate performance coaching	• Annual goal achievement review • Performance interview	• Training and development planning • Performance improvement coaching plan • Salary adjustment, bonuses, and promotion

Through evaluation forms and the establishment of clear and effective appraisal and reward-and-punishment systems, key behaviors and indicators are set for talent at all levels to review employee work performance. Through performance and competency appraisals, high-potential and qualified talent is identified to achieve the objective of putting the right person in the right role. In addition, Hotai Finance possesses a comprehensive career rotation development system. Through the rotation mechanism, employees are able to gain a deeper understanding of company operations through job transitions and diversify their professional fields, with the career goal of becoming a "generalist."

Performance appraisal	2024	2025
Internal employee vacancy fill rate	10%	12%

Note: Internal job rotation rate = Number of employees participating in departmental rotations / Total number of employees at the end of the current year

4.3Human Rights Protection and Occupational Health and Safety

Hotai Finance is committed to creating a safe and comfortable working environment and a healthy, friendly workplace. We regard employee rights and human rights protection as top priorities in our corporate operations, aiming to prevent any work-related injuries, illnesses, and accidents.

4.3.1Employee Rights and Human Rights Protection

Hotai Finance not only strictly complies with labor-related regulations to safeguard employee rights, but also has established the Hotai Finance Code of Conduct. Upholding the principles of fairness, inclusion, and respect toward employees, we support their personal growth and career development pathways. From caring for employee working hours and providing an excellent working environment, promoting labor-management harmony, listening to employee voices, and practicing gender equality, to preventing harassment or discrimination, we strictly prohibit any infringement or discrimination against employee rights. These are issues that Hotai Finance deeply cares about and is dedicated to upholding.

1. Policy

Formulated the Human Rights Policy as the management basis

2. Risk Assessment

Identify and assess potential impact issues in operations and business, and establish tracking indicators

3. Tracking and Reporting

- Conduct human rights due diligence
- Establish grievance channels and track implementation status and results
- Report to the Board of Directors on whether any human rights infringement incidents have occurred

4. Mitigation and Remediation

Address actual and potential negative impacts and propose remediation measures

Formulating Human Rights Regulations

Hotai Finance complies with labor laws and upholds the principles of fairness, inclusion, and respect to foster a workplace free from discrimination and harassment. To safeguard employees' fundamental human rights, the Company follows international standards, including the Universal Declaration of Human Rights, the UN Global Compact, and International Labour Conventions, as well as relevant domestic laws on gender equality, harassment prevention, and occupational safety. The Company has established its Human Rights Policy, Workplace Sexual Harassment Prevention Measures and Complaint Procedures, and Prevention Plan for Unlawful Infringement in the Performance of Duties, covering workplace human rights, diversity and inclusion, occupational health and safety, freedom of association, labor-management relations, and privacy protection. These policies are published on the Company's internal website.

Employees may raise concerns through dedicated grievance hotlines or email channels. Cases involving unlawful infringement, gender discrimination, or sexual harassment are handled by a grievance committee in accordance with legal requirements, ensuring confidentiality, fairness, and necessary protection. Hotai Finance also provides human rights training to promote awareness and foster a safe, healthy, and inclusive workplace. In 2025, the Company recorded 1,290 training participations and 344 training hours.

This policy clearly defines the applicable entities and core commitments, and outlines the specific responsible units:

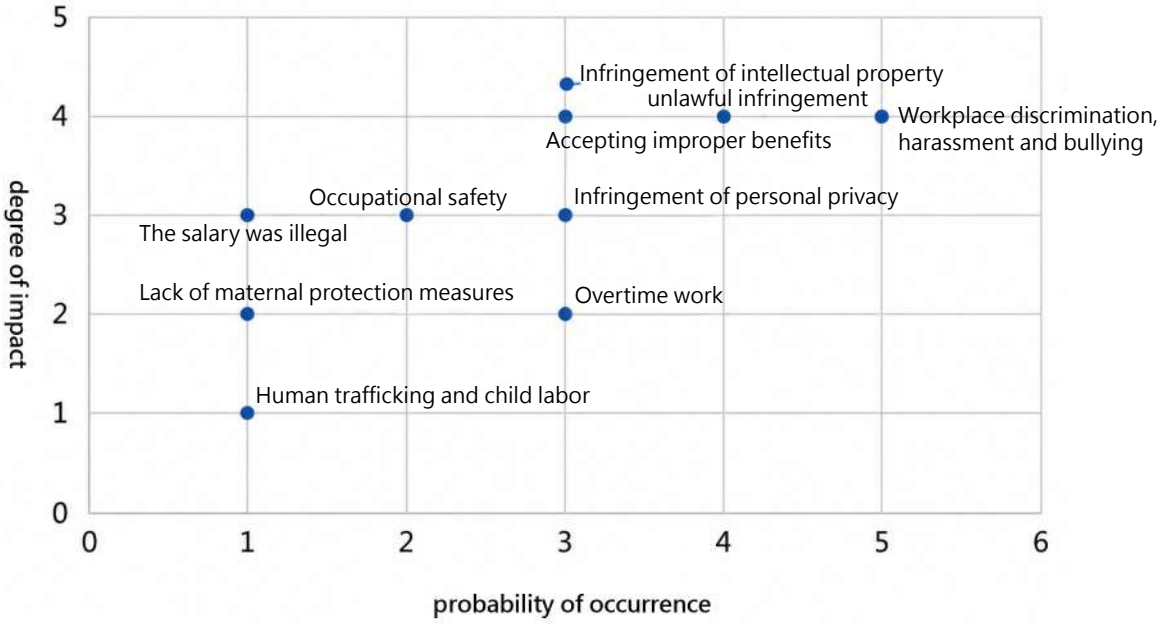
Human rights policy focuses on	Policy Commitments and Specific Implementation Details	Primary Responsible Department
I. Protecting Workplace Human Rights	We strictly adhere to domestic labor laws and regulations, including the Gender Equality in Employment Act, and prohibit forced labor, child labor, sexual harassment, and other human rights violations. We are committed to protecting employees' workplace human rights and providing a dignified, safe, equal, and harassment-free workplace environment.	Management Department
II. Implementing workplace inclusivity	We ensure that compensation, benefits, training, evaluation, and promotion opportunities are fair and equitable; we do not discriminate based on race, gender, sexual orientation, age, physical or mental disability, and we are committed to creating an equal and discrimination-free work environment.	Management Department
III. Providing a healthy and safe workplace	Comply with occupational safety and health laws, conduct regular employee health checkups, improve the working environment, reduce occupational injury risks, and create a healthy workplace.	Management Department
IV. Respect for freedom of association	Support colleagues in establishing various clubs and encourage participation, provide legitimate and diverse activities, and help employees achieve a work-life balance.	Management Department
V. Promoting harmonious labor relations	Regularly hold labor-management meetings to maintain smooth communication channels, build harmonious labor-management relations, and protect and enhance employee rights.	Management Department
VI. Privacy Protection	Protect the privacy rights of employees, customers and all stakeholders, adhere to strict personal data management regulations, and establish a sound information security protection mechanism.	Planning Department
VII. Promotion of Human Rights Policies	In addition to our own practices, we also expect our partners, including suppliers, to meet the same standards and work together to enhance human rights awareness and risk management.	Management Department

Human Rights Policy

Workplace Sexual Harassment Prevention Measures

Hotai Finance, referencing the Responsible Business Alliance (RBA) Code of Conduct, focuses on 10 human rights issues related to its industry and business practices to further assess risks and identify salient aspects. In addition to adhering to local laws and regulations, it strives to prevent and eliminate any human rights violations, including forced labor and human trafficking, in its operations and supply chain. For salient human rights issues, it conducts thorough due diligence, establishes clear management policies, and creates a respectful, equal, friendly, inclusive, and diverse workplace environment.

Human Rights Risk Assessment Matrix



Risk Issue	Impact Description	Management Indicator	2025 Execution Result
Unlawful Infringement and Forced Labor	Experiencing threats, physical assaults, obstruction of work, or other unlawful treatment.	xperiencing unlawful treatment such as threats, personal attacks, and work obstruction	Yes
		Employees subjected to unlawful infringement incidents	Following the completion of an investigation by the company in accordance with relevant procedures regarding the unlawful infringement reported by the employee, no concrete evidence was found; therefore, the case was determined to be unsubstantiated.
Overtime Work	Severe overtime may affect employees' physical and mental health and further lead to work-life imbalance.	• Employees shall have two days of rest every seven days, of which one day is a regular day off and the other is a rest day • Normal working hours shall not exceed 8 hours per day and 40 hours per week • The total of normal working hours and extended working hours (overtime) shall not exceed 12 hours per day, and the total extended working hours shall not exceed 46 hours per month	Employee attendance and working hours complied with the Labor Standards Act. In addition, the human resources department provided each department's list of employees working overtime to their direct supervisors every month for follow-up care and assistance.

Risk Issue	Impact Description	Management Indicator	2025 Execution Result
Non-compliant Compensation	Failure to provide compensation in compliance with labor regulations, affecting employees' livelihood	Salary calculation accuracy rate	100% implementation
		Compensation in compliance with labor regulations	Complies with the provisions of the Labor Standards Act
Workplace Discrimination, Harassment and Bullying	Occurrence may not only lead to company penalties, but also negatively impact corporate image and team cohesion	Whether any gender equality violations have occurred	None occurred To continuously foster a friendly, respectful, and diverse workplace environment, in addition to implementing existing grievance channels and investigation systems, the company regularly promotes gender equality-related education, training, and advocacy, including sexual harassment prevention and workplace equality awareness-raising courses, to enhance employees' understanding and sensitivity toward gender issues.
		Conduct human rights and gender equality courses	Achieved 1,290 trainee attendances and a total of 344 training hours in 2025
		Employees signing the Declaration on Prohibiting Workplace Sexual Harassment	100% implementation
Lack of Maternity Protection Measures	Providing an inclusive and friendly workplace environment for maternal employees	• Compliance with labor and gender employment equality regulations • Establishment of breastfeeding (expressing) rooms	Complies with all regulatory requirements
Occupational Health and Safety	Employees exposed to high-risk working environments may face risks to their health and personal safety	Implementation of employee health examinations	Provided health examination subsidies for 646 employees, exceeding the provisions of the Labor Standards Act
		Conduct occupational safety and health-related courses	28 trainee attendances completed occupational safety courses in the Taiwan region
Acceptance of Improper Benefits	Employees accepting improper benefits may not only subject the company to penalties, but also impair its competitiveness and corporate image	Whether any incidents of employees accepting improper benefits have occurred	No incidents of employees accepting improper benefits occurred
Infringement of Intellectual Property	Failure to properly protect intellectual property rights may lead to the improper use or leakage of employees' innovation achievements, affecting the rights and interests of both employees and the company	Implementation and promotion of the intellectual property management system	Passed the Ministry of Economic Affairs' Taiwan Intellectual Property Management System (TIPS) verification and obtained Grade A certification
Infringement of Personal Privacy	Failure to properly protect employees' personal privacy may cause them to work in a state of unease; furthermore, the disclosure of personal privacy will subject the company to penalties and impact its corporate image	Whether any personal privacy infringement incidents have occurred	No personal privacy infringement incidents occurred
Human Trafficking and Child Labor	Engaging in human recruitment, trafficking, and other acts through unlawful means, or employing persons under the age of 16	Whether there are any violations regarding the employment of child labor	No incidents of employing child labor
		Strict prohibition of human trafficking	No incidents of human trafficking

Promoting Labor-Management Harmony and Listening to Employee Voices

Labor-Management Meetings

To promote labor-management harmony, listen to employee feedback, protect employee rights, and ensure unimpeded communication, Hotai Finance has established an "Employee Suggestion Box" on its internal website. In 2025, the suggestion box received one suggestion from an employee, primarily regarding equipment issues, which the company has reviewed and addressed based on the employee's feedback. Additionally, the company held four labor-management meetings in 2025 to encourage employees to propose constructive solutions, thereby fostering an open and communicative work environment.

Employee Satisfaction Survey

The employee satisfaction survey conducted by Hotai Finance gathers employee feedback across nine major dimensions: "work morale, job nature, interaction with supervisors, interaction with colleagues, company environment and equipment, company compensation and benefits, education and training, performance appraisal, and company development." The survey results serve as an important reference for formulating future company policies. Implemented in December 2025, the employee satisfaction survey achieved a 100% response rate.

Dimension	Goal	2023	2024	2025
Job Nature	>4	4.31	4.31	4.37
Work Morale		4.46	4.46	4.51
Interaction with Supervisors		4.46	4.49	4.52
Interaction with Colleagues		4.56	4.56	4.59
Environment and Equipment		4.26	4.29	4.35
Compensation and Benefits		4.31	4.32	4.42
Education, Training and Development		4.28	4.30	4.38
Performance Appraisal		4.27	4.31	4.37
Company Development and Organizational Cohesion		4.35	4.33	4.40
Overall Satisfaction		4.36	4.37	4.43

Note 1: The maximum score is 5 points.
Note 2: The survey coverage is based primarily on Hotai Finance on a standalone basis.

Significantly Improved Satisfaction Item：Compensation and benefits

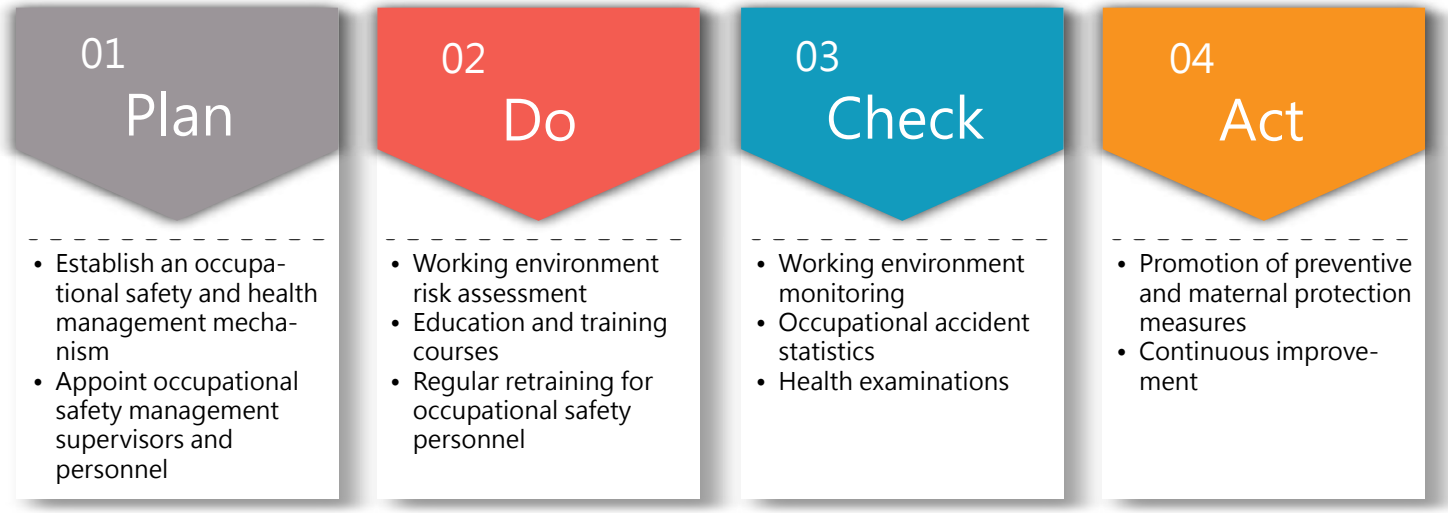
The questionnaire survey results will be incorporated into the final report and submitted to senior management. Regarding the policy-level suggestions provided by employees in the survey, the human resources department will compile them and provide them to relevant units for reference and improvement. Positive feedback and high satisfaction will be maintained and strengthened. Employee dissatisfaction and improvement suggestions will be evaluated for potential adjustments and used as a reference for optimizing the following year's welfare policies. demonstrating Hotai Finance's emphasis and prudent attitude toward employee feedback. The next employee satisfaction survey is scheduled to be conducted in 2026.

4.3.2 Safe and Healthy Workplace Environment

In alignment with the spirit of the ISO 45001 Occupational Health and Safety Management System and the PDCA (Plan-Do-Check-Act) cycle, Hotai Finance continuously strives to build a safe and healthy workplace environment. Hotai Finance has appointed a total of 23 occupational safety management supervisors across its business locations and arranged education and training courses to establish a robust occupational safety and health management mechanism, strengthen employees' occupational safety awareness, and evaluate and monitor environmental safety through meeting discussions. In addition, Hotai Finance has established the Occupational Health and Safety Management Code with the objective of providing a safe, healthy, and comfortable working environment.

Caring for the health of its employees, Hotai Finance continuously promotes annual employee health examinations. It also collaborates with professional medical institutions to hold health interviews and consultation services conducted by contracted medical professionals, providing improvement recommendations for employees with health risks. Furthermore, employees can conduct one-on-one consultations regarding personal health-related issues.

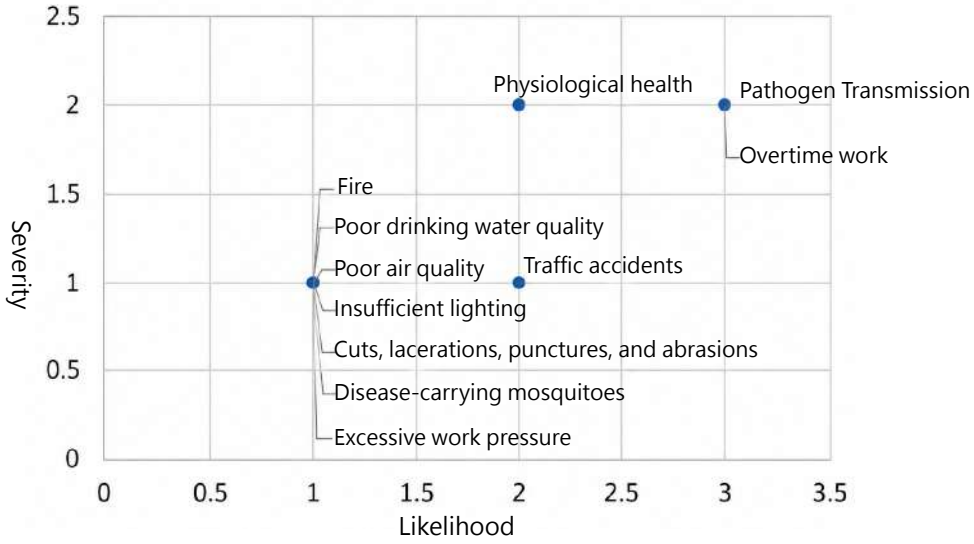
Occupational Safety and Health Management Mechanism of Hotai Finance



Identification of Work Scenarios and Occupational Health and Safety Hazard Factors

Unit	Business Units	Back-office Units
Work Scenario	Promoting and providing leasing and installment financial services to clients	Office operations including clerical work; some departments may involve handling heavy objects or working at heights due to general administrative tasks
Work Environment	Variable and mobile requirements, such as commuting via public transportation, riding motorcycles, or driving cars	Fixed office operations, with primary travel requirements limited to commuting or official business trips/outings
Hazard Identification	• Physical：Poor ventilation, insufficient lighting, cuts, lacerations, punctures, and abrasions • Chemical：Fire • Biological：Pathogen transmission, disease-vector mosquito breeding • Ergonomic：Physiological health • Psychosocial：Excessive work stress, overtime • Other：Traffic accidents	

Occupational Health and Safety Hazard Risk Assessment Matrix



Occupational Health and Safety Hazard Management Measures

Hazard Factor	Management Measures	
	Management Action	2025 Execution Results
Poor air quality	Regularly clean filter screens and maintain indoor ventilation	Regular cleaning of air conditioner filter screens is implemented
Poor drinking water quality	Regularly replace water dispenser filters	No cases of employee water poisoning occurred; the headquarters water dispenser underwent 6 regular inspections annually
Insufficient lighting	Ensure adequate lighting in office and public areas	100% adoption rate of LED lighting in office areas
Cuts, lacerations, punctures, and abrasions	Promote attention to operating instructions when using sharp equipment	No severe disability events caused by cuts, lacerations, punctures, or abrasions occurred
Fire	Regular testing of fire-fighting equipment and fire drills	No fire incidents occurred; all locations conducted fire inspections and at least one fire drill annually
Pathogen transmission (e.g., influenza)	Implement environmental cleaning and disinfection in the office	The headquarters executed environmental cleaning and disinfection 4 times
Disease-vector mosquito breeding	Promote the avoidance of stagnant water in containers during the summer	No violations of the Waste Disposal Act or instances of long-term stagnant water in containers
Physiological health	• Conduct health management courses • Support employees in establishing sports clubs • Promote annual employee health examinations • Cooperate with medical institutions to track abnormal items and hold health consulting activities	• 3 health management courses with a total of 338 attendees completing training • 10 sports-related clubs (badminton, softball, yoga, etc.) • 12 health consulting activities held • 646 individuals completed health examinations with subsidies totaling NT$3.78 million
Excessive work stress	Support participation in club activities to release work stress	A total of 19 clubs with annual subsidies exceeding NT$1.39 million
Overtime	Regularly track employee attendance and ensure compliance with the Labor Standards Act	Compliant with Labor Standards Act regulations
Traffic accidents	Promote compliance with traffic rules during official business trips and commuting	3 employee injury incidents caused by traffic accidents during the year, with no severe disability cases resulting from traffic accidents

Note: The assessment and management scope covers Hotai Finance.

4.3.3 Occupational Accident Prevention and Drills

Adhering to the principle of safety first, Hotai Finance is committed to providing a safe working environment and planning and executing relevant safety protection measures. Occupational safety and health management personnel are stationed at each office location to assist in evaluating and supervising environmental safety, establish fire-fighting facilities, and equip first-aid kits. The headquarters building is also equipped with two automated external defibrillators (AEDs), and personnel are dispatched to undergo first aid and AED operation training.

Hotai Finance regularly arranges refresher training for occupational safety personnel, implements workplace disinfection annually, and cooperates with building fire and earthquake drills. It also actively promotes and educates employees that once an occupational accident occurs, operations must be halted immediately and rescue performed to enhance colleagues' risk awareness in responding to external crises. Simultaneously, compulsory occupational safety education courses are planned for Taiwanese employees (such as occupational safety and health management courses and AED first-aid courses) to strengthen employee safety awareness and enhance workplace safety, with 403 employees completed the training in 2025.

The employee participation rate in the 2025 fire drill training reached 100%

2025 Employee Leave and Absenteeism Statistics

Leave Type	Taiwan			Overseas		
	Male	Female	Total	Male	Female	Total
Sick Leave (hours)	2,270.5	5,626.5	7,897	2,416	5,927	8,343
Menstrual Leave (hours)	0	2,688	2,688	0	0	0
Pregnancy-related medical leave (hours)	0	0	0	0	1,824	1,824
Occupational Injury Leave (hours)	63	80	143	0	0	0
Total Hours	2,333.5	8,394.5	10,728	2,416	7,751	10,167
Converted Absence Days (days)	291.7	1,049.3	1,341	302	968.0	1,270.9
Total Working Days (days)	145,329	185,238	330,567	84,305	56,859	141,164
Absenteeism Rate	0.20%	0.57%	0.41%	0.36%	1.70%	0.90%

Note 1: The conversion of absence days is calculated based on 8 regular working hours per day.
Note 2: Total working days refer to the sum of actual working days of workers and other non-employee workers during the reporting period, meaning that the number of workers on duty per day is counted as 1 working day regardless of the length of working hours.
Note 3: Absenteeism rate = Total absence days (occupational injury leave, sick leave, menstrual leave) / Total working days.



Historical Occupational Injury Statistics for Hotai Finance

Year	2023	2024		2025	
Data Coverage Scope	Hotai Finance (Standalone)	Taiwan	Overseas	Taiwan	Overseas
Total Working Days (days)	293,384	318,000	189,646	330,567	141,164
Total Hours Worked (hours) Note 1	2,347,072	2,544,000	1,517,168	2,644,536	1,129,312
Number of General Occupational Injuries (persons/times) Note 2	3	5	2	3	2
Number of Severe Occupational Injuries (persons/times) Note 3	0	0	0	0	0
Number of Fatalities	0	0	0	0	0
Total Recordable Occupational Injuries (persons/times)	3	5	2	3	2
Lost Work Days	16	195	10	18	75
Fatality Rate by Occupational Injury Note 4	-	-	-	-	-
Rate of Severe Occupational Injuries Note 5	-	-	-	-	-
Recordable Injury Frequency Rate (Disabling Injury Frequency Rate) Note 6	1.28	1.97	1.32	1.13	1.77
Lost Work Days Rate (Disabling Injury Severity Rate) Note 7	6.82	76.65	6.59	6.67	66.41
Overall Injury Index Note 8	0.09	0.39	0.09	0.09	0.34

Note 1: Total hours worked = Total working days * 8 hours
Note 2: Referring to cases with lost work days of 180 days or fewer.
Note 3: Referring to cases with lost work days exceeding 180 days, excluding fatalities.
Note 4: Fatality rate by occupational injury = (Number of fatalities * 10^6) / Total hours worked
Note 5: Rate of severe occupational injuries = (Number of severe occupational injuries * 10^6) / Total hours worked
Note 6: Recordable injury frequency rate = (Total recordable occupational injuries * 10^6) / Total hours worked
Note 7: Lost work days rate = (Total lost work days * 10^6) / Total hours worked
Note 8: Overall injury index = [(Injury Frequency Rate (FR) * Injury Severity Rate (SR)) / 1000]√½
Note 9: Data for 2023 covered Hotai Finance on a standalone basis. Data from 2024 onward includes consolidated subsidiaries of Hotai Finance. The Taiwan region includes Hotai Finance, He Jing, Hotai Finance Development, and He Jun Energy; the overseas region includes Heyun International Leasing.

In 2025, there were 3 employee occupational injuries resulting from traffic accidents during commuting. Necessary assistance and subsequent return-to-work care were provided to the injured employees, who sustained only abrasions and resumed normal work after resting.

5 Environmental Sustainability

Material Topic Management 95

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Material Topic Management

GRI 2-23、2-24、2-25、2-26、3-3

Material Topics
Operational Environmental Management

International Frameworks and Indicators
302 Energy
303 Water and Effluents

Definition

Hotai Finance formulates management policies and targets regarding internal resource consumption during operations to improve resource use efficiency and reduce corporate costs. Evaluation indicators include energy consumption and water resource utilization rates.

Policy Commitment

Hotai Finance and its Taiwan subsidiaries actively respond to the 2050 net-zero emissions target, establishing the "Environmental Management Committee" in 2022 to review and provide recommendations on the effectiveness of environmental sustainability implementation and promote environmental management policies.

Strategy

In recent years, in response to rising energy costs and climate issues, there have been numerous discussions regarding the upward trend in energy and water resource pricing. In addition to creating a safe and comfortable working environment, it is also essential to continuously improve energy and resource use efficiency to mitigate the potential impact of increased management costs resulting from future resource price hikes.

Risk Management

Establish inventory mechanisms, replace high-energy-consuming equipment to enhance resource utilization efficiency, lower energy costs, and ensure operational resilience and environmental sustainability.

Management Actions	Performance Indicators	2025 Performance Tracking	Achievement Status	Short-term Goals	Mid- to Long-term Goals
Implement Energy-Saving Actions Improve Energy Use Efficiency	Average water consumption per million revenue	0.43 m³ per NT$1 million in revenue	✓	• Average water consumption per million revenue decreases compared to the previous year or remains at least flat • Average electricity consumption intensity per million revenue decreases compared to the previous year or remains at least flat • Continuously promote paperless operations and reduce paper shredding	
	Average electricity consumption per million revenue	81.89 kWh per NT$1 million in revenue	✓		
	Weight of paper shredded	5.44metric tons	✓		
Gradually replace company-leased official vehicles with pure electric and hybrid vehicles	Average automotive gasoline consumption per vehicle unit	1,123 liters	✓	• Automotive gasoline consumption per unit decreases compared to the previous year or remains at least flat • Continue replacing fossil-fuel company vehicles with pure electric and hybrid vehicles to reach 100%	
	Proportion of pure electric and hybrid vehicles used	93%	✓		

Stakeholder Groups	Engagement Channels	Engagement Effectiveness
Bank	Sustainability Report / Annual Annual Report / Annual Investment Questionnaire / Irregularly	Financing amount for electric and hybrid vehicles and electric motorcycles reached NT$21.939 billion Cumulative financing amount for corporate sustainable finance services reached NT$149 million
Employees	• Promotional posters / As needed • Education and training / Irregularly • Low-carbon office initiatives / Irregularly	1,123 employees completed annual ESG education and training

5.1 Climate Change Risk Management

GRI 201-2

In the face of global climate change, Taiwan's Climate Change Response Act, and net-zero targets, Hotai Finance actively implements climate governance. Having signed in support of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021, the company has progressively deepened its disclosure of risk and opportunity management year by year. In line with regulatory requirements, it will also adopt and align with IFRS S2 (International Sustainability Reporting Standard S2: Climate-related Disclosures) to strengthen the integration of financial information with climate risks, enhance information transparency in accordance with international sustainability standards, and construct a climate-resilient sustainable business system.

Climate Change Governance Mechanism of Hotai Finance

Dimension	Hotai Finance Management Actions	2025 Implementation Status
Governance	The climate change governance mechanism adopts the Board of Directors as the highest supervisory body. Related issues are tracked and managed by the Environmental Management Committee, which collaborates with company departments to plan and implement sustainable business operations.The committee convenes at least twice a year and reports on implementation progress and results to the Board of Directors at least once a year.	• Reported the execution status of greenhouse gas inventories to the Board of Directors on a quarterly basis. • Convened 3 meetings of the ESG Sustainable Operations Committee; reported the 2025 TCFD execution status to the Board of Directors on March 5, 2026.
Strategy	• In accordance with internal target management timelines, short-term is defined as an impact of less than 3 years, medium-term as 3 to 5 years, and long-term as greater than 5 years. • Based on internal identification of material climate risks and opportunities, the potential operational impacts of issues on Hotai Finance are assessed, and future management measures and strategies are planned.	A total of 4 risk issues and 4 opportunity issues were identified, based on which corresponding targets and management actions were established.
Risk Management	Integrate climate risk concepts into various operational and business activities, conduct identification of potential climate risks/opportunities, analyze the impacts of risks/opportunities, evaluate and determine countermeasures, and manage them centrally or execute them by hierarchical levels based on risk/opportunity characteristics and impact levels to effectively control risks and opportunities.	In response to the identified risk and opportunity issues, countermeasures were proposed for incorporation into company policies and implementation, including : • Professional personnel education and training : - 6 personnel obtained professional certification for electricity trading platforms. - 1 person obtained SGS greenhouse gas inventory internal auditor qualification. • Insurance coverage amount of NT$9.57 million in response to extreme weather risks.
Metrics and Targets	• Implement greenhouse gas inventories, completing the disclosure of Scope 1 and Scope 2 emissions for companies included in the consolidated financial statements; progressively increase disclosure items for Scope 3 emissions year by year. • Identify carbon emission hotspots based on scientifically derived inventory results, set short-, medium-, and long-term emission reduction targets, and regularly disclose achievement status. • Comply with government environmental protection and energy laws, regulations, and requirements, monitor the impacts of climate change on corporate operational activities, periodically review environmental and energy-saving targets, and continuously improve environmental management performance.	• Completed the 2025 greenhouse gas inventories for subsidiaries included in the consolidated financial statements.

5.1.1Climate Change Risk and Opportunity Identification Process

Step1 Identify and define the scope	• Assessment coverage scope includes: Solar power plants held by Hotai Finance and HE JUN ENERGY • Collect literature and industry climate-related risk and opportunity issues
Step2 Risk and opportunity identification and assessment	• Take inventory of and evaluate climate-related risk and opportunity issues, consolidating and ranking them based on their materiality to the company • Conduct scenario analysis and evaluation based on material issues derived from the identification results, and formulate adaptive responses
Step3 Response and management actions	• Reviewed and confirmed by the ESG Sustainable Operations Committee, and integrated into the company's existing risk management processes for governance • Report the 2025 TCFD implementation status to the ESG Sustainable Operations Committee
Step4 Reporting and disclosure	• Regularly track and review implementation results • The Board of Directors resolved and approved the 2025 TCFD implementation status, which is consolidated and disclosed in the annual sustainability report

Hotai Finance conducts an annual reassessment of climate-related risks and opportunities. By referencing international literature, collecting and taking inventory of domestic and international industry climate-related risk and opportunity issues, screening and consolidating them, and conducting internal discussions, the company evaluates the impacts generated by climate change risks and opportunities from various perspectives. It then performs a comprehensive assessment based on the likelihood of impact and the degree of impact to complete materiality ranking. In 2025, a total of 4 climate change risk issues and 4 climate change opportunity issues were identified. The potential impacts on Hotai Finance and the corresponding adaptation actions for relatively material climate change issues are described below.

Climate Change Risk Issues	Climate Change Opportunity Issues
• Increased severity of extreme weather events such as typhoons and floods • Changes in customer behavior • Market information uncertainty • Shifts in customer preferences	• Adoption of incentive policies • Development of climate adaptation and insurance risk solutions • Research and innovation in developing new products and services • Shifts in consumer preferences

5.1.2Identification Results of Material Climate Risks and Adaptation Actions

Among various climate change risk issues, the issues identified as having a relatively significant impact on Hotai Finance — specifically regarding physical and transition risks—along with their potential impacts on operations and corresponding adaptation actions, are described as follows:

Category	Climate Change Risk Issue	Potential Impact on Operations	Impact Timeframe	Financial Impact Magnitude	Adaptation Management Strategy and Targets
Physical Risk					
Acute Risk	Increased severity of extreme weather events such as typhoons and floods	Potential damage or destruction to solar power plants caused by climate change, as well as potential environmental impacts at the plant locations, which may affect public perception of the company	Medium to Long-term	Losses or business interruptions caused by natural disasters lead to increased costs and reduced revenues	Utilize appropriate construction materials for the environment where solar power plants are established, adhering to the principle of safety—for example, using reinforced steel structural materials as the construction benchmark for power plants located in coastal areas

Transition Risk					
Market Risk	Changes in customer behavior	With heightened awareness of climate change among customers leading to shifts in their product and service preferences, purchasing decisions may change accordingly. For example, individuals may reduce their willingness to own automobiles, or customers may demand products and services that exceed existing environmental standards. Inability to provide or meet these standards may result in the loss of market share.	Medium-term	Decreased market share affecting company revenue	Actively understand market trends and monitor customer demands to adjust products and services in a timely manner, such as providing preferential interest rates for eco-friendly vehicles
	Market information uncertainty	Changes in international trends, coupled with domestic policy adjustments, may alter the market supply and demand structure. In the face of market information uncertainty, the company's preparation time and operational status may be affected. For instance, legislation reducing the use of fuel vehicles could lead to a decline in used fuel vehicle prices, impacting collateral security, or incentives for carpooling or public transportation could indirectly affect operations.	Medium to Long-term	Impact on collateral value, alongside increased time and cost inputs for operational preparation	Regularly review and understand international and domestic policy trends to grasp market information and prepare response strategies in advance; simultaneously, continue to research, develop, and design environmentally friendly products and services
Reputational Risk	Shifts in customer preferences	The government's continuous promotion of low-carbon economic development may influence customers' considerations in product selection. If the company is perceived by customers as a contributor to climate change, or if its corporate brand image lacks a clear commitment to environmental protection or climate change mitigation, it may adversely affect public and customer perception of the enterprise.	Medium to Long-term	Poor sustainable brand image or a lack of sustainable products and services reduces consumer/customer willingness to cooperate, resulting in decreased revenue	Continuously understand market trends and actively design and promote green and environmentally friendly products and services

Scenario Analysis of Major Risk Issues: Increased Severity of Extreme Weather Events such as Typhoons and Floods

Hotai Finance has introduced scenario analysis models to evaluate the financial impacts of material climate risks and opportunities across future time horizons and climate scenarios. In accordance with the identification results, the physical risk "increased severity of extreme weather events such as typhoons and floods" was selected for quantitative financial analysis.

Assessment Scope	Solar power plants under HE JUN ENERGY
Assessment Period	2041-2060
Assessment Description	Hotai Finance promoted green energy investment and established HE JUN ENERGY to enter the solar energy business. As of the end of 2025, Hotai Energy held a total of 372 grid-connected solar power plants across Taiwan. Extreme weather events were identified as one of the short-term risks in the 2025 Global Risks Report. Typhoons and flooding may cause damage to solar power plants, resulting in increased operating costs and reduced power generation revenues. By conducting scientific scenario simulation analysis prior to actually experiencing extreme weather events, the potential financial impacts can be understood.
Driving Factors	Losses incurred by solar power plants due to extreme weather events such as typhoons and floods
Potential Financial Impact	Increased operating costs

Climate Scenario：Evaluated using the flooding risk tool from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) project of the National Science and Technology Council (NSTC) to analyze potential flooding extents under different scenarios and their impacts on solar power plants

SSP5-8.5 Scenario	SSP1-2.6 Scenario
The analysis result map categorizes hazards and vulnerability into five levels, with Level 5 representing the highest risk region. Considering that the onset of extreme weather events such as typhoons may cause a decline in power generation performance and damage to power plants or equipment, the potential exposure amount is approximately NT$31 million.	The analysis result map categorizes hazards and vulnerability into five levels, with Level 5 representing the highest risk region. Considering that the onset of extreme weather events such as typhoons may cause a decline in power generation performance and damage to power plants or equipment, the potential exposure amount is approximately NT$27 million.
 Mid-Century (2041–2060) Hazard and Vulnerability Map	 Mid-Century (2041–2060) Hazard and Vulnerability Map
Vulnerability Level Level 1 Level 2 Level 3 Level 4 Level 5	Vulnerability Level Level 1 Level 2 Level 3 Level 4 Level 5

Mitigation Measures

1. Natural disaster insurance: Recent annual insurance expenditures amount to approximately NT$9.57 million.
2. Stability controls are implemented during the site selection, design, and construction stages of power generation systems, with waterproofing incorporated into cabling and engineering designs.
3. To ensure potential impacts resulting from disasters are minimized to the greatest extent, all power plants are covered by relevant natural disaster insurance.

5.1.3 Identification Results of Material Climate Opportunities and Adaptation Actions

Among the various climate change opportunities, the issues that have a relatively significant impact on Hotai Finance, along with their potential impact on operations and corresponding adaptive actions, are explained below:

Category	Climate Change Opportunity Issues	Potential Impact on Operations	Impact Horizon	Financial Impact	Adaptation Management Strategies and Targets
Energy Source	Adoption of incentive policies	Responding to government policies in the design and planning of products or services and developing new energy services can secure relevant government incentives to reduce operating costs.	Long-term	Reducing input costs and increasing revenue	Regularly conduct in-depth research on government policies to formulate corresponding product and service solutions, while actively striving for relevant incentives
Products and Services	Development of climate adaptation and insurance risk solutions	Combining the diverse products of the parent company, Hotai Group, to integrate and plan related corporate services, thereby reducing climate exposure and consequently increasing revenue.	Long-term	Providing diversified product services to increase revenue	Actively research and develop related systems and maintain a leading business model and market position-increase product or service opportunities
	Research and innovation in developing new products and services	Combining the green products of the parent company, Hotai Group, to design and plan new products and services, thereby enhancing corporate image and brand influence while gaining support from customers and investors.	Medium-term	Creating service opportunities for new products to enhance customer and investor support	Commit to designing new products and services, while strengthening website and external promotional efforts
	Shifts in consumer preferences	Developing diversified businesses and actively cooperating with Taiwan Power Company (TPC) and government authorities at all levels on new energy policy supporting measures to secure a first-mover advantage in green energy investment.	Long-term	Securing a first-mover advantage in green energy investment to increase revenue	Year by year, increase the financing targets and funding amounts allocated to green industry clients

Scenario Analysis of Material Opportunity Issues：Products and Services - Research and Innovation in Developing New Products and Services

In response to climate change, Hotai Finance has deployed its presence in the solar energy business and jointly established Hotai Energy with Hotai Motor and Hoyu Investment, committing to developing businesses such as solar power plants and energy storage to align with energy transition policies.
Following the climate change opportunity identification results, "Research and innovation in developing new products and services" under products and services was selected for quantitative financial analysis.

Assessment Scope	Solar power plants under HE JUN ENERGY
Assessment Period	2025
Assessment Description	Taiwan's 2050 Net-Zero Emissions Pathway has been announced, designating energy transition as one of the four major strategies. This will further increase the demand for green electricity across Taiwan. HE JUN ENERGY active development of the solar power generation business will increase operating revenue.
Driving Factors	Future green electricity demand will increase, and participating in the development of renewable energy such as solar power can enhance operating revenue.
Potential Financial Impact	Increased feed-in tariff (FIT) revenue and additional revenue from green electricity wheeling.
Evaluation Results	By the end of 2025, the grid-connected capacity of Hotai Energy's solar power plants reached 106.7 MW. All power generated by the plants is sold via feed-in tariffs, with annual electricity sales revenue exceeding NT$500 million.
Adaptation Measures	1. Continuously expand solar power project deployment: Continuously develop solar power generation projects and expand renewable energy installed capacity to enhance long-term stable power generation revenue and strengthen the scale of green energy assets. 2. Evaluate the acquisition of operational solar projects: Accelerate the accumulation of green energy assets, shorten investment payback periods, and enhance overall investment efficiency through the acquisition of completed and stably operating solar projects. 3. Deepen green electricity wheeling applications for existing projects: Promote green electricity wheeling mechanisms for existing solar power plants to not only meet the electricity demands of the group and customers but also generate additional electricity sales revenue, thereby improving the overall operational efficiency of renewable energy assets.

Assessment Scope	Hotai Finance's new car (automobile) installment business
Assessment Period	2025
Assessment Description	Taiwan's 2050 Net-Zero Emissions Pathway has been announced. Under the transportation dimension, the Ministry of Transportation and Communications (MOTC) has planned transport decarbonization strategies driven by "vehicle electrification and decarbonization," setting targets such as achieving 60% electric vehicle sales for new vehicles by 2030, prohibiting the sale of internal combustion engine vehicles by 2035, and ensuring 50% of newly sold heavy-duty trucks are electric vehicles.
Driving Factors	Following the MOTC's release of transport decarbonization strategies and the provision of vehicle replacement subsidies to encourage consumers to purchase higher energy-efficiency or environmentally friendly vehicles, driving shifts in consumer preferences.
Potential Financial Impact	Seizing new sustainable business opportunities and increasing revenue from environmentally friendly vehicle installment businesses.
Evaluation Results	Hotai Finance is a leading brand in Taiwan's vehicle installment business, and this sector has long been a core focus of the company's development. In response to the government's vehicle electrification and decarbonization policy and to provide consumers with diverse installment service options for eco-friendly vehicles, the voluntary inventory of Scope 3 carbon emissions undertaken for new vehicles financed in 2025 is as follows：

New Vehicles Financed by Fuel Type	Scope 3 Emissions (tCO_2e)	percentage
Gasoline	113,061.6095	92.33%
Hybrid	8,874.7478	7.25%
Battery Electric (BEV)	515.0475	0.42%

Note: The emissions from new cars of different fuel types are estimated by comprehensively referencing the vehicle energy consumption information from the Energy Administration, Ministry of Economic Affairs; the Private Passenger Car Usage Survey Report (average annual mileage of small cars) from the Ministry of Transportation and Communications; the automotive gasoline emission factors announced by the Ministry of Environment; and the electricity emission factor announced by the Energy Administration, Ministry of Economic Affairs.

Adaptation Measures	1. Based on the carbon emission data for new car installment products in 2025, gasoline vehicles remain the major source, accounting for approximately 92% of emissions, while eco-friendly vehicle models (including hybrids and battery electric vehicles) account for approximately 7.6%. 2. Hotai Finance actively promotes sustainable finance. The underwriting amount for eco-friendly vehicles has grown year by year over the past three years, reaching NT$21.939 billion in 2025. Moving forward, the company will continue to provide and promote installment services for eco-friendly vehicles, meeting mobility needs while reducing carbon emissions.

5.1.4 Greenhouse Gas Management

Hotai Finance recognizes that data accuracy is the cornerstone of climate management. Since 2021, ahead of regulatory mandates, the company has adopted the ISO 14064-1:2018 organizational greenhouse gas inventory standard. In addition to the mandatory disclosure of Categories 1 and 2, Hotai Finance has voluntarily expanded its inventory to cover operation-related emissions in Categories 3 and 4. By 2023, the greenhouse gas inventory covering Hotai Finance and its subsidiaries was completed and verified by SGS, an independent third-party verification body, ensuring information transparency and reliability.

Hotai Finance GHG Inventory Information for the Past 3 Years

Item / Year			2023	2024	2025
Taiwan	Scope 1	Emissions (tCO_2e)	372.6235	372.8171	365.5234
		Intensity (tCO_2e / NT$ million)	0.0189	0.0177	0.0186
	Scope 2	Emissions (tCO_2e)	773.2749	806.8391	631.9245
		Intensity (tCO_2e / NT$ million)	0.0391	0.0384	0.0322
	Scope 3	Emissions (tCO_2e)	241.4787	249.1683	232.3568
Overseas	Scope 1	Emissions (tCO_2e)	1067.8114	1155.1406	882.5588
		Intensity (tCO_2e / NT$ million)	0.2486	0.2373	0.2146
	Scope 2	Emissions (tCO_2e)	484.9859	542.6347	420.8819
		Intensity (tCO_2e / NT$ million)	0.1129	0.1115	0.1024
	Scope 3	Emissions (tCO_2e)	344.5422	280.1593	190.9054
Taiwan + Overseas	Scope 1	Emissions (tCO_2e)	1,440.4349	1,527.9577	1,248.0822
		Intensity (tCO_2e / NT$ million)	0.0599	0.0528	0.0527
	Scope 2	Emissions (tCO_2e)	1,258.2608	1,349.4738	1,052.8064
		Intensity (tCO_2e / NT$ million)	0.0523	0.0466	0.0444
	Scope 3	Emissions (tCO_2e)	586.0209	529.3276	423.2622
Inventory Coverage Ratio			100%	100%	100%
External Assurance Provider			SGS Taiwan Ltd.		



Note 1: The inventory boundary in Taiwan includes 100% of the operational sites of four companies: Hotai Finance, HE JING, HE JUN ENERGY, and HOTAI FINANCE DEVELOPMENT.
Note 2: The overseas inventory boundary includes 100% of the operational sites of Heyun International Leasing Co., Ltd.
Note 3: Scope 1 Direct Emissions (Category 1): Covers greenhouse gas emissions directly originating from sources owned or controlled by the company, primarily including gasoline for company vehicles and refrigerants from air conditioning equipment. Greenhouse gases include CO2, CH4, N2O, and HFCs.
Scope 2 Energy Indirect Emissions (Category 2): Purchased electricity. Greenhouse gases include CO2.
Scope 3 Other Indirect Emissions (Categories 3 to 6): Inventories are conducted based on the significance assessment results of organizational emission sources, including upstream energy, business travel (taxis), waste disposal, and tap water. Greenhouse gases include CO2.
Note 4: The base year is set as 2023. Starting in 2023, the company has conducted an organizational greenhouse gas inventory covering all operational sites of consolidated subsidiaries. (Although the subsidiary " HOTAI FINANCE DEVELOPMENT CO., LTD." was newly established in 2024, its business locations share office spaces with existing ones, and the actual number of sites has not changed significantly; therefore, the inventory base year is maintained at 2023).
Note 5: Intensity (tCO2e / NT$ million) = Emissions (tCO2e) / Operating Revenue (NT$ million). Emissions for "Direct Emissions" include Scope 1, and emissions for "Energy Indirect Emissions" include Scope 2.
Note 6: The operational control approach is adopted for setting the organizational boundary of greenhouse gases.
Note 7: Calculated based on the emission factor method: Greenhouse Gas Emissions = Activity Data x Emission Factor x Global Warming Potential (GWP). GWP values refer to the Intergovernmental Panel on Climate Change (IPCC) 2021 AR6 version.
Note 8: Hotai Finance has no emissions of ozone-depleting substances (ODS), nor does it have nitrogen oxides (NOx), sulfur oxides (SOx), or other significant gas emissions.
Note 9: Starting in 2025, calculations are uniformly based on the Ministry of Environment's Greenhouse Gas Emission Factor Management Table (Version 6.0.4). The calculation benchmark for gasoline emissions at overseas sites has been adjusted from "mass calorific value" to "volume factor"; therefore, the 2024 data has been restated after recalculation.

Greenhouse Gas Reduction Targets, Strategies, and Specific Actions

Hotai Finance echoes the "2050 Carbon Neutrality" goal of the Hotai Group, tracks greenhouse gas emissions, and has established an Environmental Policy statement to actively align with international trends and regulations while developing green finance and green energy core businesses. Based on the ISO 14064-1:2018 inventory results, the company regularly tracks emission hotspots and conducts rolling reviews and adjustments to management actions. Given the nature of the company's industry, Scope 1 gasoline use, Scope 2 electricity consumption, and Scope 3 water use and waste disposal are identified as emission hotspots.and have prioritized setting 2050 emission reduction targets for operating locations in Taiwan (including subsidiaries).

Scope	Item	Action Strategy	2050 Net-Zero Target	YoY Quantitative Indicator Tracking		
				Quantitative Indicator	2024	2025
Scope 1	Gasoline	• Replace leased company vehicles with electric or hybrid vehicles • Encourage the use of public transportation	Zero pure internal combustion engine (ICE) vehicles	Non-pure internal combustion engine (ICE) vehicle ratio	72%	93%
Scope 2	Electricity	• Optimize air conditioning operations • Promote electrical appliances with Tier-1 energy efficiency ratings	Improve energy use efficiency	Electricity consumption per capita	1,372.89 kWh	1,221.55 kWh
				Electricity consumption per million NTD of revenue	83.03 kWh	81.89 kWh
				Estimated annual carbon reduction benefit from green electricity adoption	90 tCO_2e	129 tCO_2e
		• Utilize renewable energy • Promote green energy business operations	Net-zero carbon emissions for purchased electricity	• Number of grid-connected solar power sites • Total installed capacity • Annual carbon reduction benefit	• 309 sites (↗ 46%) • 88.1 MW • 55,534 tCO_2e	372 sites 106.7MW 62,210 tCO_2e
Scope 3	Water Consumption	• Install water-saving devices • Promote water conservation awareness and advocacy	Per capita water consumption decreased by 1% compared to the previous year or at least maintained at the same level	Water consumption per capita	6.86 thousand liters	6.56 thousand liters
				Water consumption per million NTD of revenue	0.41 thousand liters	0.43 thousand liters
	Waste	• Promote digital paperless operations • Implement waste reduction and confidential paper shredding	Promote a paperless operating environment	Paper reduction through digitalization	• Saved 9,650 thousand sheets of A4 paper • Reduced 59,498 kg CO_2e	Saved over 2.9 million sheets of A4 paper Reduced 16,825 kg CO_2e
				Confidential document shredding volume	6.27 metric tons	5.44 metric tons

5.2 Natural Environment Risk Management

The UN Biodiversity Conference (COP15) established the 2050 vision of "Living in Harmony with Nature" and reached the "30x30" global consensus, aiming to protect at least 30% of global land and water areas by 2030. This initiative aims to restore degraded ecosystems, preserve biodiversity and ecological integrity in critical regions, and ensure the sustainable recovery of natural resources.

5.2.1 Natural Environment Risk and Opportunity Assessment Process

As a financial leasing company, Hotai Finance's products and services do not require the intensive use of natural resources (such as soil, minerals, or timber), nor do its business operations cause significant harm to the natural environment and resources. Nevertheless, the company actively responds to the UN 30x30 biodiversity initiative and voluntarily follows the Taskforce on Nature-related Financial Disclosures (TNFD) framework and the LEAP approach to analyze the impacts of its operational activities on the natural environment.

<table>
<tr><th>Phase</th><th colspan="3">Identification Result</th></tr>
<tr><td>Locate</td><td>Evaluation Scope</td><td colspan="2">In 2025, Hotai Finance identified natural environment risk and opportunity factors based on the "direct business activities" of its operating locations in Taiwan.</td></tr>
<tr><td rowspan="2">Evaluate</td><td>Dependencies</td><td colspan="2">Although Hotai Finance's business operations do not rely heavily on the input of natural resources, daily operational consumption of energy and resources (particularly water and paper) still requires services obtained from upstream suppliers.</td></tr>
<tr><td>Impacts</td><td colspan="2">Employees may travel to ecologically sensitive areas for business needs, potentially exerting indirect impacts on the natural environment. In addition, general waste generated during company operations, if not properly managed, could harm the surrounding environment and even create breeding grounds for disease vectors such as mosquitoes.</td></tr>
<tr><td rowspan="3">Assess</td><td colspan="3">Hotai Finance evaluated two major dimensions—dependencies and impacts—and identified a total of three risk factors directly or indirectly related to company operations:</td></tr>
<tr><td>Vector-borne Diseases and Disease Transmission</td><td>Water Resources</td><td>Natural Environment Pollution</td></tr>
<tr><td>• Risk Level：Medium
• Impact Description: Extreme climate conditions cause the distribution range of vector-borne diseases (such as dengue fever) to expand toward northern Taiwan, or accelerate viral mutation rates, impacting employee health.</td><td>• Risk Level：Low to Medium
• Drought events affect the company's water demand.</td><td>• Risk Level： Low
• Impact Description: Failure to properly implement waste recycling and sorting, or lack of awareness among employees visiting ecologically sensitive areas during business trips, may lead to business activities harming the local natural environment.</td></tr>
<tr><td rowspan="2">Prepare</td><td>Vector-borne Diseases and Disease Transmission</td><td>Water Resources</td><td>Natural Environment Pollution</td></tr>
<tr><td>• Prevention: Implement environmental disinfection operations and advocacy to maintain office environment cleanliness.
• Mitigation: Promote carbon reduction actions.</td><td>Although Hotai Finance is not a major water consumer, it actively promotes various water conservation measures in daily office operations, including installing water-saving faucets and promoting water conservation advocacy.</td><td>• Prevention: Implement waste sorting and conduct sustainability education and training courses to enhance employee sustainability awareness.
• Mitigation: Promote wetland conservation projects and beach cleanup activities to remove waste or invasive species and mitigate negative environmental impacts.</td></tr>
</table>

5.2.2 Nature-Related Sensitivity Analysis

Through GIS overlay analysis and biodiversity management, Hotai Finance targeted all operational locations across Taiwan in 2025 to examine the correlation between its sites and biodiversity-sensitive areas using overlay mapping. The results indicate that most operational sites are not located within conservation hotspots and have no direct impact on habitats. For communities surrounding sites that overlap with Green Network Priority Areas" to prevent indirect impacts from employees' daily behaviors such as official visits and recreation, the company strengthens employees' awareness of and sensitivity to biodiversity conservation through company-wide ESG education and training, environmental education, and volunteer activities such as wetland conservation. Detailed actions can be found in the "6.4 Environmental Protection" chapter.

National Ecological Green Network Priority Areas



Excluding urban areas, the Green Network priority areas comprehensively consider aspects such as targeted habitat types, target animals, plants, and designation purposes, identifying a total of 39 land-based priority areas in Taiwan proper and 5 on outlying islands (Lanyu, Ludao, Kinmen, Penghu, and Matsu). GIS overlay analysis was conducted based on the scope of these priority areas.

National Ecological Green Network Regional Conservation Corridors



Conservation corridors primarily connect via "Forest, River, Village, and Ocean" (Mori, Kawa, Sato, Umi), and categorize major wildlife habitat types into 5 types: hills, streams, plains, coasts, and other outlying islands. GIS overlay analysis was conducted referencing the 45 "National Ecological Green Network Regional Conservation Corridor Hotspots" across Taiwan identified by the Forestry and Nature Conservation Agency of the Ministry of Agriculture.

5.3 Operational Environment Management

Since establishing its Environmental Policy in 2020, Hotai Finance has integrated the spirit of sustainability into operational details. Through the "5S Execution Standards: Sort (Seiri), Set in Order (Seiton), Shine (Seiso), Standardize (Seiketsu), and Sustain (Shitsuke)," the company builds energy-saving and resource-recycling habits while implementing energy, water resources, and waste management. Each operational location regularly maintains its designated areas and conducts building safety and fire safety inspections in compliance with applicable regulations. This creates a low-carbon, safe office space, making green living a part of daily employee culture.

Environmental Policy

2025 Green Office Implementation Status

Item	Content Description	2025 Implementation Status
Source Reduction	• Paper, PET bottles, and general waste • Headquarters eliminated paper hand towels in restrooms • Headquarters implemented printing password controls • Northern operational locations held a low-carbon diet day in 2025 • Sorted, recycled, and reused office supplies such as paperclips, folders, and binder clips	• Daily fixed cleaning and resource sorting implemented • Hand towels saved an average of approximately 60 bags per month • Copy paper saved an average of nearly 10,000 sheets per month
Energy and Resource Conservation	• Turn off lights for 30 minutes every day at noon • Adopt LED lighting in office areas • Install equipment that saves energy and resources	Expanded the practice of turning off lights for 30 minutes at noon to all locations across Taiwan Over 90% of operational locations in Taiwan use LED lighting Installed sensor faucets and water-saving toilets in the headquarters' restrooms
Green Procurement	Prioritize the procurement of products with environmental protection, energy-saving, water-saving, or green building material labels	Green procurement amount reached approximately NT$30 million
Environmental Greening and Beautification	Install mobile green plants to improve indoor air quality	Placed green plants in public office areas (such as pantries and meeting rooms)
Advocacy and Awareness	• Display energy-saving slogans and send promotional newsletters • Call upon employees to engage in environmental protection actions	• Posted energy-saving reminder cards in pantries and near switches of electrical equipment • Held 89 habitat and environmental conservation action sessions

5.3.1 Energy Management

GRI 302-1、302-3

Hotai Finance's energy consumption across its operational locations throughout Taiwan is primarily derived from purchased electricity. To promote the concepts of energy conservation and carbon reduction in office environments and business locations, we advocate for all employees to implement the "Five-Check Campaign" after work—checking and turning off computers, lights, air conditioning, office equipment, and power strip switches. Additional measures include turning off office lights during lunch breaks and maintaining office air conditioning at a constant temperature of 26°C, aiming to achieve sustainable development for both the enterprise and the environment.

Regarding automotive gasoline, Hotai Finance is progressively increasing the electrification ratio of its company vehicles. In 2025, Hotai Finance operated a total of 59 company vehicles, comprising 1 battery electric vehicle (BEV), 54 hybrid electric vehicles (HEVs), and 4 gasoline vehicles. The proportion of pure electric and hybrid vehicles reached 93%, with total automotive gasoline consumption amounting to 120,136 liters and a consumption of 1,123 liters per unit. Average gasoline consumption per vehicle decreased significantly.

Hotai Finance Energy Consumption in Recent Years

Year		2023		2024		2025	
Category		Energy Consumption	Consumption per Unit	Energy Consumption	Consumption per Unit	Energy Consumption	Consumption per Unit
Automotive Gasoline (Liters)		119,628.35	Per Unit 1,514.28	123,320.04	Per Unit 1,271.34	120,136.67	Per Unit 1,122.76
Electricity (kWh)	Non-Renewable	1,562,172.0	Per Capita 1,320.52	1,702,192	Per Capita 1,372.89	1,315,744	Per Capita 1,205.84
	Renewable	0		44,119		269,936	
Energy Consumption (GJ - Gigajoules)	Automotive Gasoline	3,906.71		4,027.27		3,813.10	
	Electricity	5,624.83		6,286.72		4,734.36	
	Total	9,531.54		10,313.99		8,547.46	
Energy Intensity (GJ / NTD Million)		0.513		0.490		0.436	

Note 1: Energy consumption disclosure is based on operational locations in Taiwan.
Note 2: 1 liter of automotive gasoline = 0.031739824 GJ, with the calorific value coefficient sourced from the latest 2025 announcement by the Climate Change Administration, Ministry of Environment; 1 kWh of electricity = 0.003598240 GJ, with the calorific value coefficient sourced from the 2024 Unit Calorific Value Table of Energy Products by the Energy Administration, Ministry of Economic Affairs.
Note 3: "Consumption per unit" is defined as follows: for automotive gasoline, it is the average liters per vehicle; for electricity, it is the electricity consumption per capita.
Note 4: Energy intensity (GJ / NTD million) = Energy consumption (GJ) / Hotai Finance's revenue (NTD million); 2023 covers Hotai Finance standalone only, while 2024-2025 includes subsidiaries in the Taiwan region.

5.3.2 Water Management

GRI 303-1、303-2、303-3

Hotai Finance's water sources are 100% supplied by the Taiwan Water Corporation, with no extraction of groundwater, other natural water bodies, or water sources from other organizations. According to the Aqueduct Water Risk Atlas (AWRA) developed by the World Resources Institute (WRI), Taiwan has no areas located in high or extremely high baseline water stress regions.

Water consumption across all operational locations is exclusively for employee use. All generated domestic wastewater is discharged into municipal sewage systems, where it is treated and discharged into natural water bodies only after meeting effluent quality standards, thereby avoiding negative environmental impacts. Additionally, we install water-saving devices to regulate water output and prevent unnecessary water waste. In 2025, the total water consumption of Hotai Finance and its Taiwan subsidiaries was 8,615 cubic meters, with improved water use efficiency, recording an average water consumption of 0.44 cubic meters per NTD million of revenue. The industry to which Hotai Finance belongs is not a heavy water consumer; moving forward, we will continue to strengthen advocacy for water-saving actions to enhance environmental awareness.

Hotai Finance Water Consumption in Recent Years

Year	2023	2024	2025
Total Water Consumption / Withdrawal (Million Liters)	10.696	8.721	8.615
Per Capita Water Consumption (Thousand Liters / Person)	9.04	6.86	6.55
Average Water Consumption per NTD Million Revenue (m^3/ NTD Million Revenue)	0.58	0.41	0.44

Note 1: Water consumption data for 2023–2024 covers Hotai Finance standalone; 2025 data includes subsidiaries in the Taiwan region.
Note 2: Water consumption in cubic meters is estimated based on monthly meter-read water bills for each unit, which may differ from actual water consumption.
Note 3: Per capita water consumption (thousand cubic meters / person) = Total water consumption (thousand liters) / Total number of employees (persons).

5.3.3 Waste Management

Waste management policy

The waste generated during Hotai Finance's operational processes is primarily domestic waste. To minimize the environmental impact of waste treatment, we implement garbage sorting and resource recycling in daily office operations, upholding the 3R (Reduce, Reuse, Recycle) principles to promote the circular reuse of resources. Administrative operations primarily generate "waste paper" from paper consumption. In recent years, we have also actively promoted a "paperless" working environment, resulting in a significant decrease in the destruction and recycling volume of paper in 2025 compared to previous years.

Hotai Finance Implementation Results of the 3R Principles

Reduce	• Promote customer use of Hotai Finance's diverse digital services and app to achieve paperless billing and mobile services • Sales personnel utilize the "EZ Loan" app and "Gold Machine Loan" app for online underwriting operations • Supervisors utilize the mobile sign-off app for approval processes, enhancing operational efficiency while saving paper • Multifunction printers equipped with print control functions to prevent unnecessary paper waste
Reuse	Encourage employees to practice double-sided printing and reuse waste paper to reduce resource waste
Recycle	Paper recycling and confidential shredding processing

Paper shredding and recycling volume	2023	2024	2025
Number of Recycling Bins (units)	836	634	544
Recycling Weight (Metric Tons)	8.26	6.27	5.44

Note: Paper shredding and recycling operations involve sending confidential data to a shredding facility, mixing it into boiling hot water, and pulping it. Hotai Finance commissions an external third party for paper shredding and recycling operations, and records the number of bins and weight through destruction orders.

5.4 Sustainable Supply Chain Management

Hotai Finance established the Supplier Management Policy in 2020. In addition to ensuring suppliers' capabilities in product quality, delivery schedules, pricing, and services, the policy also requires suppliers to comply with relevant regulations in areas such as safety, environmental protection, and occupational health and hygiene. This is designed to enhance the operational performance of both enterprises, safeguard fundamental human rights and labor rights, and fulfill corporate social responsibility.

Supplier selection
Service quality, cost, and compliance with safety, environmental protection, and hygiene standards.

→

sign
Supplier Commitment Letter

→

Supplier evaluation
Daily performance review
Annual performance review

Grade A/B:
Low-risk qualified suppliers

Category C: Medium Risk. Listed as a supplier under observation or excluded from cooperation

Category D: High Risk - Business relations terminated and qualification revoked.

Supplier Evaluation Focus

Annual Evaluation

- Quality: Stability of construction, supply, and other quality aspects
- Cooperation: Timeliness and responsiveness of suppliers to company requirements
- Acceptance: Whether acceptance inspections meet standards
- Occupational Safety Incidents: Whether suppliers have experienced any occupational safety incidents
- Integrity Management: Whether the supplier completes projects on time, and whether quality, pricing, acceptance status, service, and cooperation all meet requirements
- Sustainability Issues: Environmental protection (e.g., use of eco-labeled cleaning products) and human rights evaluations

Supplier Management Policy

Daily

- Record any abnormal situations occurring with suppliers on a daily basis to serve as the basis for annual evaluations

Hotai Finance conducts classification and tier-based management of suppliers through annual evaluations and daily monitoring. The evaluation scope covers quality, acceptance, cooperation, site safety, and sustainability issues, employing a combination of document reviews and on-site audits. Evaluation results are categorized into four tiers, and qualified suppliers are required to sign the "Supplier Commitment Letter" to ensure that both parties jointly practice ESG goals and build a sustainable growth partnership based on integrity and mutual trust.
Hotai Finance's suppliers are primarily categorized into construction and repair, office furniture, internet/telecommunications, air conditioning, and photocopy/office equipment. Supplier evaluations and assessments are conducted annually, requiring suppliers to comply with government regulations regarding occupational safety and personnel management. In 2025, Hotai Finance cooperated with a total of 38 suppliers, achieving a supplier evaluation rate of 100%.

2025 Supplier Evaluation Results

Supplier Tier	Risk Level	Management Measures	Result
Tier A	Low Risk	No anomalies, excellent supplier	60.5%
Tier B	Low Risk	No anomalies, good supplier	39.5%
Tier C	Medium Risk	Anomalies identified; listed as a supplier under observation or excluded from cooperation	0%
Tier D	High Risk	Anomalies identified; business relations terminated and qualification revoked	0%

Upholding the principle of local procurement for products, parts, and raw materials to jointly promote corporate sustainability with suppliers, the local procurement rate reached 100% in 2025. At the same time, priority is given to purchasing green products bearing eco-label, energy-saving, water-saving, or green building material certifications, with procurement scopes including cleaning supplies, paper, and IT products. In 2025, green procurement expenditure reached NTD 30 million. Hotai Finance will continue to partner with high-quality suppliers imbued with environmental consciousness to jointly realize the philosophy of a friendly and sustainable environment.

2025 Value Chain Partner Response to Sustainable Shared Prosperity Initiatives

Sustainability Shared Prosperity Initiative	Objective	2025 Responding Partners
Green Energy Public Welfare Action Plan	Collaborate with EPC contractors to jointly build public welfare solar power plants, transforming green energy into sustainable momentum for fostering a better society.	Solar energy contractors
Andrew Food Bank	Invite partners to join the Fong FOOD Love Alliance and participate as volunteers in food box packaging activities to amplify the impact of love.	HE JING, HE JUN ENERGY, HOTAI FINANCE DEVELOPMENT EASTERN MOTOR
Wetland Conservation Action	Join hands with partners to engage in alien species removal actions and jointly safeguard biodiversity.	HE JING, HE JUN ENERGY, HOTAI FINANCE DEVELOPMENT KAU DU AUTOMOBILE
Golf Tournament Charity Hole	Participants who complete the designated "hit-on-the-green" challenge will prompt Hotai to send a warm gift to the children served and cared for by the Andrew Food Bank.	Corporate finance supplier partners

6 Social Prosperity

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6.1 Social Engagement Strategy

As a leading automotive finance brand in Taiwan, Hotai Finance upholds the core philosophy of "taking from society, giving back to society" and regards sustainable operation as its vision. We encourage employees to personally engage in volunteer services to jointly build a social safety net, focusing on four major dimensions: "traffic safety, social care, environmental protection, and arts and culture support," thereby initiating a virtuous cycle of goodness.

Social Engagement Project Pillars

Core Theme	Philosophy	Action Plan	Objective	Aligned SDGs
Road Safety	While providing installment services for customers to purchase motorcycles, we integrate traffic safety awareness advocacy to enhance service value and construct a "road safety ecosystem."	Road Safety Promotion Program	• Cultivate drivers' correct understanding of traffic rules • Foster defensive driving and responsible driving mindsets	11
Social Care	Guided by the call of "Sharing Love, Happiness is Everywhere," we care for vulnerable groups in society through practical actions and cultivate empathy among employees.	• Andrew Food Bank Volunteers • Social Enterprise Product Procurement • Community Volunteer Service	• Support the sustainable development of non-profit organizations • Enhance the quality of life for vulnerable groups	2, 3, 8
Environmental Protection	Leaving no one behind in guarding Earth's sustainability, Hotai supports a sustainable environment through diverse actions.	• Green Energy Public Welfare Action Plan • Habitat Protection: Wetland conservation, island-wide beach cleaning, tree adoption	• Maintain biodiversity • Protect natural carbon sinks • Promote balanced ecological development	14, 15
Arts and Culture Support	Combining our core business to support local cultural development and encouraging employees to participate in various artistic and cultural activities through practical actions.	• Green Energy Public Welfare Action Plan • Supporting Culture: Company-Wide Art & Culture GO	• Promote the inheritance and development of local culture • Popularize arts and cultural appreciation	11

Hotai Finance has long been committed to promoting social philanthropy. Beyond financial donations, it has established a comprehensive employee volunteer participation system linked with performance evaluations and incentives, publicly commending top-performing departments and employees in volunteer participation at the end of the year. This encourages all employees to engage in social participation actions, jointly creating shared societal prosperity and positive impact.

2025 Social Impact Footprint

Resource Investment	Investment in supplies, funds, human resources (excluding volunteers), and promotional resources exceeded NTD 5 million
Participation Count	2,832 volunteer participations, accumulating 11,969 hours of service, with an average of 10 hours per person
Number of Events	Conducted 200 volunteer activities
Shared Prosperity Partners	Over 100 cooperative units including community partners, non-profit organizations, public sectors, and schools

Note: Referring to the definition of the Business for Social Impact (B4SI) framework, resource investment includes in-kind donations, cash contributions, and management costs (such as marketing resources and project management expenses).

6.2 Traffic Safety

Scooter Road Safety Initiative

Taiwan has the world's highest motorcycle ownership rate, with over 14 million scooters on the road daily, resulting in a traffic accident fatality rate higher than that of Organization for Economic Cooperation and Development (OECD) countries, among which scooter riders account for 60%. As a leading vehicle installment brand, Hotai Finance combines its core business with public welfare. Since 2020, it has joined hands with Highway Bureau, Ministry of Transportation and Communications (MOTC), motor vehicle offices under the Ministry of Transportation and Communications, and supply chain partners to jointly create a "Road Traffic Safety Ecosystem." Through public-private partnerships and campus outreach, the initiative aims to enhance public safety awareness, reduce motorcycle casualties, and build safe and resilient sustainable cities.

Investment	Outputs	Impact
• Invested over NTD 8 million in the past three years • Collaborated with cross-departmental colleagues internally to jointly promote the initiative • Integrated self-media resources to promote the road safety initiative	• The subsidy program scope covers 100% of counties and cities on Taiwan's main island as well as the offshore islands of Penghu and Kinmen • The 2025 video contest attracted over 100 students and members of the public to participate, producing 38 creative videos	• Over the years, Hotai's motorcycle rider training subsidy program has cumulatively supported more than 2,700 individuals • Promotional campaigns have cumulatively reached 550,000 people over the years • Post-training violation risk decreased by 60%, and post-training accident risk decreased by 36%

First Public-Private Collaboration to Enhance Rider Training Popularization

As the first enterprise to partner with the Directorate General of Highways and motor vehicle offices across Taiwan to promote "Motorcycle Rider Training Subsidies," we subsidize low- and middle-income households as well as young demographics, achieving a 100% county and city coverage rate across Taiwan.

Priority on Dealer Collaboration to Strengthen Value Chain Participation

Integrating core business operations, we mobilized colleagues to conduct campus advocacy and called upon northern, central, and southern dealers to respond collectively. By incorporating road safety resources into daily business visits, we encourage cooperative dealer partners to promote safety awareness to riders, extending sustainability values to the frontline of the value chain.

Pioneering Video Contest to Bring Diverse Perspectives to Road Safety Advocacy

Founded the "Motorcycle Road Safety Video Contest," which attracted over 100 students and members of the public across Taiwan in 2025. With a total prize pool of NTD 250,000, we invited the public to participate and become "Road Safety Ambassadors," injecting diverse perspectives into advocacy efforts.

First-Time Donation of Traffic Guard Equipment to Strengthen Campus Crossing Safety

In 2025, we donated 500 sets of high-quality traffic guard equipment to over 14 elementary schools across Taiwan, substantially enhancing the visibility and safety of frontline volunteers on duty. Extending from roadsides to surrounding campus perimeters, we reinforce the safety defense line protecting children during their commute to and from school through concrete actions.

6.3 Social Care

Guided by the call of "Sharing Love, Happiness is Everywhere," Hotai Finance invites partners and employees to care for vulnerable groups in society through practical actions. Each action serves as a "gift of love" presented to everyone, and through the sharing of love, happiness becomes omnipresent.

Spread Love at Christmas: Hand in Hand with Andrew Food Bank

Beneficiary Schools: 7 schools (Guangfu Township, Hualien County)
Total Gifts Purchased: 776 items



While Guangfu Township in Hualien County suffered from floods and campus reconstruction was still underway, the company joined hands with the Andrew Charity Association on the eve of Christmas to deliver love into the hands of students across 7 schools in Guangfu Township, hoping to inject positive energy into the children amidst post-disaster reconstruction through material support and festive care.
More than just a financial injection, this was a bottom-up, all-employee engagement initiative that called upon colleagues to launch the "Christmas Wish Gift Collection Project," successfully subscribing to 776 exquisite gifts. Each gift was individually packed by Hotai colleagues with their own hands. The contents included practical stationery and pencil cases, aiming to support students' learning needs on their path back to school.
Beyond giving gifts, this opportunity was also used to encourage children to learn the spirit of "sharing" in their daily lives, transforming this warmth into the motivation to help others and become a "Santa Claus" to those around them.

Leveraging Financial Expertise for Anti-Fraud Awareness Across All Age Groups

Impacted over 800 individuals, including students, seniors, and employees.
Stakeholder Engagement: Including the public sector, NGOs, educational institutions, and corporate employees.



As a financial services provider, Hotai Finance Corporation recognizes the importance of fraud prevention in maintaining social stability. To this end, HFC has extended its fraud awareness and prevention initiatives to schools and long-term care facilities, targeting two high-risk groups: schoolchildren and older adults. Through these efforts, HFC aims to raise awareness of fraud and equip individuals with practical knowledge to protect themselves against scams in their daily lives.

Deeply rooted in schools, anti-fraud awareness takes root from childhood.

Hotai Finance, together with the Hsinchu County Police Department and entertainment industry figures, used the influence of celebrities to transform complex fraud methods into concrete life scenarios. Through a quiz with prizes, they successfully transformed key knowledge such as "165 Anti-Fraud Hotline" and "Do Not Click on Unknown Links" into students' defensive instincts, spreading fraud prevention concepts from the school to the family.

Caring for the elderly: Volunteer colleagues put their care into practice.

In response to common scams targeting the elderly, such as fake police officers and prosecutors, and "emotional appeal scams," the Neihu Precinct's Xihu Police Station and the Kenai Association collaborated to provide case studies and analysis at a nursing home. This helped improve the elderly's ability to identify fraudulent schemes and provided emotional support through interactive activities, transforming professional knowledge into compassionate social care.

Promote sports development and support the archery team of the National Taiwan University of Sport.

Archery talent development and support, and financial support and awards for disadvantaged athletes. Sports promotion: Organizing experiential activities for colleagues and their families to promote the sport's popularity.



For the first time, the company has ventured into sports philanthropy, sponsoring the National Taiwan University of Sport archery team with a NT$1 million project. This funding will not only optimize the team's daily training equipment and competition expenses, but also establish a "Scholarship for Outstanding Underprivileged Athletes," providing substantial subsidies to young athletes with limited financial resources. This ensures that talent is not hindered by environmental constraints, thus strengthening the sport of archery in Taiwan.

To increase public awareness of this non-mainstream sport, the company combined the donation ceremony with an "Archery Experience Activity," inviting company employees and their families to participate. Professional coaches and national team athletes from the National Taiwan University of Sport provided hands-on guidance, allowing participants to experience firsthand the focus and endurance required for archery. Through this activity, employees gained a deeper understanding of the hardships behind the national team athletes' training.

The National Taiwan University of Sport archery team achieved remarkable results in 2025, winning a total of 49 medals in domestic competitions and 11 medals in international competitions. The company continues to support outstanding talent on the international stage through diverse social engagement initiatives, contributing to the prosperity of Taiwanese sports and society.



6.4 Environmental Protection

Hotai Enterprise is deeply rooted in environmental sustainability. Internally, we promote the "Five-Turn-Offs" energy-saving inspection campaign—turning off computers, lights, air conditioners, office equipment, and extension cord power—to drive energy conservation and carbon reduction. In 2025, we also hosted multiple environmental volunteer activities. Externally, using wetlands as our core base, we promote conservation through public-private partnerships. We continue to respond to the National Park Service's "Formosa Tropic of Cancer Sustainable Axis" initiative, dedicating ourselves to net-zero carbon emissions and the preservation of biodiversity, extending ESG impact from within the enterprise to the social ecosystem, and enabling ESG actions to reach everyone as a key influence in promoting the Earth's sustainable development.

6.4.1 Habitat Conservation - Safeguarding Biodiversity and Natural Carbon Sinks

Hotai Finance Corporation has voluntarily adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework to assess its operational dependencies and impacts on nature and biodiversity, as well as associated risks. We also established a biodiversity policy and developed strategies to promote natural carbon sinks, integrating nature conservation into its corporate sustainability strategy.

With wetlands serving as key sites for conservation efforts, we actively supports the 30×30 target under the Kunming-Montreal Global Biodiversity Framework (GBF) by promoting wetland conservation and nature conservation initiatives.

Wetland Conservation Actions Expanded to 6 Municipalities Across Northern, Central, and Southern Taiwan

Wetlands rely on balanced hydrological and biological systems and provide vital functions such as water purification, climate regulation, and blue-carbon storage. Since 2022, starting from New Taipei City's Zhanghe Wetland, Hotai Enterprise has constructed a public-private collaboration mechanism, joining hands with public sectors and non-profit organizations to maintain wetlands and pioneering the "Amphibious Dual-Advance Model" focusing on three major pillars: environmental education, terrestrial maintenance, and aquatic maintenance. This model has been extended to Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung, protecting biodiversity according to local conditions and mobilizing partners to participate so that more people can discover the beauty of wetlands.



Biodiversity policy and strategies to promote natural carbon sequestration:

Taipei Neihu Jinrui Flood Control Park: Cross-Domain Collaboration to Protect Urban Biodiversity

In 2025, the initiative expanded to the Jinrui Flood Control Park in Taipei, collaborating with stakeholders including the Taipei City Government Water Resources Department, the Wild Bird Society, and the Bat Conservation Society. Addressing the risk of "window kills" from glass windows in the park's buildings, volunteers were mobilized to affix anti-collision window stickers and murals, successfully transforming the "Jinrui Tianbao Wooden House" into a bird-friendly demonstration site. Simultaneously, professional equipment was donated, and a "Box Culvert Experience" was held, guiding participants to protect bat habitats with pest control functions. Through cross-sectoral collaboration between businesses and professional organizations, we not only invest resources to maintain urban ecological havens but also translate environmental education into concrete results in protecting the balance of nature.

Zhanghe Wetland, New Taipei City: A Pioneer in Removing Invasive Species, Safeguarding Ecological Balance and Development

Zhanghe Wetland is New Taipei City's first urban artificial wetland, covering a total area of 6.7 hectares. It is home to more than 600 species of organisms and has an annual carbon sequestration of approximately 41 metric tons, equivalent to the carbon emissions generated by a household's electricity consumption over 20 years. Hotai Finance was the first company to adopt Zhanghe Wetland. In addition to donating chest waders, environmental monitoring equipment, and digital environmental education equipment, they have also joined hands with the New Taipei City Environmental Protection Bureau and the International College of Water and Environment to form the "Invasive Species Removal Vanguard Team." They regularly conduct wetland volunteer activities, removing terrestrial invasive species such as Mikania micrantha and clearing overgrown water lettuce (Pistia stratiotes) from aquatic areas, hoping to promote ecological balance.

Quanshuiwo Jiangxia Hall, Taoyuan | Combining environmental conservation with cultural preservation, discovering the infinite possibilities of wetlands.

Taoyuan is known as the "Land of a Thousand Ponds," where ponds have played a vital role in environmental, agricultural, and economic development since ancient times. In the past, the Hakka people used "pond culverts" as hydraulic structures to control water levels when building ponds, ensuring balanced development and utilization. The "Pond Culvert Rediscovery and Reappearance" project, jointly promoted by Ho-Run Enterprises, the Taoyuan City Government Water Resources Bureau, and Quanshuiwo Jiangxia Hall, is a prime example of combining environmental sustainability with cultural preservation. Through pond culvert restoration actions and Hakka cultural tours, participants explore water culture together. This project is also the first case in which enterprises, government, local organizations, and volunteers have jointly participated.

Gaomei Wetlands, Taichung | Protecting the safety of wildlife migration and ensuring the survival of the next generation of land crabs.

Gaomei Wetlands, a nationally important wetland, is a popular tourist destination in summer, but this has led to frequent roadkill of spawning land crabs. To protect biodiversity, Hotai Finance, in collaboration with the Taichung City Government and the Taiwan Wild Bird Association, launched the "Land Crab Patrol Project." They donated professional equipment and formed a land crab patrol team, providing expert guidance to help the crabs safely cross the road to reach the beach to lay their eggs. This initiative not only protected the wetland ecosystem but also fostered a deep understanding of sustainability among over 80% of participants, transforming ecological conservation into concrete action.

Hahnauer Forest and Zhuxi in Tainan | Protecting the ecosystem of Zhuxi waterways and building a green ecological network for Tainan

In collaboration with the Tainan City Government Water Resources Bureau, the project implemented water conservation measures. To strengthen wetland environmental management, in addition to donating professional water-related equipment, a volunteer team was mobilized to personally engage in frontline maintenance work. This included removing the invasive species *Pomacea canaliculata*, clearing excessive algae and debris from the water surface, effectively mitigating ecological impact and optimizing the habitat for organisms. This "Protecting Zhuxi" project combined corporate resources with public sector efforts to improve water quality and biodiversity in urban forests.

Kaohsiung Niaosong Wetland | Fallen Tree Recycling: Discovering New Ecological Opportunities

Niaosong Wetland is the first wetland park in Taiwan, located in the bustling Kaohsiung metropolitan area. Its lush forests and diverse ecological landscapes are loved by local residents. Due to the large number of trees, in order to achieve the spirit of on-site recycling of natural resources, Hotai Finance has cooperated with the Kaohsiung City Government Tourism Bureau and the Kaohsiung Wild Bird Association to promote the "Fallen Wood Recycling Project". Wood chippers are used to turn fallen wood into wood chips, which are then decomposed into organic fertilizer to maintain the nutrients in the wetland soil.

Beach cleanup and tree planting and protection

From land to sea, from planting trees to cleaning up beaches, Hotai Finance actively implements environmental protection.



Ocean beach cleanup

In 2025, 500 volunteers removed 2,046 kilograms of marine debris throughout Taiwan.



Planting trees to stabilize riverbanks

Participating in Hotai Group's "One Car, One Tree" project, achieving the milestone of planting 1 million trees.

6.4.2 Green Energy Public Welfare Action Plan

Hotai Finance is developing its solar energy business to help various sectors achieve net-zero carbon emissions. Since 2023, it has joined hands with its subsidiary, HE JUN ENERGY, to launch the "Green Energy Public Welfare Action Plan." Through green energy initiatives, the revenue from solar power is converted into long-term educational funding. This transforms green energy into educational resources, uncovers more local stories, and deepens the impact of green energy.

Taichung P'uma Elementary School – "Green Electricity Exploration" Activity

P'uma Elementary School (meaning "passing on the torch" in the Atayal language) is the first indigenous experimental school in Taiwan. Since 2016, under the leadership of Principal Pilin Yapu, it has been promoting Atayal experimental education within the school, emphasizing the concepts of land, practice, and sustainability. It integrates local Atayal elders, ethnic craftspeople, and parents to offer multicultural courses, with over 2,000 classes developed across six grades to date. Centered on Atayal Gaga (referring to Atayal culture), it has developed 25 thematic courses, transforming the mountains and sea into classrooms for the children, not only fostering a love for school but also enhancing their identification with Atayal culture.
Continuing its green energy collaboration with P'uma Elementary School, Hotai Finance launched the "Green Electricity Walking Tour" project in 2025. Through a collaboration between HE JUN ENERGY volunteers and Feng Chia University, the project will transform abstract clean energy into concrete sensory experiences through solar energy knowledge quizzes, assembling miniature water turbines, and creating eco-bottles. From infrastructure development to educational initiatives, we aim to ensure that the spirit of sustainability continues to flourish in campus life.

Resource sustainability

The revenue from solar power is converted into educational funding, which supports approximately 2,000 cultural and educational courses annually.

Interdisciplinary teaching

In collaboration with HE JUN ENERGY and Feng Chia University's Water Lovers Club, a dual-themed challenge was designed, focusing on "electricity" and "water power."

Sensory experience

By assembling miniature waterwheels and creating eco-bottles, children can progress from "seeing electricity" to "understanding the cycle of life."

Deepen value

Break down the abstract concept of clean energy and make green energy technology a foundation for the growth of children in remote areas.

6.5Arts and Culture Support

Culture is a nation's soft power, and Hotai Finance and its subsidiaries support cultural development in conjunction with their core businesses. They also encourage employees to participate in various arts and cultural activities and support local culture through concrete actions. By 2025, the company has invested over NT$3 million in related resources (funding support, product services, employee participation, publicity and promotion, etc.).



Book donations to improve reading in rural areas

- Support Taitung Library and donate books to Hualien schools



Support musicals for the visually impaired

- Sponsored a block booking of tickets for a musical performed by a visually impaired orchestra



Indigenous Culture x Green Energy Charity

- Support the cultural education of an Indigenous elementary school and incorporate lively green energy education activities.



7 Appendix

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Greenhouse Gas Verification Opinion Statement 135

Sustainability Report - BSI Independent Guarantee - Opinion Statement 136

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All disclosure indicators below have been externally verified, and the relevant verification results are as shown in the Independent Assurance Statement.

Reporting Statement	Hotai Finance has reported in accordance with the GRI Standards for the period from January 1, 2025, to December 31, 2025.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI 2: General Disclosures

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	2-23Policy Commitment	Chapter 2: Corporate Governance - Management of material topics	31
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	2-27 Compliance with regulations	2.4.1 Regulatory Compliance	49
	2-28 Membership associations	About Hotai Finance	9
	2-29 Approach to stakeholder engagement	1.5 Stakeholder Engagement	26
	2-30 Collective bargaining agreements	Hotai Finance does not yet have a labor union. It mainly communicates employee rights and interests through the Employee Welfare Committee, which holds regular labor-management meetings to help senior management and employees reach a consensus, implement the spirit of the Collective Bargaining Act that both labor and management should conduct collective bargaining based on the principle of good faith, and protect employees' right to collective bargaining.	

GRI Topic Standards

theme	GRI Indicator Comparison	chapter	page number
management approach GRI 3 : 2021	3-1 The process for deciding on material topics	1.4 Analysis of material topics	22
	3-2 List of material topics	1.4 Analysis of material topics	22

Corresponding to ESG orientation	theme	GRI Indicator Comparison	chapter	page number
Economic governance (G)	material topic: Corporate Governance			
	management approach GRI 3 : 2021	3-3 Management of material topics	Chapter 2: Corporate Governance - Management of material topics	31
	material topic: Operational Performance			
	management approach GRI 3 : 2021	3-3 Management of material topics	Chapter 2: Corporate Governance - Management of material topics	31
	201 : 2016 Economic performance	201-1 Direct economic value generated and distributed by the organization 201-2 Financial Impacts of Climate Change and Other Risks and Opportunities 201-3Defined benefit plan obligations and other retirement plans 201-4 Financial assistance from the government	2.2 Operating Performance 5.1 Climate Change Risk Management 4.1.3 Provide good welfare benefits 2.2 Operating Performance	39 96 79 39
	material topic: Honest Business Practices			
	management approach GRI 3 : 2021	3-3 Management of material topics	Chapter 2: Corporate Governance - Management of material topics	39
	205 : 2016 Anti-corruption	205-2 Communication and training on anti-corruption policies and procedures 205-3 Confirmed corruption cases and actions taken	2.4 Honest Business Practices 2.4 Honest Business Practices	47 47
	206 : 2016 Anti-competitive behavior	206-1 Legal Actions Against Anti-Competitive, Antitrust, and Monopolistic Conduct	2.4 Honest Business Practices	47

Corresponding to ESG orientation	theme	GRI Indicator Comparison	chapter	page number
Social responsibility (S)	material topic: Customer Rights and Services			
	management approach GRI 3 : 2021	3-3 Management of material topics	Chapter 3 Customer Value - Management of material topics	59
	material topic: Human Rights and Employment Relations			
	management approach GRI 3 : 2021	3-3 Management of material topics	Chapter 4: A Happy Workplace - Key Management Themes	73
	401 : 2016 Employment Relations	401-1 New Employees and Departing Employees	4.1.1 Hiring outstanding talent	75
		401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	4.1.3 Provide good welfare benefits	79
		401-3 Parental Leave	4.1.3 Provide good welfare benefits	79
	material topic: Talent Attraction and Retention			
	management approach GRI 3 : 2021	3-3 Management of material topics	Chapter 4: A Happy Workplace - Key Management Themes	73
	404 : 2016 Training and Education	404-1 Average number of training hours per employee per year	4.2 Talent Development and Diversified Learning	81
		404-2 Employee Skills Enhancement and Transition Assistance Program	4.1.3 Provide diverse benefits	79
		404-3 Percentage of employees who regularly undergo performance and career development reviews	4.2.3 Performance Appraisal and Rotation System	85
	405 : 2016 Employee diversity and equal opportunities	405-1 Diversity of governance bodies and employees	2.1.1 Professional, Independent, and Diverse Board of Directors Appendix: Employee-Related Data	35
		405-2 Ratio of basic salary and remuneration of women to men	4.1.2 Provide fair compensation	77
Environmental sustainability (E)	material topic: Operating Environment Sustainability			
	management approach GRI 3 : 2021	3-3 Management of material topics	Chapter 5 Environmental Sustainability - Management of material topics	95
	302 : 2016 energy	302-1 Energy consumption within the organization	5.3.1 Energy Management	106
		302-3 Energy Intensity	5.3.1 Energy Management	106
	303 : 2018 Water and discharged water	303-1 Interactions with water as a shared resource	5.3.2 Water Resources Management	107
		303-2 Management of water discharge-related impacts	5.3.2 Water Resources Management	107
		303-3 Water intake	5.3.2 Water Resources Management	107

Sustainability Accounting Standards Board (SASB) Index Table – Consumer Finance

Disclosure Topic:Customer Privacy				
Indicator Number	Disclosure Indicators	Information disclosure		Corresponding chapters
		2024	2025	
FN-CF-220a.1	The number of account holders whose information is used for secondary purposes	All personal data usage by Hotai Finance complies with laws and regulations; no relevant statistics are currently available.		-
FN-CF-220a.2	Total monetary losses resulting from legal proceedings related to customer privacy	0	0	-
Disclosure Topic : Data Security				
FN-CF-230a.1	1. Number of data breaches	0	0	2.5.1 Information security management
	2. Percentage involving personally identifiable information (PII)	0	0	
	3. Number of affected account holders	0	0	
FN-CF-230a.2	1. Card-not-present fraud 2. Losses related to physical cards and other fraudulent activities involving cards.	Hotai Finance does not issue credit cards, therefore this does not apply.		
FN-CF-230a.3	Description of practices for identifying and responding to data security risks	See section 2.5 Information Security and Personal Data Protection of this report for details.		2.5 Information Security and Personal Data Protection
Disclosure Topic : Sales Operations				
FN-CF-270a.1	The percentage of total sales employee compensation that is variable and linked to the amount of products and services sold.	The relevant information is planned to be disclosed in the future.		-
FN-CF-270a.2	1. Approval rate for credit product applicants	not applicable		-
	2. Approval rate for prepaid products			
FN-CF-270a.3	1. Average charge from add-on products	not applicable		-
	2. Average Annual Percentage of Rate (APR) for Credit Products			
	3. Average age of credit products			
	4. Average number of credit accounts			
	5. Average annual fee for prepaid products			
FN-CF-270a.4	1. Number of customer complaints	152cases	38cases	3.3 Customer Rights and Services
		Note: This includes letters from consumer protection officials, government correspondence, etc., and the complaints cover issues such as interest rate disputes and handling fees.		
	2. Percentage of monetary or non-monetary compensation	0%	0%	
FN-CF-270a.5	Total monetary losses resulting from legal proceedings related to the sale of products and provision of services	0	0	-

Disclosure Topic : Customer Privacy				
Indicator Number	Disclosure Indicators	Information disclosure		Corresponding chapters
		2024	2025	
Operational metrics: Enterprise operational metrics				
FN-CF-000.A	1. Number of unique consumers with an active credit card account	Hotai Finance does not issue credit cards or debit cards, therefore this does not apply.		-
	2. Number of independent consumers holding valid prepaid debit card accounts			
FN-CF-000.B	1. Credit card account			-
	2. Prepaid debit card account			-

United Nations Global Compact Comparison Table

Category	Principles	Corresponding chapters	Page(s)
human rights	Businesses should support and respect the protection of internationally proclaimed human rights.	4.1 Talent Attraction and Compensation & Benefits 4.3 Human Rights Protection and Workplace Safety and Health	75-80 85-93
	Make sure that they are not complicit in human rights abuses.		
Labor rights	Businesses should support freedom of association and fully recognize the right to collective bargaining.		
	Eliminate all forms of forced and compulsory labor		
	The effective abolition of child labour		
	Eliminate discrimination in employment and occupation		
environment	Businesses should support a precautionary approach to environmental challenges.	3.2Sustainable and Clean Investment 4.3.2Safe and healthy workplace environment 5.3 Operating environment management	64-65 90-91 105-107
	Take proactive steps to promote more responsible practices in the environment.		
	Encourage the development and promotion of environmentally friendly technologies		
Anti-corruption	The business community should strive to combat all forms of corruption, including extortion and bribery.	2.4 Honest business Practices	47-52

Climate-related information for listed companies

1. Implementation status of climate-related information

Risks and opportunities posed by climate change to the company and the company's corresponding countermeasures.		Implementation status	Chapter Comparison
1	Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.	The climate change governance mechanism has the Board of Directors as the highest oversight body. Related issues are tracked and implemented by the Environmental Sustainability Group (Environmental Management Committee) under the ESG Sustainability Management Committee, which also collaborates with relevant departments within the company to plan and implement sustainable business initiatives. The Committee holds at least two meetings annually and reports to the Board of Directors on progress and results at least once a year.	5.1 Climate Change Risk Management

Risks and opportunities posed by climate change to the company and the company's corresponding countermeasures.		Implementation status	Corresponding Chapter
2	Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, and long-term).	Identify various climate risk issues and opportunities, and assess their impact timelines (see the corresponding chapters for details).	5.1.2 Results of Major Climate Risk Identification and Adaptation Actions 5.1.3 Identification Results of Major Climate Opportunities and Adaptation Actions
3	Describe the financial impact of extreme climate events and transitional actions.	For each identified risk and opportunity, assess its financial impact separately (see the corresponding chapter for details).	5.1.2 Results of Major Climate Risk Identification and Adaptation Actions 5.1.3 Identification Results of Major Climate Opportunities and Adaptation Actions
4	Explain how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	Our company integrates the concept of climate risk into all aspects of our operations and business. We identify potential climate risks/opportunities, analyze their impact, assess and determine countermeasures, and manage and implement them centrally and in a tiered manner according to their characteristics and impact levels to effectively control risks and opportunities. The steps for identifying and assessing climate risks and opportunities are as follows: 1. Identification: Gathering literature, identifying industry climate-related risks and opportunities. 2. Assessment: Review and assess climate-related risks and opportunities, compiling and prioritizing them according to their materiality of impact on the company. 3. Response: The ESG Sustainability Committee will review and confirm the findings, and the findings will be integrated into the company's existing risk management processes. 4. Report: Regularly track and review implementation results	5.1 Climate Change Risk Management
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts used should be described.	Our company has implemented a scenario analysis model, based on the results of climate change risk and opportunity identification. Using the SSP5-8.5 climate scenario in the IPCC AR6 report as an assumption, we have conducted quantitative analysis for four consecutive years on the physical risks of "increased severity of extreme weather events such as typhoons and floods" and the opportunities of "research and innovation in new products and services." Please refer to the corresponding chapters for details.	5.1.2 Major Climate Risk Identification Results and Adaptation Actions

	Risks and opportunities posed by climate change to the company and the company's corresponding countermeasures.	Implementation status	Corresponding Chapter
6	If there is a transition plan to address climate-related risks, describe the plan's content and the indicators and objectives used to identify and manage entity risks and transition risks.	Our company regularly tracks emissions hotspots annually based on the annual GHG inventory results prepared in accordance with ISO 14064-1, sets quantifiable tracking indicators to address various climate risks and opportunities, and conducts rolling reviews and adjustments. For example, in response to market risks, our company actively plans diversified green financial products; and in response to the increasing market demand for renewable energy, we invest in the development of green energy industries. Please refer to the corresponding chapters for details.	5.1.2 Major Climate Risk Identification Results and Adaptation Actions
7	If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	Internal carbon pricing has not yet been used as a planning tool.	Internal carbon pricing has not yet been used as a planning tool.
8	If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the annual progress should be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the carbon reduction credits offset or the greenhouse gas inventory and assurance status of the REC quantity should be described.	To achieve net-zero carbon emissions, our headquarters officially began using green electricity in November 2024 and obtained renewable energy certificates. Please refer to Table 1-1 below.	5.1.4 Greenhouse Gas Management 5.3.1 Energy Management
9	Greenhouse gas inventory and reduction targets, strategies and specific action plans	Please refer to Table 1-2 below.	5.1.4 Greenhouse Gas Management 5.3.1 Energy Management

1-1 Company's Greenhouse Gas Inventory and Assurance Status for the Past Three Years

Our company conducts greenhouse gas inventory in accordance with the ISO 14064-1:2018 standard published by the International Organization for Standardization (ISO). We conduct an annual GHG inventory for Hotai Finance as a whole and its consolidated financial reporting subsidiaries, including Hejin Enterprise, HE JUN ENERGY, HOTAI FINANCE DEVELOPMENT, and Heyun International Financial Leasing Co., Ltd. The greenhouse gas inventory data for the past two years are based on the operational control method to summarize greenhouse gas emissions.

1-1-1 Greenhouse Gas Inventory Information

Project/Year			2023	2024	2025
Taiwan note1	Scope 1	Emissions (metric tons of CO_2e)	372.6235	372.8171	365.5234
		Intensity (metric tons of CO_2e per NT$1 million in revenue)	0.0189	0.0177	0.0186
	Scope 2	Emissions (metric tons of CO_2e)	773.2749	806.8391	631.9245
		Intensity (metric tons of CO_2e per NT$1 million in revenue)	0.0391	0.0384	0.0322
Overseas note2	Scope 1	Emissions (metric tons of CO_2e)	1,067.8114	1,155.1406	882.5588
		Intensity (metric tons of CO_2e per NT$1 million in revenue)	0.2486	0.2373	0.2146
	Scope 2	Emissions (metric tons of CO_2e)	484.9859	542.6347	420.8819
		Intensity (metric tons of CO_2e per NT$1 million in revenue)	0.1129	0.1115	0.1024
Taiwan + Overseas	Scope 1	Emissions (metric tons of CO_2e)	1,440.4349	1,527.9577	1,248.0822
		Intensity (metric tons of CO_2e per NT$1 million in revenue)	0.0599	0.0528	0.0527
	Scope 2	Emissions (metric tons of CO_2e)	1,258.2608	1,349.4738	1,052.8064
		Intensity (metric tons of CO_2e per NT$1 million in revenue)	0.0523	0.0466	0.0444
	Inventory coverage		100%	100%	100%
	External verification body		SGS Taiwan Inspection Technology		

Note 1: The Taiwan inventory boundary includes 100% of the locations of four companies: Hotai Finance, Ho-Jin Enterprises, HE JUN ENERGY, HOTAI FINANCE DEVELOPMENT.
Note 2: The overseas inventory boundary includes 100% of the locations of Ho-Yun International Financial Leasing Co., Ltd.
Note 3: Other indirect emission items include business travel (taxi only), waste disposal (incineration), and purchase of goods and services (tap water).
Note 4: From 2025 onwards, calculations will be uniformly based on the Ministry of Environment's Greenhouse Gas Emission Coefficient Management Table (Version 6.0.4). The calculation basis for gasoline emissions from overseas locations has been changed from "a mass-based calorific value to a volume-based emission factor," therefore the 2024 data has been recalculated and corrected.

1-1-2 Greenhouse Gas Assurance Information

category	Assurance Statement	Verification Body	Assurance Statement	Statement of Confirmation
Hotai Finance and its subsidiaries	2024	SGS Taiwan	ISO 14064-3:2018 Reasonable Assurance	Our company discloses total greenhouse gas emissions (direct + indirect) of 3,229.1489 metric tons of CO_2e, with an unmodified conclusion.
	2025			Our company discloses total greenhouse gas emissions (direct + indirect) of 2,851.160 metric tons of CO_2e, with no reservations.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

category	project	Action strategy	2050 Net zero target	Quantitative indicators	YoYQuantitative indicator tracking 2024	2025
Category 1	gasoline	• The company is replacing its leased official vehicles with electric/hybrid vehicles. • Encourage the use of public transportation	Zero fuel-only vehicles	Percentage of electric and hybrid vehicles	72%	93%
Category 2	electricity	• Air conditioning operation optimization • Electrical appliance promotion adopts first-level products	Improve energy efficiency	per capita electricity consumption	1,372.89 kWh	1,221.55 kWh
				Average electricity consumption per million units of revenue	83.03 kWh	81.89 kWh
		• Use renewable energy • Promoting green energy	• Purchased electricity • Net zero carbon emissions	The introduction of green electricity is expected to reduce carbon emissions annually.	90mtCO_2e	129mtCO_2e
				• Number of solar panel installations • Total installed capacity • Annual carbon reduction benefits	• 309 project sites (↗46%) • 88.1MW • 55,534mtCO_2e	• 372 project sites • 106.7MW • Carbon reduction benefits62,210 mtCO_2e
Category 3	Water	• Install water-saving devices • Water conservation promotion	• Per capita water consumption decreased by 1% or remained at the same level as the previous year.	per capita water consumption	6.86kL	6.56kL
				Average water usage per million units of revenue	0.41m³	0.43m³
				Carbon reduction benefits	0.308mt CO_2e	0.015mtCO_2e
	waste	• Promoting digital paperless • Waste reduction and paper recycling	• Promote a paperless work environment	Digitalization reduces paper usage	• Saving 9,650,000 sheets of paper • A reduction of 59,498 kgCO_2e	• Saving over 2,900,000 sheets of A4 paper • Reduced by 16,825 kgCO_2e
				Paper destruction and recycling volume	6.27mt	5.44mt

Note 1: Priority will be given to setting the 2050 emission reduction target based on the business locations (including subsidiaries) in Taiwan.

Employee-related data

Employee composition - classified by region of residence and employment type

year	Employment Type	gender	Taiwan				overseas	Subtotal
			North	Central	South	east		
2025	Permanent employment	male	390	68	107	8	354	927
		female	430	117	167	12	337	1,063
		Subtotal	820	185	274	20	691	1,990
	Temporary employees	male	6	0	0	0	0	6
		female	7	2	3	0	0	12
		Subtotal	13	2	3	0	0	18
	full-time employees	male	396	68	107	8	354	933
		female	437	119	170	12	337	1,075
		Subtotal	833	187	277	20	691	2,008
2024	Permanent employment	male	384	80	84	12	489	1,049
		female	406	109	167	10	428	1,120
		Subtotal	790	189	251	22	917	2,169
	Temporary employees	male	4	0	1	0	0	5
		female	7	4	4	0	0	15
		Subtotal	11	4	5	0	0	20
	full-time employees	male	388	80	85	12	489	1,054
		female	413	113	171	10	428	1,135
		Subtotal	801	193	256	22	917	2,189

Note 1: Hotai Finance has no part-time employees.
Note 2: Northern Region: Taipei City, New Taipei City, Keelung City, Taoyuan City, Hsinchu County/City, Miaoli County; Central Region: Taichung City, Changhua County, Nantou County; Southern Region: Yunlin County, Chiayi County/City, Tainan City, Kaohsiung City, Pingtung County; Eastern Region: Yilan County, Hualien County, Taitung County
Overseas Region: Mainly China
Note 3: Hotai Finance has no employees in outlying islands.

Employee composition - categorized by gender and age

area	gender	≦30age		31-50age		>50age		Subtotal	
Taiwan	male	127	9.6%	358	27.2%	94	7.1%	579	44%
	female	171	13%	503	38.2%	64	4.9%	738	56%
	Subtotal	298	22.6%	861	65.4%	158	12%	1,317	100%
overseas	male	92	13.3%	255	36.9%	7	1.0%	354	51.2%
	female	101	14.6%	234	33.9%	2	0.3%	337	48.8%
	Subtotal	193	27.9%	489	70.8%	9	1.3%	691	100%

Employee composition - categorized by job level

area	Job Rank	manager	Non-supervisor	Subtotal
Taiwan	male	93	486	579
	female	29	709	738
	Subtotal	122	1,195	1,317
overseas	male	108	246	354
	female	49	288	337
	Subtotal	157	534	691

Note: In Taiwan, supervisory positions in sales units are at the level of division chief (inclusive) or above; positions in administrative units are at the level of section chief (inclusive) or above; non-supervisory positions in sales units are below the level of division chief; and positions in administrative units are below the level of section chief. Overseas supervisory positions refer to those with approval authority, at the level of section chief or sales department head or above.

Employee composition - categorized by education level

area	category	Number of employees			percentage
		manager	Non-supervisor	Subtotal	
Taiwan	master	39	117	156	11.85%
	Bachelor	60	690	750	56.95%
	Associate Degree	15	157	172	13.06%
	High school (inclusive) and below	8	231	239	18.15%
	Subtotal	122	1,195	1,317	100%
overseas	master	14	16	30	4.3%
	Bachelor	99	303	402	58.2%
	Associate Degree	42	195	237	34.3%
	High school (inclusive) and below	2	20	22	3.2%
	Subtotal	157	534	691	100%

Note: In Taiwan, supervisory positions in sales units are at the level of division chief (inclusive) or above; positions in administrative units are at the level of section chief (inclusive) or above; non-supervisory positions in sales units are below the level of division chief; and positions in administrative units are below the level of section chief. Overseas supervisory positions refer to those with approval authority, at the level of section chief or sales department head or above.

Staff Composition - STEM Talent

Hotai Finance actively responds to the trends of digital transformation and sustainable development, continuously strengthens its technological strength and innovation capabilities, and attracts STEM talents with backgrounds in Science, Technology, Engineering, and Mathematics to enhance corporate competitiveness and promote organizational innovation and sustainable growth.

area	Gender	Engineering talents	Information talent	total
Taiwan	male	4	38	42
	female	2	17	19
	Subtotal	6	55	61
overseas	male	0	18	18
	female	0	8	8
	Subtotal	0	26	26

Note 1: Hotai Finance Corporation does not engage in science- or technology-related business activities. Therefore, its STEM talent recruitment primarily focuses on individuals with backgrounds in engineering and mathematics.
Note 2: Engineering personnel refer to employees in the solar energy engineering, operations, and maintenance unit, while IT personnel refer to employees in the Information Technology Department.

Summary of Indicators Subject to Assurance

Item	Key Performance Indicators	Dimension	Applicable benchmark
1	In 2025, the attendance rate of directors in person at the Board of Directors meetings reached 95%.	Governance (G)	A total of 9 board meetings were held in 2025. The average attendance rate from the 8th meeting of the 11th board meeting to the 16th meeting of the 11th board meeting was calculated by dividing the number of attendees in person in the attendance book by the total number of directors.
2	In 2025, directors participated in a total of 99 hours of training courses and seminars.	Governance (G)	For 2025, the hours shown on the certificates of completion for courses and seminars attended by the nine directors, including independent directors, were summed.
3	In 2025, the total employee training hours reached 15,580 hours.	Social (S)	Total training hours recorded for the entire company in Taiwan in 2025.
4	In 2025, loan approvals for renewable energy and environmental protection industries reached NT$149 million.	Environment (E)	Taking Hotai Finance as the boundary, the total amount of installment loans for renewable energy and environmental protection industry customers whose case approval date is 2025 (based on the business registration information of the Administration of Commerce, Ministry of Economic Affairs).
5	In 2025, the number of approved loans for electric vehicles, hybrid electric vehicles, and environmentally friendly motorcycles reached 22,704, amounting to NT$ 21.939 billion.	Environment (E)	Taking Hotai Finance as the boundary, targeting electric vehicles, hybrid electric vehicles and environmentally friendly motorcycles, and with the approval date of the case in 2025, the total amount of actual loans for its installment cases.

Third-party verification

Independent Auditors' Limited Assurance Report

pwc 資誠

會計師有限確信報告

資會綜字第 25014149 號

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本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標選取樣本進行檢查測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

pwc 資誠

此報告不對民國 114 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述　貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

其它事項

貴公司網站之維護係　貴公司管理階層之責任，對於確信報告於　貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師 林佳鴻

中華民國 115 年 7 月 2 日

ISO 14064-1:2018 Greenhouse Gas Inventory

意見書編號 TW26/00391GG

SGS

溫室氣體查驗意見書

2025 年溫室氣體排放資訊

和潤企業股份有限公司

14698 台北市內湖區瑞光路 605 號 10F

經本公司依據 ISO 14064-3:2019 完成查驗，提出經修改之查驗意見，其符合下列標準要求

ISO 14064-1:2018

直接溫室氣體排放量
1,248.0822 公噸二氧化碳當量
間接溫室氣體排放量
1,603.0778 公噸二氧化碳當量
直接與間接溫室氣體總排放量
2,851.160 公噸二氧化碳當量

簽署人

鮑柏宇
管理與保證事業群副總裁
日期: 2026年07月20日
版次:1

TGP56B-15-1 2601
台灣檢驗科技股份有限公司
248016 新北市五股區(新北產業園區)五工路 136 之 1 號
t (02) 22993279 f (02)22999453 www.sgs.com

GHG INVENTORY VERIFICATION ISO 14064-1 SGS

本查驗意見書不可單頁使用，須與查驗範圍、目標、準則及結論頁面共同使用始具效力

第1頁 共10頁

Independent Assurance Opinion Statement on the Sustainability Report

獨立保證意見聲明書

2025 和潤企業永續報告書

英國標準協會與和潤企業股份有限公司(簡稱和潤企業)為相互獨立的公司，英國標準協會除了針對 2025 和潤企業永續報告書進行評估和查證外，與和潤企業並無任何財務上的關係。

本獨立保證意見聲明書之目的，僅作為對 2025 和潤企業永續報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途。除對查證事實提出獨立保證意見聲明書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人，英國標準協會並不負有或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查和潤企業提供之相關資訊所作成之結論，因此審查範圍乃基於並侷限在這些提供的資訊內容之內，英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，將由和潤企業一併回覆。

查證範圍

和潤企業與英國標準協會協議的查證範圍包括:

1. 本查證作業範疇與 2025 和潤企業永續報告書揭露之報告範疇一致。
2. 依照 AA1000 保證標準 v3 的第 1 應用類型評估和潤企業遵循 AA1000 當責性原則(2018)的本質和程度，不包括對於報告書揭露的資訊/數據之可信賴度的查證。
3. 依照 AA1000 保證標準 v3 的第 1 應用類型評估適用的 SASB 準則永續揭露的符合性。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結 2025 和潤企業永續報告書內容，對於和潤企業之相關運作與績效則提供了一個公平的觀點。基於保證範圍限制事項、和潤企業所提供資訊與數據以及抽樣之測試，此報告書並無重大之不實陳述。我們相信有關和潤企業的環境、社會及治理等績效資訊是被正確無誤地呈現。報告書所揭露之永續績效資訊展現了和潤企業對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 v3 查證能力之團隊執行，以及策劃和執行這部分的工作，以獲得必要之訊息資料及說明。我們認為就和潤企業所提供之足夠證據，表明其符合 AA1000 保證標準 v3 的報告方法與自我聲明依循 GRI 永續性報導準則和 SASB 準則係屬公允的。

查證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 對來自外部團體的議題相關於和潤企業政策進行高階管理層訪談，以確認本報告書中聲明書的合適性;
- 與管理者討論有關利害關係人參與的方式，然而，我們並無直接接觸外部利害關係人;
- 訪談 1 位與永續性管理、報告書編製及資訊提供有關的員工;
- 審查有關組織的關鍵性發展;
- 審查內部稽核的發現;
- 審查報告書中所作宣告的支持性證據;
- 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查;
- 對組織使用 SASB 準則的指標或目標來評估和管理與主題相關的風險和機會進行評估。

結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性, GRI 永續性報導準則與 SASB 準則的詳細審查結果如下：

包容性

2025 年報告書反映出和潤企業已持續尋求利害關係人的參與，並建立重大永續主題，以發展及達成對永續具有責任且策略性的回應。報告書中已公正地報告與揭露環境、社會及治理的訊息，足以支持適當的計畫與目標設定。以我們的專業意見而言，這份報告書涵蓋了和潤企業之包容性議題。

重大性

和潤企業公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了和潤企業之重大性議題。

回應性

和潤企業執行來自利害關係人的期待與看法之回應。和潤企業已發展相關道德政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書涵蓋了和潤企業之回應性議題。

衝擊性

和潤企業已鑑別並以平衡和有效之量測及揭露方式公正展現其衝擊。和潤企業已經建立監督、量測、評估和管理衝擊之流程，從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書涵蓋了和潤企業之衝擊性議題。

GRI 永續性報導準則

和潤企業提供有關依循GRI永續性報導準則2021之自我宣告，並對每個涵蓋其行業準則和具相關性的GRI主題準則之重大主題，其揭露項目依循全部報導要求的相關資料。基於審查的結果，我們確認報告書中參照GRI永續性報導準則之永續發展相關揭露項目已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了和潤企業的永續性主題。

SASB 準則

和潤企業提供有關依循 SASB 準則(消費金融永續會計準則，2023-12 版本)進行永續揭露之自我宣告。基於審查的結果，我們確認報告書中參照 SASB 準則的永續揭露主題與會計指標已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了和潤企業適用的 SASB 準則之永續揭露主題、相關會計指標與活動指標。

保證等級

依據 AA1000 保證標準 v3 我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。
依據 AA1000 保證標準 v3 我們審查 SASB 準則為中度保證等級。

責任

這份永續報告書所屬責任，如同責任信中所宣稱，為和潤企業負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查證團隊係由具專業背景，且接受過如 AA1000AS、ISO 14001、ISO 45001、ISO 14064 及 ISO 9001 之一系列永續性、環境及社會等管理標準的訓練，具有稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。

For and on behalf of BSI:

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

AA1000
Licensed Report
000-4/V3-8RYSE

Statement No: SRA-TW-806409
2026-09-02

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

BSI Taiwan is a subsidiary of British Standards Institution.

INDEPENDENT ASSURANCE OPINION STATEMENT

2025 Hotai Finance Corporation ESG Report

The British Standards Institution is independent to HOTAI FINANCE CO., LTD. (hereafter referred to as HFC in this statement) and has no financial interest in the operation of HFC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of HFC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by HFC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to HFC only.

Scope

The scope of engagement agreed upon with HFC includes the followings:

1. The assurance scope is consistent with the description of 2025 Hotai Finance Corporation ESG Report.
2. The evaluation of the nature and extent of the HFC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2025 Hotai Finance Corporation ESG Report provides a fair view of the HFC sustainability programmes and performances during 2025. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the HFC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate HFC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that HFC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to HFC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 1 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018), GRI Standards and SASB Standard(s) is set out below:

Inclusivity

This report has reflected a fact that HFC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the HFC's inclusivity issues.

Materiality

HFC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of HFC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the HFC's management and performance. In our professional opinion the report covers the HFC's material issues.

Responsiveness

HFC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for HFC is developed and continually provides the opportunity to further enhance HFC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the HFC's responsiveness issues.

Impact

HFC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. HFC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the HFC's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

HFC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the HFC's sustainability topics.

SASB Standards

HFC provided us with their self-declaration of in accordance with SASB Standard(s) (Consumer Finance Sustainability Accounting Standard, version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) are reported, partially reported, or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

The sustainability report is the responsibility of the HFC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

AA1000
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000-4/V3-8RYSE

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

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