

Stock code: 6592



HOTAI FINANCE CO., LTD.

2025

Annual Shareholders' Meeting Handbook

(For the convenience of readers and for information purposes only, this handbook have been translated into English from the original Chinese-language version prepared and used in the Republic of China. In the event of any discrepancy between the English and Chinese versions, or if there are any differences in interpretation between the two versions, the original Chinese version shall prevail.)

2025/5/27

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Meeting agenda

2025 Annual General Shareholders' Meeting

Meeting Time : May 27, 2025 (Tuesday) 09:00

Type of Meeting : Physical meeting

Location : No.10, Mingzhong St., Xinzhuang Dist., New Taipei City
242, Taiwan

1. Opening & chairman's address
2. Reports
 - (1) 2024 Business Report
 - (2) 2024 Audit Committee Report
 - (3) Distribution of employees' remuneration of 2024
 - (4) Distribution of 2024 Profits
3. Ratifications
 - (1) Ratification of 2024 Business Report and Financial Statements
 - (2) Ratification of Proposed Distribution of 2024 Profits
4. Discussion
 - (1) Amendment to the " The Articles of Incorporation "
 - (2) Proposal for release of the non-competition restriction imposed on directors
5. Extemporaneous motions
6. Adjournment

Reports

1. 2024 Business Report

Explanation :

Please refer to Appendix 1 for the Company's 2024 business report (page 7~10).

2. 2024 Audit Committee Report

Explanation :

Please refer to Appendix 2 for the Audit Committee Report (page 11).

3. Distribution of employees' remuneration of 2024

Explanation :

- (1) According to the Articles of Incorporation, the Company shall allocate one percent of profit of the current year distributable as employees' remuneration; however, the Company's accumulated losses shall have been covered.
- (2) Propose to allocate one percent of profit, NT\$ 39,939,487 as employees' remuneration, and the remuneration shall be distributed in cash. The proposal has been adopted by resolution at the 9th meeting of the 11th Board of Directors.

4. Distribution of 2024 Profits

Explanation :

(1) The distribution shall be declared and made in accordance with Article 240, Paragraph 5 of the Company Act and Article 28-2 of the Company's Articles of Incorporation.

(2) The Company's 2024 profit was resolved by the 11th term of the Board of Directors at the 9th meeting to approve cash dividends as follows:

Preferred shares A: NT\$210,000,000 (NT\$4.2 per share)

Preferred shares B: NT\$225,000,000 (NT\$4.5 per share)

Common shares: NT\$1,869,451,479 (NT\$3 per share)

For this period's motion to distribute cash dividends, any decimal point below one NTD will be rounded down. Shares below one dollar NTD will be adjusted from the largest decimal place, until the total amount of cash dividends has been distributed.

(3) In the event the number of outstanding shares is subsequently affected by changes in the Company's share capital, resulting in the necessity to revise the shareholder's payout ratio, the Board of Directors shall be authorized to conduct such revision at its full discretion.

Ratifications

1. Ratification of 2024 Business Report and Financial Statements

Proposed by Board of Directors

Explanation :

- (1) The Company's 2024 Business Report and Financial Statements have been adopted by resolution at the 9th meeting of the 11th Board of Directors, which have been audited and certified by PricewaterhouseCoopers Taiwan, and reviewed by the Audit Committee.
- (2) Please refer to Appendix 1 (page 7~10) and Appendix 3 (page 12~33) for the Company's 2024 Business Report and Financial Statements.

Resolution :

2. Ratification of Proposed Distribution of 2024 Profits

Proposed by Board of Directors

Explanation :

- (1) Please refer to Appendix 4 for the Table of 2024 Profit Distribution (page 34).

Resolution :

Discussion

1. Amendment to the "The Articles of Incorporation"

Proposed by Board of Directors

Explanation :

To suffice the regulation of Securities and Exchange Act, the amendments to certain provisions of the Company's "The Articles of Incorporation" accordingly. Please refer to Appendix 5 (page 35) for the comparison.

Resolution :

2. Proposal for release of the non-competition restriction

imposed on directors

Proposed by Board of Directors

Explanation :

- (1) In the event that a director of the Company engages in any acts specified in Article 209 of the Company Act, it is the Company's intention to release such directors and his or her appointed representatives from non-compete restrictions on holding concurrent positions in businesses similar to those listed in the Company's scope of business (to the extent that such positions are held out of business needs), and provided that doing so will not harm the interests of the Company.
- (2) Details of the Concurrent Positions held by Directors of the Company Subject to the Release Granted can be found in Appendix 6 (Page 36).

Resolution:

Extemporaneous motions

Adjournment

Hotai Finance Co., Ltd**2024 Business Report****I. Review of Operating Achievements in 2024**

In 2024, global economic growth slowed. Although inflationary pressures eased, rising geopolitical tensions and trade protectionism posed challenges to the global economy. Driven by AI-related demand, Taiwan's economy performed relatively well, with an annual GDP growth rate of 4.59%, an increase of 3.28 percentage points compared to the 1.31% growth rate in 2023. Despite challenges such as rising funding costs and stricter policy regulations, the Company actively strengthened asset quality management and implemented cost control measures. Revenue reached NT\$29 billion, showing a slight increase from the previous year. Consolidated total assets amounted to approximately NT\$330 billion, reflecting a 5% growth, while consolidated net profit after tax was NT\$3.3 billion, with an EPS of NT\$4.44 per share.

In its core business of auto installment, the Company has responded to increasing competition from banks and leasing companies, as well as adjustments in government regulations, by continuously launching diversified and customized installment plans to adapt to rapid market changes. It has actively pursued collaborations with TOYOTA, LEXUS, and various brand dealerships and used car dealers, ensuring stable performance in auto financing. In corporate finance, the Company has enhanced service quality by deepening relationships with suppliers and leveraging its specialized industry expertise, driving continued business expansion. For the motorcycle installment market, the Company has focused on optimizing product policies, strengthening customer retention, and providing premium personalized services to further increase market share. In product installment services, offerings include 3C electronics, medical aesthetics, home appliances, home renovations, and auto repairs. The Company has also expanded its online/offline Pay4U installment services to meet diverse consumer needs, progressing toward a comprehensive installment ecosystem that aligns with everyday consumer lifestyles. With business scale expansion, the Company's total assets reached NT\$255 billion in 2024, reflecting a 2% growth from the previous year.

In 2024, the absence of a vehicle replacement incentive program and the impact of shifted demand for delivery logistics during the pandemic led to a continued decline in commercial vehicle sales. Total commercial vehicle sales reached approximately 17,000 units, representing 89% of the previous year's volume. Amid the challenging new vehicle market, HEJING actively expanded its used vehicle and related corporate finance businesses, securing its position as the market leader in heavy vehicle financing for the second consecutive year. Total assets grew steadily, surpassing

NT\$25 billion, a 23% increase from the previous year.

Hotai Finance Development officially commenced operations in March 2024 and has rapidly expanded its business. Total assets are expected to exceed NT\$10 billion by its first anniversary, marking a remarkable achievement. The team has grown swiftly, establishing locations across Taiwan's six major cities, with the workforce surpassing 130 employees, demonstrating strong momentum and dynamic growth.

In the green energy sector, HEJUN Energy has positioned itself as a comprehensive energy service provider, covering generation, charging, storage, and energy sales. Through self-development and acquisitions, it has continued to expand its project portfolio, achieving record-high contracted capacity in solar and energy storage, with power generation doubling compared to 2023. HEJUN Energy has also made a strategic investment in Grinnodot Inc. (Sunnyfounder) to expand its presence across various site types. Its proprietary EV charging brand, EV Run, continues to expand, supporting the Group's electric vehicle market strategy. Additionally, its subsidiary, Hejun Electricity Co., Ltd., has begun supplying green electricity to the offices of Hotai Finance, further advancing net-zero carbon business opportunities.

The Company also continued its steady growth in overseas markets. China maintained its economic policy focus on stability for the third consecutive year, supporting the physical economy and employment while actively promoting industrial upgrades. In 2024, Hoyun International Leasing steadily expanded its automotive leasing business, strengthening collaborations with local automakers. Its equipment leasing business focused on serving small and medium-sized enterprises while advancing a diversified portfolio, including solar energy, healthcare, and high-quality existing clients. Hoyun International Leasing's total assets reached approximately RMB 10 billion in 2024, reflecting a 14% increase from the previous year, demonstrating its solid business growth and market expansion capabilities.

In Cambodia, the Company has officially obtained a microfinance license, upgrading to an "MFI Microfinance Institution" and rebranding as HFC (Cambodia) Microfinance PLC. The Company is committed to becoming one of the top three MFI microfinance institutions in Cambodia within the next five years.

II. 2025 Business Plan and Future Prospect

Looking ahead to 2025, the aggressive trade policies of the new U.S. administration introduce new uncertainties to the global economic landscape. However, Taiwan's steady growth in exports and domestic demand demonstrates strong economic resilience. A stable economic environment will support the Company's continued

development, while the regulatory framework for the leasing industry becomes clearer. With effective cost control and a diversified business strategy, the Company is poised to deliver even stronger performance.

To support future business growth, the Company will continue to strengthen its vehicle installment business by expanding partnerships and developing diversified installment plans to increase penetration across various brands. It will also enhance collaboration with used car distribution channels to further expand its presence in the used car installment business. In corporate finance, the Company will maintain its focus on four key industries—medical equipment, construction machinery, manufacturing and processing equipment, and corporate financing—while deepening relationships with local clients. For the two-wheeler installment market, including heavy motorcycles and standard motorbikes, the Company aims to expand brand and channel partnerships to increase market penetration. In product installment services, it will actively develop online and offline brand networks, integrating with existing CR to build a cross-platform digital ecosystem and offer more diversified financial services.

HEJING will actively expand and strengthen its presence in the used car market and heavy vehicle-related corporate finance businesses, solidifying its position as the No. 1 player in heavy vehicle financing. The Company expects steady growth in both total assets and profitability. While stabilizing its core businesses, it will continue to enhance competitiveness through a diversified business model, laying a strong foundation for future market growth.

Hotai Finance Development will uphold a spirit of excellence, continuing to deepen its focus on corporate finance while strengthening close connections with existing clients. At the same time, the Company will actively expand its business footprint and attract top talent in corporate finance from various sectors. Together, they will build an exceptional professional team and work towards becoming an industry leader, with the goal of achieving profitability starting from the second year of operations.

HEJUN Energy will continue to expand its project portfolio through self-development, acquisitions, and active participation in public and private tender bids. The Company will also invest in research and collaboration opportunities for various types of renewable energy, including wind and geothermal energy. Additionally, it will expand its renewable energy power sales business, aiming to increase electricity sales revenue. The proprietary EV charging brand, EV Run, will continue to expand its network of charging stations, and will integrate various Group resources to create a comprehensive green energy service.

Hoyun International Leasing's annual goal in the Chinese market will focus on steady expansion. In response to changes in the market environment, Hoyun International Leasing will continue to deepen its collaboration with local automakers, strengthen its position in the regional industry chain, and further enhance its risk management capabilities. At the same time, Hoyun International Leasing will actively improve its digital management systems to enhance operational efficiency, supporting the continuous growth of its business and the ongoing improvement of operational effectiveness.

In 2025, despite prevailing uncertainties, the Company expects funding costs and asset quality to stabilize as the industry and interest rate environment normalize. Adhering to its business philosophy of "customer first, profession based," the Company will continue to strengthen its product solutions, optimize its services, enhance operational resilience, deepen digital transformation, and safeguard asset quality. Its businesses and investments are expected to maintain steady growth and achieve outstanding performance.

Yuan-Sheng Liu

Chairman of the Board

Yen-Liang Lin

Executive Officer

Chia-Ming Tsai

Chief Accounting Officer

Hotai Finance Co., Ltd.

Audit Committee Report

To: The 2025 Annual General Shareholders' Meeting of Hotai Finance Co., Ltd. (the "Company")

The Board of Directors has prepared the Company's 2024 Financial Statements, Business Report, and proposal for allocation of profits. The CPA CHUN-YUAN HSIAO and CHIA-HUNG LIN from PwC Taiwan was retained to audit the Company's Financial Statements and has issued an audit report. The aforesaid 2024 Financial Statements, Business Report, and proposal for allocation of profits have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Chairman of the Audit Committee:

Ming-You Huang

March 6, 2025

INDEPENDENT AUDITORS' REPORT
(TRANSLATED FROM CHINESE)

To the Board of Directors and Stockholders of Hotai Finance Company Limited

Opinion

We have audited the accompanying consolidated balance sheets of Hotai Finance Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters for the Group's 2024 consolidated financial statements are as follows:

Evaluation of provision for impairment of accounts receivable

Description

Please refer to Note 4(10) to the consolidated financial statements for accounting policy on provision for impairment of accounts receivable, Note 5(2) for uncertainty of accounting estimates and assumptions, and Note 6(3) for details of accounts receivable.

The Group's primary business is providing installment sales and leases of vehicles and lease services. In the supply chain of motor vehicles, the role of the Group is to provide customers with flexible financing options and to streamline the vehicle delivery process. Therefore, the Group is responsible for the collections of accounts receivable and manages overdue accounts.

When accounts receivable are past due over 31 days, the Group already considers the collectability of those accounts in doubt. In addition to enhancing collection progress from customers, management also assesses the probability of overdue accounts becoming impaired over the past years. Impairment is provided for those doubtful accounts receivable depending on the length of overdue days and consider forward-looking factors such as the future economic conditions. Management evaluates the individual circumstances of each overdue amount to decide whether to measure the loss allowance.

The assessment above involves management's judgement and multiple factors that may be affected by the past events, current conditions, and the future economic conditions. The results will directly influence the amounts recognized. Therefore, the estimation of the loss allowance is identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above matter are summarized as follows:

1. Understood the policy of provision for impairment of accounts receivable (including relevance to macroeconomic indicators of forward-looking information) and the logic of the aging report system.
2. For those accounts past due over 31 days, the Group will estimate and recognize the impairment of account receivable based on the probability of overdue accounts becoming impaired over the past years and the Group's policy. We understood and assessed the occurrence percentage of actual impairment compared to the overdue accounts receivable over the past years, and the forward-looking information, to evaluate the reasonableness of the provision for impairment policy. In addition, we sampled and examined the group category of expected credit losses report, and checked the consistency with system information.
3. Examined and evaluated samples of the categorized group report of the loss of expected credit and compared it with the system information.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and the information on the investee disclosed in Note 13 is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$2,140,441 thousand and NT\$1,726,977 thousand, constituting 0.65% and 0.55% of the consolidated total assets as at December 31, 2024 and 2023, respectively, and the operating revenue amounted to NT\$99,324 thousand and NT\$66,679 thousand, constituting 0.34% and 0.23% of the consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with an other matter section on the parent company only financial statements of Hotai Finance Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise

professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsiao, Chun-Yuan

Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

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

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,985,831	1	\$ 2,878,184	1
1139	Hedging financial assets-current	6(2)	260,887	-	570,885	-
1150	Notes receivable, net	6(3) and 8	14,662,449	4	11,861,221	4
1170	Accounts receivable, net	6(3), 7 and 8	245,016,363	75	233,233,934	75
1196	Operating lease receivable, net		5,546	-	150,298	-
1197	Finance lease receivable, net	6(8) and 8	32,130,469	10	28,223,155	9
1200	Other receivables		85,171	-	78,696	-
130X	Inventories		3,036	-	4,962	-
1410	Prepayments	6(4) and 7	5,527,649	2	6,747,521	2
1476	Other current financial assets	8	157,927	-	506,020	-
11XX	Total current assets		302,835,328	92	284,254,876	91
Non-current assets						
1517	Financial assets at fair value through other comprehensive income-non-current		35,789	-	19,656	-
1550	Investments accounted for using equity method	6(5)	1,700,803	1	1,134,293	1
1600	Property, plant and equipment, net	6(6) and 8	6,234,672	2	9,090,069	3
1755	Right-of-use assets	6(7)	412,679	-	497,696	-
1760	Investment property, net	6(9)	164,466	-	282,607	-
1780	Intangible assets, net	6(10)	512,220	-	443,288	-
1840	Deferred income tax assets	6(29)	1,175,827	-	1,004,499	-
1930	Long-term notes and accounts receivable	6(3)	12,035,072	4	12,799,158	4
194D	Long-term finance lease receivable, net	6(8)	1,111,215	-	692,094	-
1990	Other non-current assets, others	8	1,961,319	1	1,921,476	1
15XX	Total non-current assets		25,344,062	8	27,884,836	9
1XXX	Total assets		\$ 328,179,390	100	\$ 312,139,712	100

(Continued)

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023			
			Notes	Amount	%	Amount	%	
Liabilities								
Current liabilities								
2100	Short-term loans	6(11)	\$	120,843,955	37	\$	92,619,765	30
2110	Short-term notes and bills payable	6(12)		119,849,017	37		133,524,317	43
2126	Hedging financial liabilities-current	6(2)		855,551	-		1,087,983	-
2150	Notes payable	7		1,224,979	-		1,522,704	1
2170	Accounts payable			597,438	-		484,272	-
2180	Accounts payable - related parties	7		160,050	-		223,514	-
2200	Other payables	7		3,492,067	1		3,390,682	1
2230	Current income tax liabilities			655,273	-		854,078	-
2280	Current lease liabilities	7		88,065	-		144,040	-
2320	Bonds payable	6(13)		31,200,000	10		31,200,000	10
2320	Long-term liabilities, current portion	6(14)		231,003	-		595,200	-
2370	Current financial guarantee liabilities			24,664	-		27,486	-
2399	Guarantee deposits received-current	6(15)		4,426,509	1		4,404,620	1
2399	Other current liabilities, others			64,761	-		46,109	-
21XX	Total current liabilities			<u>283,713,332</u>	<u>86</u>		<u>270,124,770</u>	<u>86</u>
Non-current liabilities								
2540	Long-term loans	6(14)		1,474,127	1		936,215	1
2570	Deferred income tax liabilities	6(29)		555,257	-		473,579	-
2580	Lease liabilities-non-current	7		321,429	-		354,326	-
2645	Guarantee deposits received-non-current	6(15)		448,662	-		255,984	-
25XX	Total non-current liabilities			<u>2,799,475</u>	<u>1</u>		<u>2,020,104</u>	<u>1</u>
2XXX	Total liabilities			<u>286,512,807</u>	<u>87</u>		<u>272,144,874</u>	<u>87</u>
Equity								
Equity attributable to owners of parent								
	Share capital	6(18)						
3110	Common stock			6,231,505	2		5,665,004	2
3120	Preference stock			1,000,000	1		1,000,000	-
	Capital surplus	6(19)						
3200	Capital surplus			17,139,974	5		17,011,275	6
	Retained earnings	6(20)						
3310	Legal reserve			2,814,851	1		2,445,870	1
3320	Special reserve			114,895	-		23,732	-
3350	Unappropriated earnings			10,108,913	3		10,066,623	3
	Other equity interest							
3400	Other equity interest		(	53,645)	-	(	114,895)	-
31XX	Total equity attributable to shareholders of the parent			<u>37,356,493</u>	<u>12</u>		<u>36,097,609</u>	<u>12</u>
36XX	Non-controlling interest			<u>4,310,090</u>	<u>1</u>		<u>3,897,229</u>	<u>1</u>
3XXX	Total equity			<u>41,666,583</u>	<u>13</u>		<u>39,994,838</u>	<u>13</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant event after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	328,179,390	100	\$	312,139,712	100

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2024		2023	
Items	Notes		Amount	%	Amount	%
4000 Operating revenue	6(21) and 7	\$	28,963,830	100	\$ 28,660,435	100
5000 Operating costs	6(22) and 7	(	12,374,199)	(43)	(11,967,337)	(42)
5900 Gross profit			16,589,631	57	16,693,098	58
Operating expenses	6(27)(28) and 7					
6100 Selling expenses		(	5,032,817)	(17)	(5,947,300)	(21)
6200 General and administrative expenses		(	2,318,071)	(8)	(2,115,489)	(7)
6450 Expected credit losses		(	5,538,579)	(19)	(3,404,375)	(12)
6000 Total operating expenses		(	12,889,467)	(44)	(11,467,164)	(40)
6900 Operating profit			3,700,164	13	5,225,934	18
Non-operating income and expenses						
7100 Interest income	6(23)		43,087	-	27,751	-
7010 Other income	6(24)		201,442	-	334,325	1
7020 Other gains and losses	6(25)		493,986	2	(22,754)	-
7050 Finance costs	6(26)	(	9,227)	-	(6,375)	-
7060 Share of loss of associates and joint ventures accounted for using equity method	6(5)	(	15,902)	-	(27,670)	-
7000 Total non-operating revenue and expenses			713,386	2	305,277	1
7900 Profit before income tax			4,413,550	15	5,531,211	19
7950 Income tax expense	6(29)	(	1,139,224)	(4)	(1,439,055)	(5)
8200 Profit for the year		\$	3,274,326	11	\$ 4,092,156	14

(Continued)

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2024		2023	
		Amount	%	Amount	%
Other comprehensive income (loss) for the year					
Components of other comprehensive income that may not be reclassified to profit or loss					
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income		\$ 133	-	\$ 137	-
8310 Total components of other comprehensive income that may not be reclassified to profit or loss		133	-	137	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statement translation differences of foreign operations		227,742	1	(112,003)	-
8368 Losses on hedging instruments	6(2)	(95,510)	-	(204,858)	(1)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(29)	5,383	-	36,279	-
8360 Total components of other comprehensive income (loss) that will be reclassified to profit or loss		137,615	1	(280,582)	(1)
8300 Other comprehensive income (loss) for the year, net of tax		<u>\$ 137,748</u>	<u>1</u>	<u>(\$ 280,445)</u>	<u>(1)</u>
8500 Total comprehensive income for the year		<u>\$ 3,412,074</u>	<u>12</u>	<u>\$ 3,811,711</u>	<u>13</u>
Profit attributable to:					
8610 Owners of the parent		\$ 3,055,491	10	\$ 3,689,812	13
8620 Non-controlling interest		218,835	1	402,344	1
		<u>\$ 3,274,326</u>	<u>11</u>	<u>\$ 4,092,156</u>	<u>14</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 3,116,741	11	\$ 3,476,588	12
8720 Non-controlling interest		295,333	1	335,123	1
		<u>\$ 3,412,074</u>	<u>12</u>	<u>\$ 3,811,711</u>	<u>13</u>
Earnings per share (in dollars)	6(30)				
9750 Basic earnings per share		<u>\$ 4.44</u>		<u>\$ 5.83</u>	
9850 Diluted earnings per share		<u>\$ 4.44</u>		<u>\$ 5.82</u>	

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent									Total	Non-controlling interest	Total equity
		Share capital			Retained earnings			Other equity interest					
		Common stock	Preference stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments			
<u>Year ended December 31, 2023</u>													
Balance at January 1, 2023		\$ 5,150,004	\$ 500,000	\$ 12,510,367	\$ 2,083,531	\$ 157,171	\$ 8,981,897	(\$ 71,283)	\$ 3,156	\$ 166,456	\$ 29,481,299	\$ 3,411,715	\$ 32,893,014
Profit for the year		-	-	-	-	-	3,689,812	-	-	-	3,689,812	402,344	4,092,156
Other comprehensive income (loss) for the year		-	-	-	-	-	-	(56,449)	190	(156,965)	(213,224)	(67,221)	(280,445)
Total comprehensive income (loss)		-	-	-	-	-	3,689,812	(56,449)	190	(156,965)	3,476,588	335,123	3,811,711
Appropriation and distribution of retained earnings													
Legal reserve	6(20)	-	-	-	362,339	-	(362,339)	-	-	-	-	-	-
Special reserve reversed	6(20)	-	-	-	-	(133,439)	133,439	-	-	-	-	-	-
Dividend on preferred stock	6(20)	-	-	-	-	-	(58,685)	-	-	-	(58,685)	-	(58,685)
Cash dividend on common stock	6(20)	-	-	-	-	-	(1,802,501)	-	-	-	(1,802,501)	(229,609)	(2,032,110)
Stock dividend on common stock	6(18)(20)	515,000	-	-	-	-	(515,000)	-	-	-	-	-	-
Issuance of preference stock	6(18)	-	500,000	4,500,000	-	-	-	-	-	-	5,000,000	-	5,000,000
Compensation cost of share-based payments	6(17)	-	-	908	-	-	-	-	-	-	908	-	908
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	380,000	380,000
Balance at December 31, 2023		\$ 5,665,004	\$ 1,000,000	\$ 17,011,275	\$ 2,445,870	\$ 23,732	\$ 10,066,623	(\$ 127,732)	\$ 3,346	\$ 9,491	\$ 36,097,609	\$ 3,897,229	\$ 39,994,838
<u>Year ended December 31, 2024</u>													
Balance at January 1, 2024		\$ 5,665,004	\$ 1,000,000	\$ 17,011,275	\$ 2,445,870	\$ 23,732	\$ 10,066,623	(\$ 127,732)	\$ 3,346	\$ 9,491	\$ 36,097,609	\$ 3,897,229	\$ 39,994,838
Profit for the year		-	-	-	-	-	3,055,491	-	-	-	3,055,491	218,835	3,274,326
Other comprehensive income (loss) for the year		-	-	-	-	-	-	117,149	273	(56,172)	61,250	76,498	137,748
Total comprehensive income (loss)		-	-	-	-	-	3,055,491	117,149	273	(56,172)	3,116,741	295,333	3,412,074
Appropriation and distribution of retained earnings													
Legal reserve	6(20)	-	-	-	368,981	-	(368,981)	-	-	-	-	-	-
Special reserve	6(20)	-	-	-	-	91,163	(91,163)	-	-	-	-	-	-
Dividend on preferred stock	6(20)	-	-	-	-	-	(287,055)	-	-	-	(287,055)	-	(287,055)
Cash dividend on common stock	6(20)	-	-	-	-	-	(1,699,501)	-	-	-	(1,699,501)	-	(1,699,501)
Stock dividend on common stock	6(18)(20)	566,501	-	-	-	-	(566,501)	-	-	-	-	-	-
Reorganization	6(32)	-	-	128,636	-	-	-	-	-	-	128,636	(276,009)	(147,373)
Changes in ownership interests in subsidiaries		-	-	63	-	-	-	-	-	-	63	(63)	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	393,600	393,600
Balance at December 31, 2024		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 2,814,851	\$ 114,895	\$ 10,108,913	(\$ 10,583)	\$ 3,619	(\$ 46,681)	\$ 37,356,493	\$ 4,310,090	\$ 41,666,583

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
Cash Flows From Operating Activities			
Profit before tax		\$ 4,413,550	\$ 5,531,211
Adjustments to reconcile net profit to net cash used in operating activities			
Income and expenses having no effect on cash flows			
Expected credit losses and financial guarantee expenses		6,793,317	4,411,363
Depreciation	6(27)	1,246,057	1,485,314
Amortization	6(10) (27)	29,074	12,468
Reversal of impairment loss recognized on leased assets	6(6)	(4,494)	(2,437)
Gains on financial assets at fair value through profit or loss	6(25)	(9,166)	(6,313)
Compensation cost of share-based payments		-	908
Net (gains) losses on disposals of property, plant and equipment	6(25)	(232,745)	112
Net gains on disposals of investment property	6(25)	(255,515)	-
Interest expense	6(22)(26)	5,830,112	4,522,930
Interest income	6(21)(23)	(22,876,877)	(20,832,677)
Dividend income		(454)	(900)
Loss (profit) from lease modification	6(7)	(25)	(887)
Share of profit or loss of associates accounted for using equity method	6(5)	15,902	27,670
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		9,166	306,313
Notes and accounts receivable		(24,887,287)	(56,622,431)
Other receivables		(203,287)	24,632
Inventories		741,017	781,988
Prepayments		879,532	176,359
Other financial assets		398,184	(117,438)
Net changes in liabilities relating to operating activities			
Notes and accounts payable		(285,340)	929,840
Other payables		279,492	(294,246)
Current financial guarantee liabilities		109,663	(12,112)
Other current liabilities, others		32,675	(21,534)
Cash outflow generated from operations		(27,977,449)	(59,699,867)
Cash dividends received		454	900
Interest received		22,907,228	20,822,329
Interest paid		(5,792,124)	(4,451,559)
Income tax paid		(1,455,940)	(1,442,906)
Net cash flows used in operating activities		12,317,831	(44,771,103)
Cash Flows From Investing Activities			
Acquisition of property, plant and equipment	6(33)	(2,184,612)	(3,273,932)
Acquisition of financial assets at fair value through other comprehensive income		(16,000)	(16,000)
Acquisition of investments accounted for using equity method	6(5)	(577,342)	(1,046,461)
Net cash flow from acquisition of subsidiaries	6(31)	(216,578)	(600,756)
Proceeds from disposal of property, plant and equipment		347,748	15,794
Proceeds from disposal of investment property		372,501	-
Reorganization	6(32)	105,370	-
Increase in other non-current assets		(487,283)	(501,517)
Net cash flows used in investing activities		(2,656,196)	(5,422,872)
Cash Flows From Financing Activities			
Increase in short-term loans	6(34)	30,959,766	8,839,685
(Decrease) increase in short-term notes and bills payable	6(34)	(12,586,888)	28,530,012
Proceeds from long-term loans	6(34)	655,063	1,434,102
Repayments of long-term loans	6(34)	(768,582)	(790,498)
Proceeds from issuance of bonds payable	6(13)(34)	-	9,000,000
Increase in guarantee deposits received	6(34)	216,367	160,596
Cash dividends paid	6(34)	(1,986,556)	(1,861,186)
Proceeds from issuance of preference stock	6(18)	-	5,000,000
Increase in other payables	6(34) and 7	33,543	423,085
Repayment of principal portion of lease liabilities	6(34)	(136,754)	(149,623)
Cash dividends distributed by subsidiaries to non-controlling interests		-	(229,609)
Change in non-controlling interest		393,600	380,000
Net cash flows from financing activities		16,779,559	50,736,564
Effect of exchange rate changes		302,115	(47,180)
Increase in cash and cash equivalents		2,107,647	495,409
Cash and cash equivalents at beginning of year		2,878,184	2,382,775
Cash and cash equivalents at end of year		\$ 4,985,831	\$ 2,878,184

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

INDEPENDENT AUDITORS' REPORT (TRANSLATED FROM CHINESE)

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

Opinion

We have audited the accompanying parent company only balance sheets of Hotai Finance Company Limited (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2024 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are as follows:

Evaluation of provision for impairment of accounts receivable

Description

Please refer to Note 4(8) to the parent company only financial statements for accounting policy on provision for impairment of accounts receivable, Note 5(2) for uncertainty of accounting estimates and assumptions, and Note 6(3) for details of accounts receivable.

The Company's primary business is providing installment sales and leases of vehicles and lease services. In the supply chain of motor vehicles, the role of the Company is to provide customers with flexible financing options and to streamline the vehicle delivery process. Therefore, Hotai Finance is responsible for the collections of accounts receivable and manages overdue accounts.

When accounts receivable are past due over 31 days, the Company already considers the collectability of those accounts in doubt. In addition to enhancing collection progress from customers, management also assesses the probability of overdue accounts becoming impaired over the past years. Impairment is provided for those doubtful accounts receivable depending on the length of overdue days and consider forward-looking factors such as the future economic conditions. Management evaluates the individual circumstances of each overdue amount to decide whether to measure the loss allowance.

The assessment above involves management's judgement and multiple factors that may be affected by the past events, current conditions, and the future economic conditions. The results will directly influence the amounts recognized. Therefore, the estimation of the loss allowance is identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above matter are summarized as follows:

1. Understood the policy of provision for impairment of accounts receivable (including relevance to macroeconomic indicators of forward-looking information) and the logic of the aging report system.
2. For those accounts past due over 31 days, the Company will estimate and recognize the impairment of account receivable based on the probability of overdue accounts becoming impaired over the past years and the Company's policy. We understood and assessed the occurrence percentage of actual impairment compared to the overdue accounts receivable over the past years, and the forward-looking information, to evaluate the reasonableness of the provision for impairment policy. In addition, we sampled and examined the group category of expected credit losses report, and checked the consistency with system information.

3. Examined and evaluated samples of the categorized group report of the loss of expected credit and compared it with the system information.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information on the investee disclosed in Note 13 is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$1,567,860 thousand and NT\$1,191,426 thousand, constituting 0.61% and 0.48% of the total assets as at December 31, 2024 and 2023, respectively, and the comprehensive income amounted to NT\$17,800 thousand and NT\$3,128, constituting 0.57% and 0.09% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsiao, Chun-Yuan

Lin, Chia-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

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

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

HOTAI FINANCE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 455,069	-	\$ 289,213	-
1139	Hedging financial assets-current	6(2)	67,899	-	371,651	-
1150	Notes receivable, net	6(3) and 8	6,496,156	3	7,753,739	3
1170	Accounts receivable, net	6(3) and 7	223,116,608	87	218,178,322	88
1196	Operating lease receivable, net		3,724	-	7,782	-
1197	Finance lease receivable, net	6(8)	48,498	-	66,406	-
1200	Other receivables	7	94,628	-	21,575	-
130X	Inventories		1,357	-	3,346	-
1410	Prepayments	6(4)	1,673,858	1	2,649,120	1
1476	Other current financial assets	8	600	-	105,600	-
11XX	Total current assets		231,958,397	91	229,446,754	92
Non-current assets						
1517	Financial assets at fair value through other comprehensive income-non- current		4,753	-	3,919	-
1550	Investments accounted for using equity method	6(5)	11,517,413	5	7,015,203	3
1600	Property, plant and equipment, net	6(6)	1,135,106	-	1,409,201	1
1755	Right-of-use assets, net	6(7)	71,174	-	54,219	-
1760	Investment property, net	6(9)	481,481	-	442,210	-
1840	Deferred income tax assets	6(26)	401,145	-	355,156	-
1930	Long-term notes and accounts receivable	6(3)	9,320,759	4	10,791,641	4
1990	Other non-current assets, others	8	289,821	-	248,749	-
15XX	Total non-current assets		23,221,652	9	20,320,298	8
1XXX	Total assets		\$ 255,180,049	100	\$ 249,767,052	100

(Continued)

HOTAI FINANCE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Liabilities						
Current liabilities						
2100	Short-term loans	6(10)	\$ 74,441,946	29	\$ 55,133,025	22
2110	Short-term notes and bills payable	6(11)	108,161,794	43	122,564,008	49
2126	Hedging financial liabilities-current	6(2)	473,522	-	1,073,425	1
2150	Notes payable		-	-	6,542	
2170	Accounts payable		88,534	-	61,701	-
2180	Accounts payable-related parties	7	108,863	-	223,514	-
2200	Other payables	6(12) and 7	1,713,163	1	1,607,989	1
2230	Current income tax liabilities		475,463	-	716,043	-
2280	Lease liabilities-current	7	28,676	-	21,545	-
2320	Bonds payable	6(13)	31,200,000	12	31,200,000	13
2370	Financial guarantee liabilities-current		24,664	-	27,486	-
2399	Guarantee deposits received-current		654,484	-	643,331	-
21XX	Total current liabilities		217,371,109	85	213,278,609	86
Non-current liabilities						
2570	Deferred income tax liabilities	6(26)	405,666	-	353,394	-
2580	Lease liabilities-non-current	7	44,091	-	33,669	-
2645	Guarantee deposits received-non-current		2,690	-	3,771	-
25XX	Total non-current liabilities		452,447	-	390,834	-
2XXX	Total Liabilities		217,823,556	85	213,669,443	86
Equity						
Share capital						
		6(16)				
3110	Common stock		6,231,505	3	5,665,004	2
3120	Preference stock		1,000,000	-	1,000,000	-
Capital surplus						
		6(17)				
3200	Capital surplus		17,139,974	7	17,011,275	7
Retained earnings						
		6(18)				
3310	Legal reserve		2,814,851	1	2,445,870	1
3320	Special reserve		114,895	-	23,732	-
3350	Unappropriated retained earnings		10,108,913	4	10,066,623	4
Other equity interest						
3400	Other equity interest		(53,645)	-	(114,895)	-
3XXX	Total equity		37,356,493	15	36,097,609	14
Significant contingent liabilities and unrecognized contract commitments						
		9				
Significant events after the balance sheet date						
		11				
3X2X	Total liabilities and equity		\$ 255,180,049	100	\$ 249,767,052	100

The accompanying notes are an integral part of these parent company only financial statements.

HOTAI FINANCE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31,			
			2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	\$ 18,970,990	100	\$ 18,578,111	100
5000	Operating costs	6(20)	(6,928,758)	(36)	(6,152,700)	(33)
5950	Gross profit		12,042,232	64	12,425,411	67
	Operating expenses	6(24)(25) and 7				
6100	Selling expenses		(3,296,801)	(17)	(4,088,001)	(22)
6200	General and administrative expenses		(1,403,590)	(8)	(1,209,818)	(7)
6450	Expected credit losses		(4,415,189)	(23)	(2,858,079)	(15)
6000	Total operating expenses		(9,115,580)	(48)	(8,155,898)	(44)
6900	Operating profit		2,926,652	16	4,269,513	23
	Non-operating income and expenses					
7100	Interest income	6(21)	9,581	-	7,934	-
7010	Other income	6(22) and 7	277,150	1	90,596	1
7020	Other gains and losses	6(23)	475,968	3	3,325	-
7050	Finance costs	6(7)	(754)	-	(390)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	265,412	1	426,530	2
7000	Total non-operating income and expenses		1,027,357	5	527,995	3
7900	Profit before income tax		3,954,009	21	4,797,508	26
7950	Income tax expense	6(26)	(898,518)	(5)	(1,107,696)	(6)
8200	Profit for the year		\$ 3,055,491	16	\$ 3,689,812	20
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income		\$ 834	-	\$ 400	-
8330	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		(561)	-	(210)	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		273	-	190	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statement translation differences of foreign operations		117,149	-	(56,449)	-
8368	Losses on hedging instrument	6(2)	(26,915)	-	(181,395)	(1)
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		(34,640)	-	(11,849)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(26)	5,383	-	36,279	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		60,977	-	(213,414)	(1)
8300	Other comprehensive income (loss) for the year		\$ 61,250	-	(\$ 213,224)	(1)
8500	Total comprehensive income for the year		\$ 3,116,741	16	\$ 3,476,588	19
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(27)	\$ 4.44		\$ 5.83	
9850	Diluted earnings per share	6(27)	\$ 4.44		\$ 5.82	

The accompanying notes are an integral part of these parent company only financial statements.

HOTAI FINANCE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Share capital			Retained earnings			Other equity interest			
								Unrealized gains from financial assets measured at fair value through			
	Notes	Common stock	Preference stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	other comprehensive income	Gains (losses) on hedging instruments	Total equity
Year ended December 31, 2023											
Balance at January 1, 2023		\$ 5,150,004	\$ 500,000	\$ 12,510,367	\$ 2,083,531	\$ 157,171	\$ 8,981,897	(\$ 71,283)	\$ 3,156	\$ 166,456	\$ 29,481,299
Profit for the year		-	-	-	-	-	3,689,812	-	-	-	3,689,812
Other comprehensive income (loss) for the year		-	-	-	-	-	-	(56,449)	190	(156,965)	(213,224)
Total comprehensive income (loss)		-	-	-	-	-	3,689,812	(56,449)	190	(156,965)	3,476,588
Appropriation and distribution of retained earnings											
Legal reserve	6(18)	-	-	-	362,339	-	(362,339)	-	-	-	-
Special reserve reversed	6(18)	-	-	-	-	(133,439)	133,439	-	-	-	-
Dividend on preferred stock	6(18)	-	-	-	-	-	(58,685)	-	-	-	(58,685)
Cash dividend on common stock	6(18)	-	-	-	-	-	(1,802,501)	-	-	-	(1,802,501)
Stock dividend on common stock	6(16)	515,000	-	-	-	-	(515,000)	-	-	-	-
Issuance of preference stock	6(16)	-	500,000	4,500,000	-	-	-	-	-	-	5,000,000
Compensation cost of share-based payments	6(15)	-	-	908	-	-	-	-	-	-	908
Balance at December 31, 2023		\$ 5,665,004	\$ 1,000,000	\$ 17,011,275	\$ 2,445,870	\$ 23,732	\$ 10,066,623	(\$ 127,732)	\$ 3,346	\$ 9,491	\$ 36,097,609
Year ended December 31, 2024											
Balance at January 1, 2024		\$ 5,665,004	\$ 1,000,000	\$ 17,011,275	\$ 2,445,870	\$ 23,732	\$ 10,066,623	(\$ 127,732)	\$ 3,346	\$ 9,491	\$ 36,097,609
Profit for the year		-	-	-	-	-	3,055,491	-	-	-	3,055,491
Other comprehensive income (loss) for the year		-	-	-	-	-	-	117,149	273	(56,172)	61,250
Total comprehensive income (loss)		-	-	-	-	-	3,055,491	117,149	273	(56,172)	3,116,741
Appropriation and distribution of retained earnings											
Legal reserve	6(18)	-	-	-	368,981	-	(368,981)	-	-	-	-
Special reserve	6(18)	-	-	-	-	91,163	(91,163)	-	-	-	-
Dividend on preferred stock	6(18)	-	-	-	-	-	(287,055)	-	-	-	(287,055)
Cash dividend on common stock	6(18)	-	-	-	-	-	(1,699,501)	-	-	-	(1,699,501)
Stock dividend on common stock	6(16)	566,501	-	-	-	-	(566,501)	-	-	-	-
Reorganization	6(28)	-	-	128,636	-	-	-	-	-	-	128,636
Changes in ownership interests in subsidiaries		-	-	63	-	-	-	-	-	-	63
Balance at December 31, 2024		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 2,814,851	\$ 114,895	\$ 10,108,913	(\$ 10,583)	\$ 3,619	(\$ 46,681)	\$ 37,356,493

The accompanying notes are an integral part of these parent company only financial statements.

HOTAI FINANCE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31,	
	Notes	2024	2023
Cash Flows From Operating Activities			
Profit before tax		\$ 3,954,009	\$ 4,797,508
Adjustments to reconcile net profit to net cash from (used in) operating activities			
Income and expenses having no effect on cash flows			
Expected credit losses and financial guarantee expenses		5,611,457	3,841,207
Gains on financial assets at fair value through profit or loss	(	2,037)	-
Net (gains) losses on disposals of property, plant and equipment	6(23) (	220,796)	97
Depreciation	6(24)	112,281	138,728
Net gains on disposals of investment property	6(23) (	255,515)	-
Reversal of impairment loss recognized on leased assets	6(6) (	4,494)	(2,437)
Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	6(5) (	265,412)	(426,530)
Interest expense	6(7)(20)	3,922,330	3,085,977
Interest income	6(19)(21) (	17,365,190)	(16,561,836)
Dividend income	(	454)	(900)
Losses from lease modification	6(7)	18	-
Share-based payments	6(15)	-	908
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating assets			
Financial assets at fair value through profit or loss		2,037	-
Notes and accounts receivable	(	7,799,312)	(39,384,183)
Inventories		5,120	9,872
Prepayments		975,262	249,379
Other receivables	(	61,913)	(2,129)
Other financial assets		105,000	44,800
Net changes in liabilities relating to operating activities			
Notes payable	(	6,542)	(9,864)
Accounts payable		26,833	(64,975)
Accounts payable – related parties	(	114,651)	65,556
Other payables		69,985	(409,512)
Financial guarantee liabilities - current	(	2,822)	(12,112)
Cash outflow generated from operations	(	11,314,806)	(44,640,446)
Cash dividends received		454	235,037
Interest received		17,354,050	16,551,213
Interest paid	(	3,899,355)	(3,014,168)
Income tax paid	(	1,127,432)	(1,079,829)
Net cash flows from (used in) operating activities		1,012,911	(31,948,193)
Cash Flows From Investing Activities			
Acquisition of investments accounted for using equity method	6(5) (	4,440,000)	(2,165,581)
Acquisition of property, plant and equipment	6(6) (	66,625)	(329,689)
Proceeds from disposal of property, plant and equipment		321,883	-
Proceeds from disposal of investment property		372,501	-
Increase in other non-current assets	(	41,072)	(192,475)
Reorganization	6(5)(28)	413,849	-
Net cash flows used in investing activities	(	3,439,464)	(2,687,745)
Cash Flows From Financing Activities			
Increase in short-term loans	6(29)	18,985,855	112,170
(Decrease) increase in short-term notes and bills payable	6(29) (	14,390,000)	21,600,000
Proceeds from issuance of bonds payable	6(13)(29)	-	9,000,000
Increase in guarantee deposits received	6(29)	10,072	128,114
Repayment of principal portion of lease liabilities	6(29) (	26,962)	(23,946)
Cash dividends paid	6(18)(29) (	1,986,556)	(1,861,186)
Proceeds from issuance of preference stock	6(16)	-	5,000,000
Net cash flows from financing activities		2,592,409	33,955,152
Increase (decrease) in cash and cash equivalents		165,856	(680,786)
Cash and cash equivalents at beginning of year		289,213	969,999
Cash and cash equivalents at end of year		\$ 455,069	\$ 289,213

The accompanying notes are an integral part of these parent company only financial statements.

Hotai Finance Co., Ltd.

Table of 2024 Profit Distribution

Unit : NT dollars

Item	Subtotal	Total
Unappropriated earnings from previous period		7,053,421,934
Profit before income tax of current year	3,954,009,204	
Less: Income tax	898,518,418	
Plus : Net profit after tax of current year		3,055,490,786
Less : Legal reserve (10%)		305,549,078
Plus : Special reserve		61,250,217
Distributable earnings of current period		9,864,613,859
Distributable Items		
Cash dividends to preferred shares A (NT\$4.2 per share)		210,000,000
Cash dividends to preferred shares B (NT\$4.5 per share)		225,000,000
Cash dividends to common shares (NT\$3.0 per share)		1,869,451,479
Unappropriated earnings at the end of period		7,560,162,380

Yuan-Sheng Liu
Chairman of the Board

Yen-Liang Lin
Executive Officer

Chia-Ming Tsai
Chief Accounting Officer

Hotai Finance Co., Ltd.

Comparison of amendments to the “The Articles of Incorporation”

Article After Revising	Original Article	Remarks
<p>Article 28</p> <p>One percent of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation. However, the Company's accumulated losses shall have been covered, <u>and then allocate the remuneration of employees in accordance with the proportion of the preceding paragraph. Of the amount of employee remuneration mentioned in the preceding paragraph, no less than 50% should be allocated to remuneration for its non-executive employees.</u></p> <p>The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p>	<p>Article 28</p> <p>One percent of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</p>	<p>Cooperate with the amendments to the Securities and Exchange Act §14</p>
<p>Article 33:</p> <p>... (Omitted)...</p> <p>;the 20th amendment was made on May 29, 2024.</p> <p><u>; the 21st amendment was made on May 27, 2025.</u></p>	<p>Article 33:</p> <p>... (Omitted)...</p> <p>;the 20th amendment was made on May 29, 2024.</p>	<p>New addition for amendment date.</p>

Details of the Release of Director's Non-Compete Restrictions

Title	Name	Current Positions at Other Companies
Director	Ho Zan Investment Co., Ltd., represented by Ryan Huang	Chairman, Shanghai Fengyi Construction Decoration Limited Company Managing Director and President, Shanghai Ho-Mian Auto Technology Co., Ltd. Managing Director, Shanghai Hochen Auto Technology Co., Ltd. Managing Director, Shanghai Zhongxin Traffic Facility Engineering Co., Ltd. Managing Director, Tianjin Yongda Communication Technology Co., Ltd. Director, Guangzhou Guangqi Commercial Changhe Automobile Technology Co., Ltd. Director, Linyi Ho-Yu Motor Sales & Service Co., Ltd. Director, Beijing Heling Lexus Motor Sales & Service Co., Ltd. Director, Linyi Heling Lexus Motor Sales & Service Co., Ltd. Director, Jinzhong Central Toyota Motor Sales & Service Co., Ltd. Director, Tianjin Binhai New Area Heling Lexus Motor Sales & Service Co., Ltd. Director, Nanjing Hozhan Motor Service Co., Ltd. Director, Qingdao Heling Lexus Motor Sales & Service Co., Ltd.

Hotai Finance Co., Ltd. The Articles of Incorporation

2024.5.29

Section I - General Provisions

Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Act of Taiwan and its official business name shall be 和潤企業股份有限公司 in Chinese, and HOTAI FINANCE CO., LTD. in English.

Article 2

The scope of business of the Company shall be as follows:

1. F113010 Wholesale of Machinery
2. F213080 Retail Sale of Machinery and Equipment
3. F113020 Wholesale of Household Appliance
4. F213010 Retail Sale of Household Appliance
5. F113050 Wholesale of Business Machinery Equipment
6. F213030 Retail sale of Business Machinery Equipment
7. F114010 Wholesale of Automobiles
8. F214010 Retail Sale of Automobiles
9. F114020 Wholesale of Motorcycles
10. F214020 Retail Sale of Motorcycles
11. F114030 Wholesale of Motor Vehicle Parts and Supplies
12. F214030 Retail Sale of Motor Vehicle Parts and Supplies
13. F113100 Wholesale of Pollution Controlling Equipment
14. F213100 Retail Sale of Pollution Controlling Equipment
15. HZ01010 Accounts Receivable Purchase
16. I601010 Rental and Leasing Business
17. JZ99050 Agency Services
18. IZ11010 Overdue Account Receivable Management Services
19. I201010 Credit Bureau Services
20. ZZ99999 All business items that are not prohibited or restricted by Act, except those that are subject to special approval.
21. G101091 Pickup Truck Rental and Leasing
22. G101041 Passenger Car Rental and Leasing
23. F108031 Wholesale of Drugs, Medical Goods
24. F208031 Retail sale of Medical Equipment
25. HZ02010 Financial Institution Creditor's Right(Money) Purchase
26. HZ02020 Financial Institution Creditor's Right(Money) Appraisal and Auction
27. J303010 Magazine and Periodical Publication
28. D101050 Steam and Electricity Paragenesis
29. D101060 self-usage power generation equipment utilizing renewable energy industry
30. D401010 Heat Energy Supplying
31. E601010 Electric Appliance Construction
32. E601020 Electric Appliance Installation
33. E603040 Fire Fighting Equipments Construction
34. E603050 Cybernation Equipments Construction
35. E604010 Machinery Installation Construction
36. E605010 Computing Equipments Installation Construction
37. E606010 Electricity Equipments Checking and Maintenance
38. EZ05010 Apparatus Installation Construction
39. F401010 International Trade
40. IG03010 Energy Technical Services
41. J101010 Buildings Cleaning Service

Article 3

The Company's headquarter is located in Taipei City, Taiwan. With the approval of the board of directors, the Company may establish branch offices within or outside Taiwan.

Article 4

“Public Announcement” of the Company shall be made in accordance with the Company Act and

other applicable laws and regulations.

Section II - Capital Stock

Article 5

The total capital stock of the Company shall be in the amount of 10,000,000,000 New Taiwan Dollars, divided into 1,000,000,000 shares, at ten New Taiwan Dollars each, and may be issued in installments under approval of board of directors, where a portion of the shares may be in the form of preferred shares.

Article 5-1

The rights, obligation, and other important issuance terms of the Company's preferred shares are as

1、The fiscal year-end earnings of the Company shall be applied to the following uses in order: payments of taxes, making-up of deficit, legal reserve, special reserve by law, and the remaining shall be paid to holders of preferred shares as the current year's dividends.

2、The dividends of preferred shares are capped at 8% per annum on the issue price. Cash dividends will be distributed annually in arrears. Once the Company's Audited Financial Reports have been acknowledged in the annual general meeting of the shareholders, the Board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.

3、The Company has discretion over the dividend distribution of preferred shares. The Company may decide not to distribute dividends of preferred shares in the following circumstances: (a) there are no earnings in a fiscal year, (b) the earnings are insufficient to distribute dividends of preferred shares. The cancellation of dividend payment should not constitute an event of default. The preferred shares are noncumulative, and the preferred shareholders do not have the right to claim any of the unpaid or omitted dividends in the future.

4、Not entitled to common shares' cash or stock dividends derived from earnings or capital reserve.

5、The order of claim for distribution of property is prior to ordinary shares. The claim of all series of preferred shareholders are equal, but subordinate to the holders of debts. The repayment shall be capped at the respective issue amount of preferred shares upon liquidation.

6、Preferred shareholders do not have voting rights or suffrage. However, they have voting rights with respect to agendas related to the rights and obligations of preferred shares in shareholders' meetings.

7、Cannot be converted to common shares and Holders do not have the right to request the company to redeem preferred shares.

8、The preferred shares are perpetual. Preferred shares may be redeemed in whole or in part at issue price anytime after five years of issuance at the option of the Company. Unredeemed preferred shares shall continue to have the rights and obligations of issuance terms prescribed in this Article. The distribution of the payable dividends until redemption date shall be calculated based on the actual number of days the preferred shares remained outstanding in that year as the Company resolved on dividend distribution.

The Board of Directors is authorized to resolve preferred share matters including names, issuance date, and other pragmatic terms in accordance with Articles of Incorporation and related commercial laws by market circumstances and investors' willingness.

Article 6

The total amount of the Company's investment in other companies shall not be subject to forty percent (40%) of the Company's paid-up capital.

Article 7

All the Company's share certificates shall bear the shareholder's name and shall be serially numbered, and the share certificates shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank. The Company may issue shares without printing share certificate, and shall register the issued shares with a centralized securities depository enterprise. The same applies in case of issue other securities.

Article 8

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change

of address or similar stock transaction conducted by shareholders of the Company shall follow the “Regulations Governing the Administration of Shareholder Services of Public Companies” unless specified otherwise by law and securities regulations.

Article 9

The transfer of share certificates shall not be filed with the Company within 60 days prior to the date of the annual shareholders' meeting or within 30 days prior to the special shareholders' meeting or within 5 days prior to the date fixed for allocating dividends, bonuses or other benefits. The affairs of share certificates shall be ascertained by referring to Regulations Governing the Administration of Shareholder Services of Public Companies unless specified otherwise by law and securities regulations.

Section III - Shareholder's Meeting

Article 10

Shareholders' meeting shall be of the following two kinds:

1. Regular meeting of shareholders: To be held at least once every year and convened within six months after close of each fiscal year.
2. Special meeting of shareholders: To be held when necessary. A shareholders' meeting shall, unless otherwise provided for Company Act, be convened by the board of directors.
3. The preferred shareholders' meeting may be convened when it is deemed necessary in accordance with applicable laws and regulations.

Article 10-1

The company's shareholders' meeting may be held by video conference or other means announced by the central competent authorities.

Article 11

Unless otherwise provided in laws, during the session of a shareholders' meeting, the chairman of the board of directors shall be the chairperson of the meeting. Where the chairman of the board of directors is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one managing director to act on his/her behalf. Where the chairman of the board of directors is on leave or absent or cannot exercise his/her power and authority for any cause, he/she shall designate one director to act on his/her behalf. Where the chairman fails to designate a proxy, the directors shall elect among them an acting chairperson of the meeting. The shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 12

The meeting notice of shareholders' meeting, including date, location and resolutions, shall be delivered to each shareholders 30 days prior to the annual shareholders' meeting or 15 days prior to the special shareholders' meeting. The notice of shareholders' meeting may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement. The notice and public announcement of shareholders' meeting shall be ascertained by referring to the Article 172 of Company Act.

Article 13

In each meeting of shareholders, a shareholder may delegate a proxy by filling a form printed by the Company representing a power of attorney stating the scope of authority delegated to the person attending the meeting of shareholders. Beside the Article 177 of Company Act, the policies of shareholder appoint proxy shall also be ascertained by referring to the set forth in the preceding Paragraph and Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 14

Each share of stock shall be entitled to one vote, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person, the voting procedures shall follow the related provisions issued by the competent authorities.

Article 15

Except as otherwise provided in the Company Act, resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting, and shareholders' meetings may be held if attended shareholders more than one half of the total issued and outstanding capital stock of the Company.

Article 15-1

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of electronic form or public notice.

Section IV - Directors, Managers and Audit Committee

Article 16

The Company has 5 to 15 Directors with a term of office of three years, and they can be re-elected and re-appointed. The total shareholding ratio of all Directors of the Company shall be subject to the requirements of the Company Act and the competent authority for securities. Among the number of Directors mentioned above, there shall be no less than three Independent Directors. The candidate nomination system is adopted for the election of Directors, and the shareholders' meeting shall elect Directors from the list of Director candidates.

The election of independent directors and non-independent directors shall be held together; however, the number of independent directors and non-independent directors elected shall be calculated separately. The ones with more votes are the ones being independent or non-independent directors. The company may take out liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of occupancy.

Article 17

The directors shall form a board of directors. The functions of the board shall be:

- a. Preparation of operation plans;
- b. Preparation of proposals for distribution or appropriation of profits or losses of the company;
- c. Recommendation of capital increases or decreases;
- d. Construction of organization structure and policies;
- e. Appointment or dismissal of the managerial officers;
- f. Establishment and abolishment of branches;
- g. Review of the budget and the financial statements of the company; and
- h. Other functions prescribed by the Company Act or authorized by the shareholders' meeting.

Article 18

The chairman of the board of directors shall be elected from among the directors by a majority vote at the meeting of a board of directors attended by at least two thirds (2/3) of the directors. The Company shall have a vice chairman through the same way if necessary. The chairman of the board of directors shall represent the company.

Article 19

Except otherwise prescribed by the Company Act of Taiwan, the meeting of the board of directors shall be convened by its chairman. Except as otherwise provided in Company Act of Taiwan, a meeting of board of directors may be held if attended by a majority of total directors and resolutions shall be adopted with the concurrence of the majority of the directors present at the meeting. In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. Notices of board of directors' meetings could be through written, fax or electronic.

Article 20

The chairman of the board of directors shall preside at the meeting of the board of directors. In case the chairman is to be absent or cannot exercise his powers for any cause whatsoever, he/she may designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect one from among themselves. A director shall attend meetings of the board of directors in person, if he/she may not attend, he/she shall by written authorization, appoint another director to attend on his/her behalf of meetings of the board of directors, and to vote for him on all

matters presented at such meeting. The proxy shall accept the designation of one director only. In case the independent directors not attend, he/she shall only appoint another independent director to attend the meeting as proxy. The meeting of the board of directors may be preceded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 21

In compliance with the Securities and Exchange Act, the Company may establish an Audit Committee, which shall consist of all independent directors. The Audit Committee shall be responsible for those responsibilities of Supervisors specified under Company Act, Securities and Exchange Act and other relevant regulations of Republic of China. The exercise of power by audit committee members and related matters shall be set forth in accordance with the laws and regulations. The regulation of Audit Committee shall be specified by board of directors. In compliance with laws and operation requirements, the Company may establish remuneration committee or function committees. Establishment and scope of duty of relevant committees shall follow relevant rules promulgated by the competent authorities. The regulation of function committees shall be specified by board of directors.

Article 22

Board of directors is authorized to determine the compensation for directors, the standards of the industry shall take into account.

Article 23

The Company may have managerial officers. The decision to engage, terminate and pay for the managers shall be held in the meeting of board of directors if attended by a majority of total directors and resolutions shall be adopted with the concurrence of the majority of the directors present at the meeting.

Article 24

The Company shall have managerial officers in charge of the Company operations in accordance with the resolutions of the board of directors.

Section - V Account

Article 25

The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year.

Article 26

After the close of each fiscal year, in accordance with Article 228 of the Company Act, the following reports shall be prepared by board of directors, and submitted to the audit committee before 30 days of regular shareholders' meeting:

- a. Business Report;
- b. Financial Statements;
- c. The surplus earning distribution or loss offsetting proposals.

Article 27

The payment of dividends shall be proportionate to the number of shares held by each of the shareholders. Except distribution of reserve in accordance with competent laws and regulations, the Company shall not pay dividends when there is no surplus profit.

Article 28

One percent of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 28-1

At the end of each accounting year, the Company's profit shall first be paid for income taxes and put forwards making up the prior years' losses. Then, 10 percent of the net profit shall set aside as statutory surplus reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. According to related regulation, make provision, reverse special reserve, and pay for preferred shares dividends with unappropriated warnings shall be accumulated retained earnings for shareholders. After distributing to the shareholders as dividends from the distributable retained earnings, the board of directors may consider proposing distribution of shareholders' bonus; which proposal shall be adopted in the shareholders' meeting before

execution. The Company is currently at a developing stage. The Company's dividend distribution policy is subject to the Company's current and future investment environment, fund requirements, and competition from local and abroad, as well as taking into consideration of the interests of shareholders and the long-term financial planning. Shareholder dividends shall not be less than 50% of earnings available for appropriation for the year and cash dividends shall not be less 10% of total dividends.

Article 28-2

The Board of Directors of the Company may, with the presence of at least two-thirds of the directors and by a resolution of a majority of the directors present, resolve to distribute all or part of the dividends and bonuses payable in cash and report the resolution.

Article 29

Dividends will be paid only to those shareholders whose names are filed and recorded in the shareholders' register five days prior to the date fixed for distributing dividends.

Section VII Supplementary Provisions

Article 30

The Company may act as a guarantor externally as required for business in accordance with the government's regulation. The Company may undertake the activities of guarantee in accordance with operation, and the affairs of guarantee shall be enforced by referring to the Operation Procedure of Endorse Guarantee.

Article 31

The Company's articles of organization and enforcement rules thereof shall be defined separately.

Article 32

In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other related regulations of Taiwan shall govern.

Article 33

The Articles of Incorporation is executed by all the incorporators on May 6, 1999, and conducted the 1st revision on July 9, 1999; the 2nd revision on December 27, 1999; the 3rd revision on June 19, 2001; the 4th revision on June 25, 2002; the 5th revision on December 26, 2002; the 6th revision on August 13, 2003; the 7th revision on November 15, 2004; the 8th revision on June 13, 2005; the 9th revision on June 18, 2008; the 10th revision on June 23, 2009; the 11th revision on June 20, 2012; the 12th revision on June 29, 2015; the 13th revision on June 22, 2016; the 14th revision on June 28, 2018; the 15th revision on November 7, 2018; the 16th revision on June 25, 2019; the 17th revision on June 24, 2020; the 18th version on June 23, 2022; the 19th version on May 31, 2023; the 20th amendment was made on May 29, 2024.

Hotai Finance Co., Ltd.

Rules and Procedures of Shareholders' Meeting

2021.07.22

Article 1

Shareholders' Meeting of the Company (the Meeting) shall be conducted in Accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.

Article 2

The shareholders of this Rules and Procedures mean and equal to shareholders themselves or his/her representative.

Article 3

Shareholders attending the Meeting shall be with attendance certification. The Company shall prepare an attendance book for shareholders to sign in. The number of shares representing shareholders present in the meeting shall be calculated in accordance with those indicated on the attendance book.

Article 4

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5

The Chairman of Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of Board of Directors cannot preside at the Meeting, the Chairman shall appoint one of the Directors to represent him/her. If the Chairman of Board of Directors does not appoint one, the Directors should elect one person from amongst themselves. If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If there is more than one person entitled to convene the Meeting, they should elect each other themselves.

Article 6

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.

Persons handling affairs of the Meeting shall wear identification cards.

Article 7

The process of the Meeting shall be tape recorded or videotaped, and these tapes shall be preserved for at least one year.

Article 8

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of Company Act. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of Company Act. If during the process of the Meeting the number of outstanding shares Represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of Company Act.

Article 9

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, who is entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. In the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned.

Article 10

When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speech by shareholders should be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech

should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Article 11

The inquiries related to the report items set forth in the agenda from the shareholders or their representatives shall only be raised after the chairman or his/her representative finishes the reading or reporting of such report items. Each shareholder shall not, for each discussion item, speak more than once, each time not exceeding 3 minutes. For other items, each shareholder shall not speak more than twice, each time not exceeding 5 minutes.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, inappropriately influence the Meeting, the chairman may stop the speech of such shareholder. The shareholders who disobey the chairman's instruction might be forced to leave the Meeting by disciplinary officers involuntary.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

Article 12

After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 13

The chairman may announce to end the discussion of any resolution and go into voting if the chairman deems it appropriate.

Article 14

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

Article 15

Except otherwise specified in Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The result of voting shall be announced at the Meeting and placed in minutes. The meeting minutes shall be recorded and preserved in accordance with Article 183 of the Articles of Incorporation of the Company.

Article 16

If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 17

During the Meeting, the chairman may, at his/her discretion, set time for intermission. In case of incident of force majeure such as air raid warning, earthquakes and outbreak of fire, the chairman may decide to temporarily suspend the Meeting until the emergency is being solved for an hour and announce when the Meeting will resume.

Article 18

The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose. The shareholders shall obey the chairman and Disciplinary Officers' instructions. The person who intervene or disturb the Meeting and do not obey instructions shall be removed as obstacles by disciplinary officers.

Article 19

Any matter not provided in these Rules and Procedures shall be handled in accordance with Company Act, Securities and Exchange Act and relevant laws and regulations.

Article 20

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Shareholdings of Directors

As of March 29, 2025. Unit : Share

Title	Name	Shareholding		%	
		Common share	Preferred shares	Common share	Preferred share
Chairman	Ho Zan Investment Co., Ltd. Representative: Yuan-Sheng Liu	282,879,511	-	45.40%	-
Director	Ho Zan Investment Co., Ltd. Representative: Chwen-Shing Su Roger Huang Leon Soo Ryan Huang	282,879,511	-	45.40%	-
Director	Toyota Financial Services Corporation Representative: Tetsuo Higuchi	143,082,344	-	22.96%	-
Independent Director	Ming-You Huang	-	-	-	-
Independent Director	Min-Chieh Chang	-	-	-	-
Independent Director	Yu-Chih Liu	-	-	-	-
Total		425,961,855	-	68.36%	-
Total common shares and preferred shares		425,961,855		58.90%	

1. Paid-up capital: 7,231,504,930(NTD), Total shares issued :
623,150,493 common shares, 50,000,000 preferred shares A, 50,000,000 preferred shares B.
2. According to Article 26 of Securities Exchange Act of the Republic of China, the minimum required percentage of shares held by all directors is as follows :
Share ownership of directors required by law : 23,140,815 Shares.
3. The share ownership of directors has met the minimum legal requirement.
4. The Audit Committee of the Company will replace the functions of supervisors. Therefore, the minimum legal requirement of supervisor shareholding does not apply.



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