



和潤企業股份有限公司
Hotai Finance Co., Ltd.

2026
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.)

2026/5/28

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Meeting agenda

2026 Annual General Shareholders' Meeting

Meeting Time: May 28, 2026 (Thursday) 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) 2025 Business Report
 - (2) 2025 Audit Committee Report
 - (3) Distribution of employees' remuneration of 2025
 - (4) Distribution of 2025 Profits
 - (5) Implementation report of corporate bond
 - (6) Revision of Ethical Corporate Management Practice Principles
3. Ratifications
 - (1) Ratification of 2025 Business Report and Financial Statements
 - (2) Ratification of Proposed Distribution of 2025 Profits
4. Discussion
 - (1) Stock dividends and the issue of new shares
 - (2) Amendment to the " Handling Procedure for Acquisition or Disposal of Assets"
 - (3) Amendment to the "Handling Procedure for the Transaction of Derivatives"
 - (4) Amendment to the " Operation Procedure for Loaning of Company Funds to Others of the Company"
 - (5) Amendment to the "Operation Procedure for Endorsements and Guarantees"
 - (6) Proposal for release of the non-competition restriction imposed on directors
5. Extemporary motions
6. Adjournment

Reports

1. 2025 Business Report

Explanation:

Please refer to Appendix 1 for the Company's 2025 business report (page 11~13).

2. 2025 Audit Committee Report

Explanation:

Please refer to Appendix 2 for the Audit Committee Report (page 14).

3. Distribution of employees' remuneration of 2025

Explanation:

Propose to allocate one percent as employees' remuneration, totaling NT\$ 41,636,191, of which NT\$ 20,818,096 is intended for distribution to junior employees and will be paid in cash. The proposal has been adopted by resolution at the 18th meeting of the 11th Board of Directors.

4. Distribution of 2025 Profits

Explanation:

- (1) The Company's 2025 profit was resolved by the 11th term of the Board of Directors at the 18th 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). Any decimal point below one NTD will be rounded down, with amounts distributed up to whole dollars. The combined amount of dividends under one dollar is included in the Company's other income.
- (2) 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 Chairman shall be authorized to conduct such revision at his full discretion.

5. Implementation report of corporate bond

Explanation:

- (1) Please refer to Appendix 5 for the handling of the Company's corporate bonds (page 37).
- (2) Reporting the above matters to shareholders according to the Company Act.

6. Revision of Ethical Corporate Management Practice Principles

Explanation:

To strengthen corporate governance, certain provisions of the Company's "Ethical Corporate Management Practice Principles" have been amended. Please refer to Appendix 6 for the comparison of the amendments (page 38~39).

Ratifications

1. Ratification of 2025 Business Report and Financial Statements

Proposed by Board of Directors

Explanation:

- (1) The Company's 2025 Financial Statements have been audited and certified by PricewaterhouseCoopers Taiwan, and together with the Business Report, have been reviewed by the Audit Committee, with the issuance of an audit report.
- (2) Please refer to Appendix 1 (page 11~13) and Appendix 3 (page 15~35) for the Company's 2025 Business Report, Independent Auditor's Report, and Financial Statements.

Resolution:

2. Ratification of Proposed Distribution of 2025 Profits

Proposed by Board of Directors

Explanation:

Please refer to Appendix 4 for the Table of 2025 Profit Distribution (page 36).

Resolution:

Discussion

1. Stock dividends and the issue of new shares

Proposed by Board of Directors

Explanation:

- (1) The Company proposes to allocate NT\$ 186,945,150 stock dividend from 2025 distributable earnings to issue a total amount of 18,694,515 new shares, with the face value of each share being NT\$10. Calculation will be based on the percentage of shares held by shareholders listed in the shareholder register on the ex-rights record date. Additionally, 30 bonus shares will be distributed per 1,000 shares. In the case of fractional shares, each of which is less than one share, among the new shares distributed to any shareholder, the shareholder may combine such shares at the stock transfer agency of the Company within 5 days following the book closure date. All fractional shares which have failed to be combined within that period or into one share will be distributed in cash based on the face value per share (rounded down to the nearest whole dollar). With respect to the accumulated fractional shares, it is proposed that the Chairman be authorized to contact certain persons to purchase shares at the face value per share.
- (2) The rights and obligations of the new shares are the same as the already-issued ordinary shares.
- (3) Upon approval of this issuance of new shares by the shareholders' meeting and the competent authority, it is proposed that the Board of Directors be authorized to determine the record date for the capital increase and share allocation.
- (4) 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.
- (5) If authority amends regulations or the market condition changes, shareholders' meeting shall fully authorize the Board of Directors to deal with it.

Resolution:

2. Amendment to the " Handling Procedure for Acquisition or Disposal of Assets"

Proposed by Board of Directors

Explanation:

In coordination with the amendments to the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" and the Practical demand, amendments to certain provisions of the Company's " Handling Procedure for Acquisition or Disposal of Assets" are proposed. Please refer to Appendix 7 (page 40) for the comparison of the amendments.

Resolution:

3. Amendment to the "Handling Procedure for the Transaction of Derivatives"

Proposed by Board of Directors

Explanation:

In response to the Company's practical needs, amendments to certain provisions of the Company's " Handling Procedure for the Transaction of Derivatives " are proposed. Please refer to Appendix 8 (pages 41~42) for the comparison of the amendments.

Resolution:

4. Amendment to the "Operation Procedure for Loaning of Company Funds to Others of the Company"

Proposed by Board of Directors

Explanation:

In coordination with the amendments to the "Regulations Governing Loans of Funds and Endorsements/Guarantees by Public Companies" and the Practically demand, amendments to certain provisions of the Company's "Operation Procedure for Loaning of Company Funds to Others of the Company" are proposed. Please refer to Appendix 9 (page 43) for the comparison of the amendments.

Resolution:

5. Amendment to the "Operation Procedure for Endorsements and Guarantees"

Proposed by Board of Directors

Explanation:

In coordination with the amendments to the "Regulations Governing Loans of Funds and Endorsements/Guarantees by Public Companies" and the Practically demand, amendments to certain provisions of the Company's "Operation Procedure for Endorsements and Guarantees" are proposed. Please refer to Appendix 10 (page 44) for the comparison of the amendments.

Resolution:

6. Proposal for release of the non-competition restriction imposed on directors

Proposed by Board of Directors

Explanation:

- (1) Handled in accordance with Article 209 of the Company Act.
- (2) If any director of the Company, due to business needs, holds a position in similar business activities as listed within the scope of the Company's business, it is proposed to release the non-competition restrictions on directors and their representatives, provided that it does not harm the interests of the Company.
- (3) Details of the Release of Director's Non-Compete Restrictions, please refer to Appendix 11 (page 45).

Resolution:

Extemporaneous motions

Adjournment

Hotai Finance Co., Ltd
2025 Business Report

I. Review of Operating Achievements in 2025

Looking back at 2025, the global economic situation remained challenging, with major economies continuously addressing the high-interest rate environment and geopolitical uncertainties. However, Taiwan demonstrated high economic resilience owing to its critical position in the global technology supply chain. Benefiting from strong demand in emerging applications such as artificial intelligence (AI) and high-performance computing (HPC), export momentum is robust. According to the estimation by the Directorate General of Budget, Accounting and Statistics, the economic growth rate for the entire year of 2025 is projected to reach 8.68%, outperforming most developed economies.

On this stable domestic demand foundation, the Company accurately grasps market trends. Even facing changes in capital costs and the regulatory environment, it still creates outstanding operational results through excellent risk management and a diversified business layout. In 2025, the consolidated revenue reached NT\$23.7 billion, the scale of consolidated assets was NT\$329.6 billion, and the consolidated net profit after tax was NT\$3.4 billion, with an earnings per share (EPS) of NT\$4.72, representing a 6% growth compared to the same period last year, demonstrating stable profitability.

Core Business Performance:

- **Car Installment:** Despite intense market competition, the Company has achieved solid business growth by deepening its collaboration with TOYOTA, LEXUS, and major distributors and secondhand car dealers through diversified and customized installment plans.
- **Corporate Finance:** By deepening supplier channels and industry knowledge, the Company is expanding its business in fields such as medical, construction, and manufacturing, providing critical financial support to corporate clients.
- **Motorcycle Installment:** By optimizing products, strengthening customer engagement, and providing specialized services, the Company continues to expand its market share.
- **Product Installments:** We have established the PAY4U brand and actively expanded both online and offline channels for 3C products, home appliances, renovations, and e-commerce, progressively building an installment ecosystem that meets consumers' lifestyle needs.

Operational highlights of the subsidiary:

- **HEJING Co., Ltd.:** Focus on the dual pillars of "commercial vehicles" and "corporate finance" with remarkable results. The stable growth in retained assets surpassed NT\$27 billion, with an annual net profit after tax reaching NT\$130 million, reflecting a 7% growth for the year. Exhibiting strong growth momentum.

- Hotai Finance Development Co., Ltd.: In its second year of operation, it achieved double growth, with the scale of retained assets surpassing NT\$15 billion (a 135% annual increase), turning its net profit after tax positive, highlighting the significant results of its operational structure and strategies.
- HEJUN Energy Co., Ltd.: Adhering to the comprehensive approach of "energy generation, energy storage, energy charging, and energy utilization" with fruitful results. The contracted capacity for solar and storage has exceeded 240MW. The subsidiary HEJUN Electric Power transferred 20 million kWh of green electricity, generating approximately 16 million in revenue, and continues to expand business opportunities related to net zero carbon emissions.

Overseas market layout:

- Mainland China - Hoyun International Leasing: Facing the challenges of economic deflation pressure and intense competition in the car market in China, the Company has adopted a prudent operating strategy. Although the asset size has slightly declined, it continues to deepen local cooperation and strengthen risk management.
- HFC (CAMBODIA) MICROFINANCE PLC.: By increasing the shareholding to 66%, gaining operational control, symbolizing a new milestone in the group's overseas expansion, injecting strong momentum into transnational growth.

II. 2026 Business Plan and Future Prospect

Looking into 2026, despite the uncertainties in the global economy due to trade policies and geopolitical influences, Taiwan is expected to maintain stable economic fundamentals owing to resilient exports and steady domestic demand. On this basis, as the regulatory policies for the financial leasing industry become clearer, the Company will leverage clear strategies, rigorous cost and asset quality management, and a diversified business layout to continue achieving outstanding operational results.

Core Business Strategy Planning:

- Car Installment: To drive future growth, we will proactively launch more diverse and differentiated installment plans to enhance market penetration with TOYOTA, LEXUS, and various cooperating brands. At the same time, it will deepen strategic alliances with secondhand car channels to expand its business footprint.
- Corporate Finance: Resources will be focused on four core areas: medical equipment, construction machinery, manufacturing equipment, and corporate financing. By deepening industry knowledge and local operations, we consolidate our position as a professional leader.
- Motorcycle and Product Installment: In the motorcycle market, we will expand cooperation with various brands and channels to capture a higher market share. In the area of product installments, we will accelerate the integration of online and offline brand channels and combine existing customer relationships (CR) to create a cross-platform digital installment ecosystem, offering seamless and diverse consumer installment services.

Development blueprint of the subsidiary:

- Ho Chun Enterprise: Will vigorously implement the dual-engine strategy of "commercial vehicles" and "corporate finance," and actively explore the secondhand car market as the third growth curve. Internally, AI will be integrated into the application and review processes to enhance efficiency and reduce risks through technology. While strengthening core business, diversified business model will be established to secure long-term competitive advantages.
- Hotai Finance Development Co., Ltd.: The operational targets will focus on the balanced development of the trinity of "business growth, risk management, and organizational resilience." We will expand our diverse product portfolio, deepen our engagement with SME clients, and enhance operational efficiency through digital systems. On a stable financial foundation, we will continue to optimize the profitability structure and collateral allocation. Through systematic talent development, we will strengthen the organization's combat capabilities to support the company's sustainable growth.
- HEJUN Energy Co., Ltd.: Initiate multiple AI optimization projects with the goal of establishing Ho Chun Energy as a benchmark enterprise in AI applications within the new energy sector. We will actively expand the scale of our site holdings through various means such as self-building, mergers and acquisitions, and bidding for public and private tenders. We will also explore emerging renewable energy opportunities like small hydropower and geothermal energy. This will expand our renewable energy sales business, maximize asset efficiency, and provide comprehensive green energy integration services.
- Hoyun International Leasing (Mainland China): Facing the challenges and opportunities coexisting in the Chinese market, the annual target will focus on "high-quality and stable expansion." Strategically, it will expand partnerships with new car manufacturers, deepen the regional industrial chain for equipment leasing, and promote innovative business models. At the same time, digital risk management will be strengthened to enhance operational efficiency through technology, ensuring continuous improvement in business performance.
- HFC (CAMBODIA) MICROFINANCE PLC.: The company will implement clear market strategies by strengthening dealer relationships, expanding partnerships, and improving credit approval accuracy to stabilize asset quality, fully striving to become one of the top ten microfinance institutions (MFIs) in Cambodia.

In 2026, with the industrial environment expected to normalize, capital costs and asset quality are anticipated to return to stability. The Company will adhere to the business philosophy of "customer first, professionalism as the foundation," continuously optimizing products, deepening digital transformation, and consolidating asset quality. We are confident that with the efforts of all our colleagues, all core businesses and investment ventures will surely grow steadily and reach new heights.

Chairman:
Jiann-Jou Chen

Executive Officer:
Yen-Liang Lin

Chief Accounting Officer:
Chia-Ming Tsai

**Hotai Finance Co., Ltd.
Audit Committee Report**

To: The 2026 Annual General Shareholders' Meeting of Hotai Finance Co., Ltd. (the "Company")

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements, and a proposal for allocation of profits. The Financial Statements have been audited and completed by CPA CHUN-YUAN HSIAO and CHIA-HUNG LIN from PwC Taiwan, and an audit report has been issued. The aforementioned Business Report, Financial Statements, and proposal for allocation of profits have been reviewed and found to be in order by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, a report has been prepared for your review.

Convener of the Audit Committee:

Ming-You Huang

March 5, 2026

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, 2025 and 2024, 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, 2025 and 2024, 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. 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 Group's 2025 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 2025 consolidated financial statements are as follows:

Evaluation of provision for impairment of accounts receivable

Description

Please refer to Note 4(11) 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\$3,576,154 thousand and NT\$2,140,441 thousand, constituting 1.09% and 0.65% of the consolidated total assets as at December 31, 2025 and 2024, respectively, and the operating revenue amounted to NT\$141,995 thousand and NT\$99,324 thousand, constituting 0.60% and 0.34% 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, 2025 and 2024.

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 5, 2026

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

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,631,325	2	\$ 4,985,831	1
1136	Current financial assets at amortised cost		387,446	-	-	-
1139	Hedging financial assets-current	6(2)	146,193	-	260,887	-
1150	Notes receivable, net	6(3) and 8	18,537,954	6	14,662,449	4
1170	Accounts receivable, net	6(3), 7 and 8	246,178,599	75	245,016,363	75
1196	Operating lease receivable, net		1,318	-	5,546	-
1197	Finance lease receivable, net	6(8) and 8	26,827,522	8	32,130,469	10
1200	Other receivables		148,511	-	85,171	-
130X	Inventories		6,930	-	3,036	-
1410	Prepayments	6(4) and 7	4,576,001	1	5,527,649	2
1476	Other current financial assets	8	196,177	-	157,927	-
11XX	Total current assets		<u>301,637,976</u>	<u>92</u>	<u>302,835,328</u>	<u>92</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income-non-current		139,286	-	35,789	-
1535	Non-current financial assets at amortised cost		400,547	-	-	-
1550	Investments accounted for using equity method	6(5)	979,537	-	1,700,803	1
1600	Property, plant and equipment, net	6(6) and 8	7,036,809	2	6,234,672	2
1755	Right-of-use assets	6(7)	431,065	-	412,679	-
1760	Investment property, net	6(9)	163,644	-	164,466	-
1780	Intangible assets	6(10)	1,842,580	1	512,220	-
1840	Deferred income tax assets	6(28)	1,369,947	-	1,175,827	-
1930	Long-term notes and accounts receivable	6(3)	11,874,209	4	12,035,072	4
194D	Long-term finance lease receivable, net	6(8)	1,489,355	-	1,111,215	-
1990	Other non-current assets, others	8	2,220,538	1	1,961,319	1
15XX	Total non-current assets		<u>27,947,517</u>	<u>8</u>	<u>25,344,062</u>	<u>8</u>
1XXX	Total assets		<u>\$ 329,585,493</u>	<u>100</u>	<u>\$ 328,179,390</u>	<u>100</u>

(Continued)

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Liabilities						
Current liabilities						
2100	Short-term loans	6(11)	\$ 100,930,048	31	\$ 120,843,955	37
2110	Short-term notes and bills payable	6(12)	145,508,216	44	119,849,017	37
2126	Hedging financial liabilities-current	6(2)	687,433	-	855,551	-
2150	Notes payable		1,326,948	1	1,224,979	-
2170	Accounts payable		413,479	-	597,438	-
2180	Accounts payable - related parties	7	147,966	-	160,050	-
2200	Other payables	7	3,597,697	1	3,492,067	1
2230	Current income tax liabilities		872,384	-	655,273	-
2280	Current lease liabilities	7	72,510	-	88,065	-
2320	Bonds payable	6(13)	17,800,000	6	31,200,000	10
2320	Long-term liabilities, current portion	6(14)	343,689	-	231,003	-
2370	Current financial guarantee liabilities		23,273	-	24,664	-
2399	Guarantee deposits received-current	6(15)	4,164,386	1	4,426,509	1
2399	Other current liabilities, others	7	138,147	-	64,761	-
21XX	Total current liabilities		<u>276,026,176</u>	<u>84</u>	<u>283,713,332</u>	<u>86</u>
Non-current liabilities						
2540	Long-term loans	6(14)	8,733,259	3	1,474,127	1
2570	Deferred income tax liabilities	6(28)	805,840	-	555,257	-
2580	Lease liabilities-non-current	7	355,390	-	321,429	-
2645	Guarantee deposits received-non-current	6(15)	268,572	-	448,662	-
25XX	Total non-current liabilities		<u>10,163,061</u>	<u>3</u>	<u>2,799,475</u>	<u>1</u>
2XXX	Total liabilities		<u>286,189,237</u>	<u>87</u>	<u>286,512,807</u>	<u>87</u>
Equity						
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(17)	6,231,505	2	6,231,505	2
3120	Preference stock		1,000,000	-	1,000,000	1
Capital surplus						
3200	Capital surplus	6(18)	17,139,974	5	17,139,974	5
Retained earnings						
3310	Legal reserve	6(19)	3,120,400	1	2,814,851	1
3320	Special reserve		53,645	-	114,895	-
3350	Unappropriated earnings		10,936,093	4	10,108,913	3
Other equity interest						
3400	Other equity interest		4,478	-	(53,645)	-
31XX	Total equity attributable to shareholders of the parent		<u>38,486,095</u>	<u>12</u>	<u>37,356,493</u>	<u>12</u>
36XX	Non-controlling interest		4,910,161	1	4,310,090	1
3XXX	Total equity		<u>43,396,256</u>	<u>13</u>	<u>41,666,583</u>	<u>13</u>
Significant contingent liabilities and unrecognized 9 contract commitments						
Significant event after the balance sheet date 11						
3X2X	Total liabilities and equity		<u>\$ 329,585,493</u>	<u>100</u>	<u>\$ 328,179,390</u>	<u>100</u>

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

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Items	Notes	Year ended December 31			
			2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(20) and 7	\$ 23,704,115	100	\$ 28,963,830	100
5000	Operating costs	6(21) and 7	(9,479,110)	(40)	(12,374,199)	(43)
5900	Gross profit		<u>14,225,005</u>	<u>60</u>	<u>16,589,631</u>	<u>57</u>
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		(3,268,065)	(14)	(5,032,817)	(17)
6200	General and administrative expenses		(2,117,625)	(9)	(2,318,071)	(8)
6450	Expected credit losses		(4,776,666)	(20)	(5,538,579)	(19)
6000	Total operating expenses		(10,162,356)	(43)	(12,889,467)	(44)
6900	Operating profit		<u>4,062,649</u>	<u>17</u>	<u>3,700,164</u>	<u>13</u>
	Non-operating income and expenses					
7100	Interest income	6(22)	33,375	-	43,087	-
7010	Other income	6(23)	215,813	1	201,442	-
7020	Other gains and losses	6(24)	19,655	-	493,986	2
7050	Finance costs	6(25)	(8,798)	-	(9,227)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(32,031)	-	(15,902)	-
7000	Total non-operating income and expenses		<u>228,014</u>	<u>1</u>	<u>713,386</u>	<u>2</u>
7900	Profit before income tax		4,290,663	18	4,413,550	15
7950	Income tax expense	6(28)	(853,298)	(3)	(1,139,224)	(4)
8200	Profit for the year		<u>\$ 3,437,365</u>	<u>15</u>	<u>\$ 3,274,326</u>	<u>11</u>

(Continued)

HOTAI FINANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

Items	Notes	Year ended December 31			
		2025		2024	
		Amount	%	Amount	%
Other comprehensive income 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		\$ 1,473	-	\$ 133	-
8310 Total components of other comprehensive income that may not be reclassified to profit or loss		<u>1,473</u>	-	<u>133</u>	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statement translation differences of foreign operations		1,229	-	227,742	1
8368 Gains (losses) on hedging instrument	6(2)	77,468	-	(95,510)	-
8399 Income tax related to components of other comprehensive (income) loss that will be reclassified to profit or loss	6(28)	(13,231)	-	5,383	-
8360 Total components of other comprehensive income that will be reclassified to profit or loss		<u>65,466</u>	-	<u>137,615</u>	1
8300 Other comprehensive income for the year, net of tax		<u>\$ 66,939</u>	-	<u>\$ 137,748</u>	1
8500 Total comprehensive income for the year		<u>\$ 3,504,304</u>	<u>15</u>	<u>\$ 3,412,074</u>	<u>12</u>
Profit, attributable to:					
8610 Owners of the parent		\$ 3,375,930	14	\$ 3,055,491	10
8620 Non-controlling interest		61,435	1	218,835	1
		<u>\$ 3,437,365</u>	<u>15</u>	<u>\$ 3,274,326</u>	<u>11</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 3,434,053	15	\$ 3,116,741	11
8720 Non-controlling interest		70,251	-	295,333	1
		<u>\$ 3,504,304</u>	<u>15</u>	<u>\$ 3,412,074</u>	<u>12</u>
Earnings per share (in dollars)	6(29)				
9750 Basic earnings per share		\$	4.72	\$	4.44
9850 Diluted earnings per share		\$	4.71	\$	4.44

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent												
		Share capital		Retained earnings				Other equity interest					Non-controlling interest	Total equity
		Common stock	Preference share	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	Total			
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	\$ 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(19)	-	-	-	368,981	-	(368,981)	-	-	-	-	-	-	
Special reserve	6(19)	-	-	-	-	91,163	(91,163)	-	-	-	-	-	-	
Dividend on preferred stock	6(19)	-	-	-	-	-	(287,055)	-	-	-	(287,055)	-	(287,055)	
Cash dividend on common stock	6(19)	-	-	-	-	-	(1,699,501)	-	-	-	(1,699,501)	-	(1,699,501)	
Stock dividend on common stock	6(17)(19)	566,501	-	-	-	-	(566,501)	-	-	-	-	-	-	
Reorganization	6(31)	-	-	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	
Year ended December 31, 2025														
Balance at January 1, 2025		\$ 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	
Profit for the year		-	-	-	-	-	3,375,930	-	-	-	3,375,930	61,435	3,437,365	
Other comprehensive income (loss) for the year		-	-	-	-	-	-	(1,793)	1,280	58,636	58,123	8,816	66,939	
Total comprehensive income (loss)		-	-	-	-	-	3,375,930	(1,793)	1,280	58,636	3,434,053	70,251	3,504,304	
Appropriation and distribution of retained earnings														
Legal reserve	6(19)	-	-	-	305,549	-	(305,549)	-	-	-	-	-	-	
Special reserve reversed	6(19)	-	-	-	-	(61,250)	61,250	-	-	-	-	-	-	
Dividend on preferred stock	6(19)	-	-	-	-	-	(435,000)	-	-	-	(435,000)	-	(435,000)	
Cash dividend on common stock	6(19)	-	-	-	-	-	(1,869,451)	-	-	-	(1,869,451)	(33)	(1,869,484)	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	529,853	529,853	
Balance at December 31, 2025		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 3,120,400	\$ 53,645	\$ 10,936,093	(\$ 12,376)	\$ 4,899	\$ 11,955	\$ 38,486,095	\$ 4,910,161	\$ 43,396,256	

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31		
	Notes	2025	2024
Cash flows from operating activities			
Profit before tax		\$ 4,290,663	\$ 4,413,550
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		6,809,139	6,793,317
Depreciation	6(26)	700,166	1,246,057
Amortization	6(10)(26)	29,902	29,074
Impairment loss (reversal gain) recognized on leased assets	6(6)	321	(4,494)
Gains on financial assets at fair value through profit or loss	6(24)	(559)	(9,166)
Net gains on disposals of property, plant and equipment	6(24)	(5,486)	(232,745)
Net gains on disposals of investment property	6(24)	-	(255,515)
Gains on disposals of investments	6(24)	(18,527)	-
Interest expense	6(21)(25)	5,871,227	5,830,112
Interest income	6(20)(22)	(20,796,566)	(22,876,877)
Dividend income		600	454
Profit from lease modification	6(7)	(39)	(25)
Share of profit or loss of associates accounted for using equity method	6(5)	32,031	15,902
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		559	9,166
Notes and accounts receivable		(5,299,429)	(24,887,287)
Other receivables		46,961	(203,287)
Inventories		135,425	741,017
Prepayments		951,267	879,532
Net changes in liabilities relating to operating activities			
Notes and accounts payable		49,992	(285,340)
Other payables		112,882	279,492
Current financial guarantee liabilities		(1,391)	109,663
Other current liabilities, others		73,386	32,675
Cash outflow generated from operations		(7,018,676)	(28,375,633)
Cash dividends received		600	454
Interest received		20,706,700	22,907,228
Interest paid		(5,956,890)	(5,792,124)
Income tax paid		(826,154)	(1,455,940)
Net cash flows from (used in) operating activities		6,905,580	(12,716,015)
Cash flows from investing activities			
Acquisition of property, plant and equipment	6(32)	(1,487,862)	(2,184,612)
Acquisition of financial assets at fair value through other comprehensive income		-	(16,000)
Acquisition of investments accounted for using equity method	6(5)	(14,000)	(577,342)
Proceeds from disposal of property, plant and equipment		19,025	347,748
Proceeds from disposal of investment property		-	372,501
Acquisition of financial assets at amortised cost		(850,000)	-
Proceeds from disposal of financial assets at amortised cost		55,030	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		8,000	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		23,040	-
Net cash flow from acquisition of subsidiaries		(501,122)	(216,578)
(Increase) decrease in other financial assets		(13,106)	398,184
Increase in other non-current assets		(481,486)	(487,283)
Reorganization		-	105,370
Net cash flows used in investing activities		(3,242,481)	(2,258,012)
Cash flows from financing activities			
(Decrease) increase in short-term loans	6(33)	(20,859,319)	30,959,766
Increase (decrease) in short-term notes and bills payable	6(33)	25,742,121	(12,586,888)
Proceeds from long-term loans	6(33)	7,603,674	655,063
Repayments of long-term loans	6(33)	(231,856)	(768,582)
Proceeds from issuance of bonds payable	6(13)(33)	8,600,000	-
Repayments of bonds payable	6(13)(33)	(22,000,000)	-
(Decrease) increase in guarantee deposits received	6(33)	(442,213)	216,367
Cash dividends paid	6(33)	(2,304,451)	(1,986,556)
(Decrease) increase in other payables	6(33) and 7	(43,848)	33,543
Repayment of principal portion of lease liabilities	6(33)	(92,455)	(136,754)
Cash dividends paid from subsidiaries to non-controlling interests		33	-
Change in non-controlling interest		-	393,600
Net cash flows (used in) from financing activities		(4,028,380)	16,779,559
Effect of exchange rate changes		10,775	302,115
(Decrease) increase in cash and cash equivalents		(354,506)	2,107,647
Cash and cash equivalents at beginning of year		4,985,831	2,878,184
Cash and cash equivalents at end of year		\$ 4,631,325	\$ 4,985,831

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, 2025 and 2024, 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, 2025 and 2024, 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 2025 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 2025 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\$1,530,339 thousand and NT\$1,567,860 thousand, constituting 1.03% and 0.61% of the total assets as at December 31, 2025 and 2024, respectively, and the comprehensive income amounted to NT(\$6,139) thousand and NT\$17,800 thousand, constituting (0.18%) and 0.57% 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 5, 2026

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 Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HOTAI FINANCE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 979,923	-	\$ 455,069	-
1139	Hedging financial assets-current	6(2)	146,193	-	67,899	-
1150	Notes receivable, net	6(3) and 8	4,823,861	2	6,496,156	3
1170	Accounts receivable, net	6(3) and 7	220,690,124	87	223,116,608	87
1196	Operating lease receivable, net		2,255	-	3,724	-
1197	Finance lease receivable, net	6(8)	27,985	-	48,498	-
1200	Other receivables	7	119,863	-	94,628	-
130X	Inventories		5,250	-	1,357	-
1410	Prepayments	6(4)	1,164,182	1	1,673,858	1
1476	Other current financial assets	8	1,113	-	600	-
11XX	Total current Assets		<u>227,960,749</u>	<u>90</u>	<u>231,958,397</u>	<u>91</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income-non- current		5,262	-	4,753	-
1550	Investments accounted for using equity method	6(5)	12,455,795	5	11,517,413	5
1600	Property, plant and equipment, net	6(6)	1,219,600	1	1,135,106	-
1755	Right-of-use assets	6(7)	43,555	-	71,174	-
1760	Investment property, net	6(9)	479,282	-	481,481	-
1840	Deferred income tax assets	6(25)	344,803	-	401,145	-
1930	Long-term notes and accounts receivable	6(3)	9,538,735	4	9,320,759	4
1990	Other non-current assets, others	8	347,747	-	289,821	-
15XX	Total non-current assets		<u>24,434,779</u>	<u>10</u>	<u>23,221,652</u>	<u>9</u>
1XXX	Total assets		<u>\$ 252,395,528</u>	<u>100</u>	<u>\$ 255,180,049</u>	<u>100</u>

(Continued)

HOTAI FINANCE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Liabilities						
Current liabilities						
2100	Short-term loans	6(10)	\$ 66,274,160	27	\$ 74,441,946	29
2110	Short-term notes and bills payable	6(11)	126,365,015	50	108,161,794	43
2126	Hedging financial liabilities-current	6(2)	86,833	-	473,522	-
2170	Accounts payable		84,880	-	88,534	-
2180	Accounts payable - related parties	7	147,649	-	108,863	-
2200	Other payables	6(12) and 7	1,770,732	1	1,713,163	1
2230	Current income tax liabilities		607,010	-	475,463	-
2280	Lease liabilities-current	7	21,896	-	28,676	-
2320	Bonds payable	6(13)	17,800,000	7	31,200,000	12
2370	Financial guarantee liabilities-current		23,273	-	24,664	-
2399	Guarantee deposits received-current		277,531	-	654,484	-
21XX	Total current liabilities		<u>213,458,979</u>	<u>85</u>	<u>217,371,109</u>	<u>85</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(25)	426,966	-	405,666	-
2580	Lease liabilities-non-current	7	22,908	-	44,091	-
2645	Guarantee deposits received-non-current		580	-	2,690	-
25XX	Total non-current liabilities		<u>450,454</u>	<u>-</u>	<u>452,447</u>	<u>-</u>
2XXX	Total Liabilities		<u>213,909,433</u>	<u>85</u>	<u>217,823,556</u>	<u>85</u>
Equity						
Share capital						
		6(15)				
3110	Common stock		6,231,505	3	6,231,505	3
3120	Preference stock		1,000,000	-	1,000,000	-
Capital surplus						
		6(16)				
3200	Capital surplus		17,139,974	7	17,139,974	7
Retained earnings						
		6(17)				
3310	Legal reserve		3,120,400	1	2,814,851	1
3320	Special reserve		53,645	-	114,895	-
3350	Unappropriated retained earnings		10,936,093	4	10,108,913	4
Other equity interest						
3400	Other equity interest		4,478	-	(53,645)	-
3XXX	Total equity		<u>38,486,095</u>	<u>15</u>	<u>37,356,493</u>	<u>15</u>
Significant contingent liabilities and unrecognized contract commitments						
		9				
Significant events after the balance sheet date						
		11				
3X2X	Total liabilities and equity		<u>\$ 252,395,528</u>	<u>100</u>	<u>\$ 255,180,049</u>	<u>100</u>

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31,			
			2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	\$ 16,826,112	100	\$ 18,970,990	100
5000	Operating costs	6(20)	(6,722,148)	(40)	(6,928,758)	(36)
5950	Gross profit		<u>10,103,964</u>	<u>60</u>	<u>12,042,232</u>	<u>64</u>
	Operating expenses	6(23)(24) and 7				
6100	Selling expenses		(2,120,628)	(12)	(3,296,801)	(17)
6200	General and administrative expenses		(1,322,097)	(8)	(1,403,590)	(8)
6450	Expected credit losses		(2,992,003)	(18)	(4,415,189)	(23)
6000	Total operating expenses		(6,434,728)	(38)	(9,115,580)	(48)
6900	Operating profit		<u>3,669,236</u>	<u>22</u>	<u>2,926,652</u>	<u>16</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	6,992	-	9,581	-
7010	Other income	6(22)	168,878	1	277,150	1
7020	Other gains and losses		14,454	-	475,968	3
7050	Finance costs	6(7)	(670)	-	(754)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	<u>263,092</u>	<u>1</u>	<u>265,412</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>452,746</u>	<u>2</u>	<u>1,027,357</u>	<u>5</u>
7900	Profit before income tax		<u>4,121,982</u>	<u>24</u>	<u>3,954,009</u>	<u>21</u>
7950	Income tax expense	6(25)	(746,052)	(4)	(898,518)	(5)
8200	Profit for the year		<u>\$ 3,375,930</u>	<u>20</u>	<u>\$ 3,055,491</u>	<u>16</u>
	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		\$ 509	-	\$ 834	-
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		<u>771</u>	<u>-</u>	(561)	<u>-</u>
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		<u>1,280</u>	<u>-</u>	<u>273</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statement translation differences of foreign operations		(1,793)	-	117,149	-
8368	Gains (losses) on hedging instrument	6(2)	66,153	-	(26,915)	-
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method		5,714	-	(34,640)	-
8399	Income tax related to components of other comprehensive (income) loss that will be reclassified to profit or loss	6(25)	(13,231)	-	5,383	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>56,843</u>	<u>-</u>	<u>60,977</u>	<u>-</u>
8300	Other comprehensive income for the year		<u>\$ 58,123</u>	<u>-</u>	<u>\$ 61,250</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 3,434,053</u>	<u>20</u>	<u>\$ 3,116,741</u>	<u>16</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(26)	<u>\$ 4.72</u>		<u>\$ 4.44</u>	
9850	Diluted earnings per share	6(26)	<u>\$ 4.71</u>		<u>\$ 4.44</u>	

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital			Retained earnings			Other equity interest			Total equity
		Common stock	Preference stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	
<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
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(17)	-	-	-	368,981	-	(368,981)	-	-	-	-
Special reserve	6(17)	-	-	-	-	91,163	(91,163)	-	-	-	-
Dividend on preferred stock	6(17)	-	-	-	-	-	(287,055)	-	-	-	(287,055)
Cash dividend on common stock	6(17)	-	-	-	-	-	(1,699,501)	-	-	-	(1,699,501)
Stock dividend on common stock	6(15)	566,501	-	-	-	-	(566,501)	-	-	-	-
Reorganization	6(27)	-	-	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
<u>Year ended December 31, 2025</u>											
Balance at January 1, 2025		\$ 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
Profit for the year		-	-	-	-	-	3,375,930	-	-	-	3,375,930
Other comprehensive income (loss) for the year		-	-	-	-	-	-	(1,793)	1,280	58,636	58,123
Total comprehensive income (loss)		-	-	-	-	-	3,375,930	(\$ 1,793)	1,280	58,636	3,434,053
Appropriation and distribution of retained earnings											
Legal reserve	6(17)	-	-	-	305,549	-	(305,549)	-	-	-	-
Special reserve reversed	6(17)	-	-	-	-	(61,250)	61,250	-	-	-	-
Dividend on preferred stock	6(17)	-	-	-	-	-	(435,000)	-	-	-	(435,000)
Cash dividend on common stock	6(17)	-	-	-	-	-	(1,869,451)	-	-	-	(1,869,451)
Balance at December 31, 2025		\$ 6,231,505	\$ 1,000,000	\$ 17,139,974	\$ 3,120,400	\$ 53,645	\$ 10,936,093	(\$ 12,376)	\$ 4,899	\$ 11,955	\$ 38,486,095

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31,		
	Notes	2025	2024
Cash Flows From Operating Activities			
Profit before tax		\$ 4,121,982	\$ 3,954,009
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		4,895,802	5,611,457
Gains on financial assets at fair value through profit or loss		-	(2,037)
Net losses (gains) on disposals of property, plant and equipment	6(22)	2	(220,796)
Depreciation	6(23)	82,185	112,281
Net gains on disposals of investment property	6(22)	-	(255,515)
Gains on disposals of investments	6(5)	(16,616)	-
Impairment loss (reversal gain) recognized on leased assets	6(6)	321	(4,494)
Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	6(5)	-	-
Interest expense	6(7)(19)	(263,092)	(265,412)
Interest income	6(18)(20)	4,036,896	3,922,330
Dividend income		(15,359,112)	(17,365,190)
(Profit) losses from lease modification		(600)	(454)
	6(7)	(39)	18
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		-	2,037
Notes and accounts receivable		(993,017)	(7,799,312)
Inventories		1,542	5,120
Prepayments		509,676	975,262
Other receivables		21,700	(61,913)
Net changes in liabilities relating to operating activities			
Notes payable		-	(6,542)
Accounts payable		(3,654)	26,833
Accounts payable – related parties		38,786	(114,651)
Other payables		12,606	69,985
Financial guarantee liabilities - current		(1,391)	(2,822)
Cash outflow generated from operations		(2,916,023)	(11,419,806)
Cash dividends received		600	454
Interest received		15,312,177	17,354,050
Interest paid		(4,065,312)	(3,899,355)
Income tax paid		(550,094)	(1,127,432)
Net cash flows from operating activities		<u>7,781,348</u>	<u>907,911</u>
Cash Flows From Investing Activities			
Acquisition of investments accounted for using equity method	6(5)	(653,982)	(4,440,000)
Acquisition of property, plant and equipment	6(6)	(142,822)	(66,625)
Proceeds from disposal of property, plant and equipment		-	321,883
Proceeds from disposal of investment property		-	372,501
(Increase) decrease in other financial assets		(513)	105,000
Increase in other non-current assets		(57,926)	(41,072)
Reorganization	6(27)	-	413,849
Net cash flows used in investing activities		<u>(855,243)</u>	<u>(3,334,464)</u>
Cash Flows From Financing Activities			
(Decrease) increase in short-term loans	6(28)	(8,566,616)	18,985,855
Increase (decrease) in short-term notes and bills payable	6(28)	18,276,600	(14,390,000)
Proceeds from issuance of bonds payable	6(28)	8,600,000	-
Repayments of bonds payable	6(28)	(22,000,000)	-
(Decrease) increase in guarantee deposits received	6(28)	(379,603)	10,072
Repayments of principal portion of lease liabilities	6(28)	(27,721)	(26,962)
Cash dividends paid	6(17)(28)	(2,304,451)	(1,986,556)
Net cash flows (used in) from financing activities		<u>(6,401,251)</u>	<u>(2,592,409)</u>
Increase in cash and cash equivalents		524,854	165,856
Cash and cash equivalents at beginning of year		455,069	289,213
Cash and cash equivalents at end of year		<u>\$ 979,923</u>	<u>\$ 455,069</u>

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

Hotai Finance Co., Ltd.
Table of 2025 Profit Distribution

Unit: NT dollars

Item	Subtotal	Total
Unappropriated earnings from previous period		7,560,162,380
Profit before income tax of current year	4,121,982,918	
Less: Income tax	746,052,413	
Plus: Net profit after tax of current year		3,375,930,505
Less : Legal reserve (10%)		337,593,051
Add: Reversal of special reserve from other shareholders' equity deduction items		29,913,137
Distributable earnings of current period		10,628,412,971
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
Stock dividend to common share (NT\$0.3 per share)		186,945,150
Unappropriated earnings at the end of period		8,137,016,342

Chairman:
Jiann-Jou Chen

Executive Officer:
Yen-Liang Lin

Chief Accounting Officer:
Chia-Ming Tsai

Hotai Finance Co., Ltd.
Implementation report of corporate bond

Issuance	1 st in 2025 Secured corporate bond	2 nd in 2025 Unsecured corporate bond	1 st in 2026 Unsecured corporate bond
Amount	NT\$ 3 billion	NT\$ 5.6 billion	NT\$ 4.15 billion
Coupon	Fixed 1.83%	Fixed 1.93% (A) 1.97% (B)	Fixed 1.93%
Maturity	3 years (2025/7/21~2028/7/21)	Bond A : NT\$4.9 billion for 3 years (2025/10/8~2028/10/8) Bond B : NT\$0.7 billion for 5 years (2025/10/8~2030/10/8)	Bond A : NT\$4.05 billion for 3 years (2026/3/30~2029/3/30) Bond B : NT\$0.1 billion for 5 years (2026/3/30~2031/3/30)
Redemption	The annual interest shall be calculated from issuing date and paid with flat rate of bond's par value. Moreover, the principal repayments shall be paid at maturity.	The annual interest shall be calculated from issuing date and paid with flat rate of bond's par value. Moreover, the principal repayments shall be paid at maturity.	The annual interest shall be calculated from issuing date and paid with flat rate of bond's par value. Moreover, the principal repayments shall be paid at maturity.
Purpose	In order to stabilize the long-term funds and pay off the short-term debts from banks. In addition, it also helps to reduce funding cost, dependence on banks, and funding risk.	In order to stabilize the long-term funds and pay off the short-term debts from banks. In addition, it also helps to reduce funding cost, dependence on banks, and funding risk.	In order to stabilize the long-term funds and pay off the short-term debts from banks. In addition, it also helps to reduce funding cost, dependence on banks, and funding risk.
Remark	Successfully completed	Successfully completed	Successfully completed

Hotai Finance Co., Ltd.

Comparison of amendments to the " Ethical Corporate Management Practice Principles "

Article No.	Article After Revising	Original Article
Article 12 (Prohibition of Improper Charitable Donations and Sponsorships)	The Company and its Directors, managers, employees, appointees, and actual controllers shall ensure that charitable donations or sponsorships comply with relevant laws and internal procedures, and shall not be used as a form of bribery.	The Company and its Directors, supervisors, managers, employees, appointees, and actual controllers shall ensure that charitable donations or sponsorships comply with relevant laws and internal procedures and shall not be used as a form of bribery.
Article 17 (Organization and Responsibility)	To ensure sound ethical corporate management, the Company shall allocate adequate resources and qualified personnel. Each unit with relevant authority shall be responsible for formulating and implementing ethical corporate management policies and prevention programs. The Audit Office shall be responsible for oversight of the following primary matters and shall report to the Board of Directors on a regular basis (at least once per year): 1~6 (Omitted)	For the purpose of sound management of ethical operations, the Company shall allocate adequate resources and competent personnel. Each responsible unit is in charge of formulating and implementing the ethical operation policies and preventive measures, while the Audit Office is responsible for supervision. The main responsibilities include the following matters, and the Audit Office shall report to the Board of Directors periodically (at least once a year): 1~6 (Omitted)
Article 20 (Accounting and Internal Control)	The Company's Auditing Division shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	The Company's internal audit unit shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.
Article 23 (Whistle-blowing System)	The company should establish a concrete whistleblowing system and ensure its implementation. Its content should at least cover the following matters: 1. Establish and publicly announce an internal independent whistleblowing mailbox and hotline, or engage other external independent agencies to provide a whistleblowing mailbox and hotline for use by internal and external personnel. 2. Appoint dedicated personnel or units for handling whistleblower reports. If a report involves Directors or senior management, it should be presented to the Independent Director. Additionally, establish categories for whistleblowing matters and the corresponding standard operating procedures for investigation.	The company should establish a concrete whistleblowing system and ensure its implementation. Its content should at least cover the following matters: 1. Establish and publicly announce an internal independent whistleblowing mailbox and hotline, or engage other external independent agencies to provide a whistleblowing mailbox and hotline for use by internal and external personnel. 2. Appoint dedicated personnel or units for handling whistleblower reports. If a report involves Directors or senior management, it should be presented to the Independent Director. Additionally, establish categories for whistleblowing matters and the corresponding standard operating procedures for investigation. 3. Recording and preservation of the acceptance, investigation process, investigation results, and related document production of whistleblower cases.

Article No.	Article After Revising	Original Article
Article 23 (Whistle-blowing System)	<ol style="list-style-type: none"> 3. Recording and preservation of the acceptance, investigation process, investigation results, and related document production of whistleblower cases. 4. Confidentiality of whistleblower identity and whistleblowing content; real-name reporting is the principle for violations of the code of conduct, while anonymous reporting is accepted for fraud-related incidents. 5. Measures to protect whistleblowers from being improperly treated due to their reporting actions. 6. Whistleblower reward measures. 7. After completing the investigation of whistleblowing cases, determine the subsequent actions to be taken based on the severity of the situation. If necessary, report to the competent authority or refer the case for judicial investigation. 	<ol style="list-style-type: none"> 4. Confidentiality of whistleblower identity and whistleblowing content. 5. Measures to protect whistleblowers from being improperly treated due to their reporting actions. 6. Whistleblower reward measures. Second item omitted.
Article 27 (Implementation and Revision)	<p>These Rules and Procedures shall become effective upon approval by the Board of Directors, and shall also be submitted to the Audit Committee and reported to the Shareholders' Meeting. The same applies in case of amendment.</p> <p>When the Company's Ethical Corporate Management Best Practice Principles are submitted to the Board of Directors for discussion, the opinions of the independent directors shall be fully considered, and any objections or reservations they may have shall be recorded in the minutes of the Board meeting. If an independent director cannot attend the Board meeting in person to express any objections or reservations, they shall provide written opinions in advance, except for justifiable reasons, and these opinions shall also be recorded in the minutes of the Board meeting.</p>	<p>These Rules and Procedures shall become effective upon approval by the Board of Directors, and shall also be submitted to the Audit Committee and reported to the Shareholders' Meeting. The same applies in case of amendment.</p>

Hotai Finance Co., Ltd.
**Comparison of amendments to the "Handling Procedure for
Acquisition or Disposal of Assets"**

Article After Revising	Original Article	Remark
Article 5: 1.Never violated the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Accounting Act, ...(omitted)	Article 5: 1.Never violated this Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Accounting Act, ...(omitted)	Practically demand
Article 6: 3.Executing unit When the Company acquires or disposes of real estate, equipment, or their usage rights, the transaction shall be submitted for approval according to the prior approval authority. After approval, the user unit and responsible unit shall be responsible for execution.	Article 6: 3.Executing unit When the Company acquires or disposes of real estate, equipment, or their usage rights, the transaction shall be submitted for approval according to the prior approval authority. After approval, the user department and management unit shall be responsible for execution.	Practically demand
Article 7: 3.Executing unit When the Company invests in long-term or short-term securities, the transaction shall be submitted for approval according to the prior approval authority. After approval, the Finance Unit shall be responsible for execution.	Article 7: 3.Executing unit When the Company invests in long-term or short-term securities, the transaction shall be submitted for approval according to the prior approval authority. After approval, the Finance and Accounting Department shall be responsible for execution.	Practically demand
Article 9: 3.Executing unit The acquisition or disposal of membership certificates or intangible assets by the Company shall be submitted for approval in accordance with the approval authority levels set forth in the preceding paragraph, after which the user unit and the Finance unit or the unit with relevant authority shall be responsible for execution.	Article 9: 3.Executing unit The acquisition or disposal of membership certificates or intangible assets by the Company shall be submitted for approval in accordance with the approval authority levels set forth in the preceding paragraph, after which the user department and the Finance Department or Administrative Department shall be responsible for execution.	Practically demand
Article 12: Procedures for Information Disclosure 1.Items to be Publicly Announced and Standards for Public Announcement and Filing (4) Acquisition or disposal of equipment used for business operations or their usage rights, where the transaction counterparty is not a related party, and the transaction amount meets one of the following criteria: (A) For publicly listed companies with paid-up capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. (B) For publicly listed companies with paid-up capital of NT\$10 billion or more, but less than NT\$50 billion, the transaction amount reaches NT\$1 billion or more. (C) For publicly listed companies with paid-up capital of NT\$50 billion or more, the transaction amount reaches 5% or more of the company's paid-up capital.	Article 12 Procedures for Information Disclosure 1.Items to be Publicly Announced and Standards for Public Announcement and Filing (4) Acquisition or disposal of equipment used for business operations or their usage rights, where the transaction counterparty is not a related party, and the transaction amount meets one of the following criteria: (A) For publicly listed companies with paid-up capital of less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. (B) For publicly listed companies with paid-up capital of NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.	Public Company Acquisition and Disposal Standards §31: Considering the principle of materiality in information disclosure, the reporting standards are relaxed.

Hotai Finance Co., Ltd.
**Comparison of amendments to the " Handling Procedure for the
Transaction of Derivatives "**

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<p>Article 3: Risk Management Measures 4.Cash flow risk management: There should be sufficient cash and financing facilities available at the time of settlement.</p>	<p>Article 3: Risk Management Measures 4.Cash flow risk management: In order to secure the stability of the revolving of operating fund, the Company shall conduct the financial derivatives transaction solely by using self-owned fund. In addition, the determination of the operating monetary amount shall consider the Company's fund requirement for the forthcoming three months, which is based on the cash flow forecast.</p>	<p>Practically demand</p>
<p>Article 7 Procedure for Disclosure and Report 1.The Company shall, prior to the 10th day of each month, input into the web site designated by the FSC the derivative commodity transaction result of previous month by the Company and its subsidiaries that are not domestic public company. 2.In the event the loss from the engagement in the derivatives transaction by the Company and its subsidiaries that are not domestic public company reaches the overall or respective contract loss maximum limits provided by this Handling Procedures, the Company shall, within two (2) days after the occurrence of said events, disclose and report the related information into the web site designated by the FSC.</p>	<p>Article 7 Procedure for Disclosure and Report 1.The Company shall, prior to the 10th day of each month, input into the web site designated by the SEC the derivative commodity transaction result of previous month by the Company and its subsidiaries that are not domestic public company. 2.In the event the loss from the engagement in the derivatives transaction by the Company and its subsidiaries that are not domestic public company reaches the overall or respective contract loss maximum limits provided by this Handling Procedures, the Company shall, within two (2) days after the occurrence of said events, disclose and report the related information into the web site designated by the SEC.</p>	<p>Practically demand</p>

Hotai Finance Co., Ltd.
**Comparison of amendments to the “Operation Procedure for Loaning
of Company Funds to Others of the Company”**

Article After Revising	Original Article	Remark
<p>Article 6 Procedures for Lending Funds</p> <p>1...After the Company accepts the application, the responsible unit shall evaluate the business operations of the lending subject... (Omitted)</p> <p>2.The responsible unit shall conduct credit check and risk evaluation on the lending subject... (Omitted)</p> <p>3...the Board of Directors may refer to the credit report from the responsible unit (Omitted)</p>	<p>Article 6 Procedures for Lending Funds</p> <p>1...Upon receipt, the Company shall have the Finance Department evaluate the business operations of the lending counterparty.. (Omitted)</p> <p>2.The Finance Department shall conduct credit check and risk evaluation on the lending subject... (Omitted)</p> <p>3...the Board of Directors may refer to the credit report from the Finance Department .. (Omitted)</p>	Practically demand
<p>Article 7 Determination and Authorization</p> <p>The Company shall handle fund lending transactions after the responsible unit conducts credit checks and risk evaluations... (Omitted)</p> <p>The Board of Directors shall give due consideration to the opinions of all Independent Directors. Any dissenting or qualified opinions expressed by Independent Directors shall be recorded in the meeting minutes of the Board of Directors (Omitted)</p>	<p>Article 7 Determination and Authorization</p> <p>The Company shall handle fund lending transactions after the Finance Department conducts credit checks and risk evaluations... (Omitted)</p> <p>The Board of Directors shall give due consideration to the opinions of all Independent Directors. Their explicit opinions of approval or dissent, along with the reasons for any dissent, shall be recorded in the minutes of the Board of Directors (Omitted)</p>	Public Company Regulations §11: Text adjustment
<p>Article 9 Internal Control: Subsequent Control of Lent Amounts... (Omitted)</p> <p>3.When the borrower reaches the loan maturity, except for those who meet the proviso of the First item, Article 8, the principal and interest must be repaid... (Omitted)</p>	<p>Article 9 Internal Control: Subsequent Control of Lent Amounts... (Omitted)</p> <p>3.When the borrower reaches the loan maturity, except for those who meet the proviso of the First item, First subparagraph, Article 8, the principal and interest must be repaid... (Omitted)</p>	Practically demand
<p>Article 10 Internal Control</p> <p>1.The Finance Unit should establish a record book... (Omitted)</p>	<p>Article 10 Internal Control</p> <p>1.The Finance Department should establish a record book... (Omitted)</p>	Practically demand
<p>Article 11 Public Announcement and Filing Procedure</p> <p>2. (4) The term "date on which the fact occurs" as used in these Procedures refers to the earliest of the following dates: the contract signing date, the payment date, the date of the Board of Directors' resolution, or any other date on which the lending counterparty and amount can be determined.</p>	<p>Article 11 Public Announcement and Filing Procedure</p> <p>2. (4) The term "date of occurrence" as used in these Procedures refers to the earliest of the following dates: the date a transaction contract is signed, the date payment is made, the date a brokered transaction is executed, the date of title transfer, the date of Board of Directors resolution, or any other date on which both the counterparty and the transaction amount can be determined.</p>	Public Company Regulations §7: Text adjustment
<p>Article 14</p> <p>... (Omitted)</p> <p>The opinions of each Independent Director shall be fully considered, and if any Independent Director has any objections or reservations, these shall be recorded in the minutes of the Board meeting.</p>	<p>Article 14</p> <p>... (Omitted)</p> <p>The opinions of each Independent Director shall be fully considered, and their explicit opinions for or against the motion together with the reasons for their objections shall be recorded in the minutes of the Board meeting.</p>	Public Company Regulations §7: Text adjustment

Hotai Finance Co., Ltd.
**Comparison of amendments to the “Operation Procedure for
Endorsements and Guarantees”**

Article After Revising	Original Article	Remark
<p>Article 6 Endorsement and Guarantee Procedure 1.(Omitted) submit an application to the Finance Unit of the Company. The Finance Unit shall conduct credit check on the to-be-endorsed/guaranteed company... (Omitted) 2.The Finance Unit shall conduct credit check and risk evaluation on the to-be-endorsed/guaranteed company...(Omitted)</p>	<p>Article 6 Endorsement and Guarantee Procedure 1.(Omitted) submit an application to the Finance Department of the Company. The Finance Department shall conduct credit check on the to-be-endorsed/guaranteed company... (Omitted) 2.The Finance Department shall conduct credit check and risk evaluation on the to-be-endorsed/guaranteed company...(Omitted)</p>	<p>Practically demand</p>
<p>Article 7 Determination and Authorization 1.In conducting endorsement and guarantee matters, the Company...(omitted)...shall give full consideration to the opinions of each Independent Director. Any dissenting or qualified opinions expressed by Independent Directors shall be recorded in the minutes of the Board of Directors meeting (Omitted) 2~3 (Omitted) In the Board of Directors discussion referred to in the preceding subparagraph, the Company shall give full consideration to the opinions of each Independent Director. Any dissenting or qualified opinions expressed by Independent Directors shall be recorded in the minutes of the Board of Directors meeting. 4.(Omitted)</p>	<p>Article 7 Determination and Authorization 1.In conducting endorsement and guarantee matters, the Company...(omitted)...shall give full consideration to the opinions of each Independent Director, and shall include in the minutes of the Board of Directors meeting each Independent Director's explicit opinion of approval or disapproval, along with the reasons for any disapproval. ... (Omitted) 2~3 ... (Omitted) In the Board of Directors discussion referred to in the preceding subparagraph, full consideration shall be given to the opinions of each Independent Director, and each Independent Director's explicit opinion of approval or disapproval, along with the reasons for any disapproval, shall be recorded in the minutes of the Board of Directors meeting. 4.(Omitted)</p>	<p>Public Company Regulations §11: Text adjustment</p>
<p>Article 9 Internal Control 1.The Finance Unit should establish a record book... (Omitted) 2~4... (Omitted) 5.When the public company or its subsidiary is applying for endorsements/guarantees for a subsidiary, which has a net worth lower than 1/2 of its actual capital, besides carefully evaluating the necessity, reasonableness and risk of the loan, a subsequent risk control plan shall also be adapted in event of possible risk. 6.Internal control regulation (Omitted)</p>	<p>Article 9 Internal Control 1.The Finance Department should establish a record book... (Omitted) 2~4... (Omitted) 5.When the public company or its subsidiary is applying for endorsements/guarantees for a subsidiary, which has a net worth lower than 1/2 of its actual capital, besides carefully evaluating the necessity, reasonableness and risk of the loan, a subsequent risk control plan shall also be adapted in event of possible risk. 6.Internal control regulation (Omitted)</p>	<p>Practically demand</p>
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Details of the Release of Director's Non-Compete Restrictions

Title	Name	Positions in Other Companies
Chairman	Ho Zan Investment Co., Ltd. Representative: Jiann-Jou Chen	Chairman, HEJING Co., Ltd. Chairman, HEJUN Energy Co., Ltd. Chairman, Hotai Finance Development Co., Ltd. Director, Hoyun International Leasing Co., Ltd.
Director	Ho Zan Investment Co., Ltd. Representative: Chwen-Shing Su	Director, Nan Du Motor Co., Ltd. Director, Kau Du Automobile Co., Ltd. Representative Director Chairman, Hotai Japan Co., Ltd.
Director	Ho Zan Investment Co., Ltd. Representative: Ryan Huang	Director, Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd.
Director	Ho Zan Investment Co., Ltd. Representative: Roger Huang	Director, Hotai Leasing Co., Ltd. Director, Ho Ing Mobility Service Co., Ltd. Director, Tianjin Hoxi Hozhan Motor Service Co., Ltd. Director, Shanghai Fengyi Construction Decoration Limited Company

Hotai Finance Co., Ltd. The Articles of Incorporation

2025/5/27

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 HOTAIFINANCE 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 any time 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 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, 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.

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 amendment was made on July 9, 1999; the 2nd amendment was made on December 27, 1999; the 3rd amendment was made on June 19, 2001; the 4th amendment was made on June 25, 2002; the 5th amendment was made on December 26, 2002; the 6th amendment was made on August 13, 2003; the 7th amendment was made on November 15, 2004; the 8th amendment was made on June 13, 2005; the 9th amendment was made on June 18, 2008; the 10th amendment was made on June 23, 2009; the 11th amendment was made on June 20, 2012; the 12th amendment was made on June 29, 2015; the 13th amendment was made on June 22, 2016; the 14th amendment was made on June 28, 2018; the 15th amendment was made on November 7, 2018; the 16th amendment was made on June 25, 2019; the seventeenth amendment was made on June 24, 2020; the eighteenth amendment was made on June 23, 2022; the nineteenth amendment was made on May 31, 2023; the 20th amendment was made on May 29, 2024; the 21st amendment was made on May 27, 2025.

Hotai Finance Co., Ltd.

Handling Procedure for Acquisition or Disposal of Assets

2022/6/23

Article 1 Purpose

This Handling Procedure for Acquisition or Disposal of Assets (the "Handling Procedure") is stipulated for the purposes of asset protection and implementation of information disclosure.

Article 2 Legal Basis

These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act").

Article 3 Scope of Assets

1. Securities: means investment in stocks, government bonds, debentures, fund unit government bonds, debentures, fund unit warrants, beneficial securities, and asset-based securities, etc.
2. Real estates (including land, houses and buildings, investment property, and inventory of constructional industry) and equipment (not including leasing assets).
3. Membership.
4. Intangible assets: including intangible assets of patent, copyright, trademark, license, etc.
5. Right-of-use assets
6. Creditor's rights of financial institutions, including accounts receivable, foreign currency buying, discount, lending, and nonperforming loans.
7. Derivatives.
8. Other assets acquired from or disposed of for merger, spin-off, or assignment of shares of other companies in accordance with related laws and regulations.
9. Other material assets.

Any transaction involving major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

Article 4 Quantum on Acquisition of Real Estates and right-of-use assets thereof or of Securities Used for Non-Business Purposes

Quantum on the acquisition of aforesaid assets by Hotai Finance Corporation (the "Company") and its respective affiliates is as below:

1. For real estates and right-of-use assets thereof used for non-business purpose, the amount shall not exceed 25% of the net asset value of the corresponding company in total;
2. The total investment in long-term and short-term securities shall not exceed the net worth of the Company (excluding the investment for holding purpose in industries).
3. The investment in particular security shall not exceed 30% of the net worth of the Company (excluding the investment for holding purpose in industries).

Article 5

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing appraisal reports or opinions, the aforementioned personnel shall follow the self-regulatory specifications of the respective trade associations to which they belong and the following rules:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When execute a case, they shall appropriately plan and execute adequate working procedures, in

order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and appropriate, and that they have complied with applicable laws and regulations.

Article 6 Handling Procedures for Acquisition or Disposal of Real Estates or Equipment or Right-of-use assets thereof

1. Evaluation and Operation Procedures

The acquisition or disposal of real estates or equipment or Right-of-use assets thereof by the company shall be conducted pursuant to the Property, plant and equipment cycle of the Internal Control System of the company.

2. Determination Procedures for the Transaction Terms and Authorized Quantum

- (1) In acquiring or disposing real property or Right-of-use assets thereof, the transaction terms and price based on the current value published and assessed value of the property, as well as the prices of neighboring properties sold, actual rental transaction price, and present an analysis report to the general manager. Transactions of NT\$50 million (inclusive) or less shall be approved by the general manager; transactions over NT\$50 million and less than NT\$300 million (inclusive) shall be approved by the chairman of the Board; transactions over NT\$300 million shall be approved by the Board of Directors in advance.
- (2) The acquisition or disposal of equipment shall be made by either of the following ways: (1) price Inquiry; (2) price comparison; (3) price negotiation; or (4) bidding. For acquisition or disposal of equipment whose transactions of NT\$50 million (inclusive) or less, such transaction proposal shall be conducted in accordance with the Authorization Measures and shall submitted in regular sequence to the respective supervising persons for their approvals; transactions over NT\$50 million and less than NT\$300 million (inclusive) shall be approved by the chairman of the Board; transactions over NT\$300 million shall be approved by the Board of Directors in advance.
- (3) According to the Procedures or other applicable laws, the acquisition and disposition of real estates or equipment or Right-of-use assets thereof by the Company shall be approved by the audit committee and the Board of Directors.
- (4) When a transaction involving the acquisition or disposition of assets is submitted to the Company's Board of Directors for discussion, the opinions of independent directors shall be fully considered. If any of the independent directors' express dissent or reservation from the decision, their opinions shall be recorded in the meeting minutes of the Board.
- (5) Material asset transactions shall be approved by over 50% of all members of the audit committee and submitted to the Board of Directors for resolution. Paragraphs 4 and 5 of Article 15 of the Procedures shall apply.

3. Implementing Unit

The acquisition or disposal of the real estates or equipment or Right-of-use assets thereof by the Company shall firstly apply for required approval procedures in accordance with the authorization provisions provided in Article 6-2 above, and then be implemented by the department using such assets and Department of Management.

4. Appraisal Report for the Real Estates, Equipment or Right-of-use assets thereof

The Company shall, in the acquisition or disposition of real properties ,equipment or Right-of-use assets thereof, obtain an appraisal report issued by a professional appraisal firm if the transaction amount is at or exceeds 20% of the paid-in capital or NT\$300 million, except for transaction with a domestic government agency, building on own land, building on leased land, or the acquisition and/or disposition of business use machinery and equipment or Right-of-use assets thereof, and shall comply with the following rules:

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure

shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

- (2) If the transaction amount is NT\$ 1,000,000, or more, two or more professional appraisal institutions shall be retained to conduct an appraisal.
- (3) If any of the followings applies to the appraisal results of the professional appraiser, except that the appraised value is higher than the transaction amount or the appraisal result of the asset for disposition falls below the transaction amount, refer the case to a certified public accountant and express specific opinion as to the appropriateness of the transaction price.
 - i. If the difference between the appraisal of appraisal institutions and transaction amount is 20% or more.
 - ii. If the difference of appraisal between two or more professional appraisal institutions reaches 10% of transaction amount or more.
- (4) If the appraisal is conducted before the date of contract formation the date of submitting the report and the date of contract formation shall not exceed three months; provided, however, that if the Government Assessed Current Land Price of the same period is used and the assessment is not more than six months old the original professional appraisal institution may submit the opinion to supplement it.
- (5) In the case that the acquisition or disposal of the assets by the Company is transacted through court auction procedures, the Company may substitute the court certificate of auction for the appraisal report or accountant's opinion.

Article 7 Handling Procedures for Acquisition or Disposal of Securities Investment

1. Evaluation and Operation Procedures

The purchase and sale of long-term and short-term securities by the Company shall be conducted pursuant to the Investment Circulation Procedures of the Internal Control System of the Company.

2. Determination Procedures for the Transaction Terms and Authorized Quantum

- (1) As to the securities transaction transacted by way of centralized securities exchanges or over-the-counter exchanges (excluding government bond, short-term bills issued by reputable domestic bills financial firms, domestic bond funds, and domestic money market funds), it shall be determined by the department in charge pursuant to the market prices. For the transaction amount not exceeding NT\$50 million, such transaction proposal shall be approved by the chairman of the Board; for the transaction amount exceeding NT\$50 million, such transaction proposal shall be submitted to the Board for their approval prior to the transaction.
- (2) In making purchases or sales of securities that are not traded on a centralized market or over-the-counter market (excluding government bonds, short-term papers issued by renowned domestic financial instruments and services companies, domestic bond funds, and domestic money market funds), the Company shall obtain the most recent financial statements of the issuing company certified or reviewed by an auditor prior to the transaction and consider its earnings per share in evaluating the transaction price. Transactions of NT\$50 million (inclusive) or less shall be approved by the chairman of the Board; transactions more than NT\$50 million shall be approved by resolution of the Board of Directors in advance.
- (3) According to the Procedures or other applicable laws, acquisition and disposition of securities by the Company shall be approved by the audit committee and the Board of Directors.
- (4) When a transaction involving the acquisition or disposition of assets is submitted to the Company's Board of Directors for discussion, the opinions of independent directors shall be fully considered. If any of the independent directors' express dissent or reservation from the decision, their opinions shall be recorded in the meeting minutes of the Board.
- (5) Material asset transactions shall be approved by over 50% of all members of the audit committee and submitted to the Board of Directors for resolution. Paragraphs 4 and 5 of Article 15 of the Procedures shall apply.

3. Implementing Unit

The investment on the long-term and short-term securities by the Company shall firstly apply for required approvals in accordance with the authorization provisions provided in Article 7-2 above, and then be implemented by the financial department and accounting department.

4. Obtaining Opinion from Professional

- (1) For acquisition or disposition of securities with transaction value of at least 20 percent of the Company's paid-in capital, or NT\$300 million or more, the Company shall consult with an

auditor on the fairness of the transaction price prior to the date of occurrence of the event in the transaction. However, this requirement does not apply to securities publicly quoted in an active market or where it is otherwise provided by the Financial Supervisory Commission (“FSC”).

- (2) In the case that the acquisition or disposal of the assets by the Company is transacted through court auction procedures, the Company may substitute the court certificate of such auction for the appraisal report or accountant's opinion.

Article 8 Handling Procedures of Acquisition of Real Estates with Related Party

1. The acquisition and disposition of assets by the Company with a related party shall follow relevant procedures in obtaining approvals and evaluating the fairness of transaction terms. Transactions in the value of 10 percent or more of the Company's total assets will also require appraisal reports from professional appraisers or auditor's opinions. Transaction value shall be calculated according to Article 9-1 of the Procedures. In considering whether counterparty to the transaction is a related party, both the legal form and the substance of the relationship between the parties shall be assessed.

2. Evaluation and Operation Procedure

Where the Company may acquire or dispose of real properties or Right-of-use assets thereof with a related party, or acquire or dispose of assets beyond real properties or Right of use asset thereof with a related party amounting to 20% of the paid-in capital, 10% of the total assets, or exceeding NT\$300 million, following materials shall be submitted to the audit committee for approval and adopted by resolution of the Board of Directors before entering into any transaction agreement and effect payment:

- (1) The purpose, necessity and expected profitability for such acquisition or disposition of real estates.
- (2) The reasons to select the related party to be the transaction counter party.
- (3) For the acquisition of real properties or Right-of-use assets thereof from related party, comply with number 3 of this article to assess if the terms and conditions for transaction are reasonable with related materials.
- (4) Original purchase date, price and transaction counter party by the related party and the relationship between the Company and such related party, as well as with the transaction counter party.
- (5) Table of projected monthly cash inflow and outflow for the year following the anticipated contract signing month, and an assessment opinion report concerning the necessity of the transaction and reasonableness of use of capital.
- (6) The appraisal report issued by a professional appraiser or the opinion of a certified public accountant as required in preceding paragraphs.
- (7) The restriction terms and other material agreements under this transaction.

When a transaction involving the acquisition or disposition of assets is submitted to the Company's Board of Directors for discussion, the opinions of independent directors shall be fully considered. If any of the independent directors' express dissent or reservation from the decision, their opinions shall be recorded in the meeting minutes of the Board. Material asset transactions shall be approved by over 50% of all members of the audit committee and submitted to the Board of Directors for resolution. Paragraphs 4 and 5 of Article 15 of the Procedures shall apply. If the transaction amount the company and its non-domestic public offering subsidiaries reaches 10% or more of the Company's total assets, the Company shall submit the information listed in the preceding paragraph to the shareholders' meeting for approval before signing the transaction contract and making payment. Except for transactions between the Company, its parent company, or subsidiaries.

3. Evaluation on the Reasonableness of the Transaction Cost

- (1) Where the Company purchases real estates or Right-of-use assets thereof from a related party it shall conduct evaluation to ensure the reasonableness of the transaction cost in accordance with the following methods:
 - i. Based on the transaction price of the related party plus necessary fund interest and the cost to be borne by the buyer according to law. The "necessary fund interest cost" shall be imputed based on the weighted average interest rate of the fund borrowed by the Company in the year of purchase of the asset; provided that such interest rate shall not be more than the ceiling of loan interest rate of non-financial industry published by the Ministry of Finance.
 - ii. Based on the total assessed value for loan made by a financial institution if such object has been mortgaged to the financial institution for a loan; provided that the actual aggregate loan extended by the financial institution for the object shall reach 70% or

more of the total assessed value and the loan period is more than one year. However, this shall not apply if the financial institution and either party of the transaction are related persons.

- (2) Where both the land and building on the property in question are purchased or leased in one transaction, the cost of the real estates may be reached by respectively imputing or evaluating such land and building based on either method described in Article 8-3-(1) above.
- (3) When acquiring real estate or Right-of-use assets thereof from a related person , the Company shall comply with Article 8-3-(1) and (2) above to evaluate the transaction costs and shall seek a certifying certified public accountant to issue the material opinion per its further review.
- (4) If the evaluation results of the acquisition of real property or Right-of-use assets from a related party by the Company pursuant to Article 8- 3-(1) and (2) are both lower than the transaction price, the transaction shall be processed according to Article8-3-(5). However, the above shall not apply if any of the following circumstances occur and the Company is able to present objective evidence and obtain opinions from professional real property appraiser and auditor on whether the transaction costs are reasonable:
 - i. Where the related party purchased a piece of undeveloped land for construction, and the evidence provided by the public company meets one of the following conditions:
 - (i). The total value of the undeveloped land , imputed or evaluated based on the methods referred to in the preceding Paragraph, and the building, calculated based on the related party's construction cost plus reasonable construction profit, is more than the actual transaction price. The said "reasonable construction profit" shall be the average operating gross profit ratio of the construction department of the related party within the last 3 years or the most recent gross profit ratio of the construction industry published by the Ministry of Finance, whichever lower.
 - (ii). Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - ii. Where a public company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- (5) In acquisition real property or obtaining real property right-of-use assets from a related party , if the evaluation reports made subject to Article 8-3-(1) and (2) are all lower than the transaction amount, the Company shall handle the following matters:
 - i. The Company shall allocate the difference between the real property transaction price and the imputed cost as special reserve in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Law, and shall not distribution of dividend or recapitalization. In addition , if the investor evaluating the investment in the company by equity method is a public company, it shall set aside a corresponding amount in proportion to its shareholding as special reserve in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Law.
 - ii. The audit committee of the Company shall handle the matter pursuant to Article 218 of the Articles of Incorporation.
 - iii. The Company shall be report handling conditions prescribed in the preceding two Items to the shareholders meeting and publish the detailed transaction content in the prospectus or financial report.

Subject to FSC approval, the Company and other public companies under subparagraph (1)

herein that have set aside a special reserve under the preceding paragraph may not utilize the special reserve until the assets purchased at a premium have been recognized as loss due to decline in market value, or have been disposed of, or adequate compensation has been made, or the original state has been restored, or there is evidence confirming that the transaction costs are reasonable.

- (6) If the Company's acquisition of real estate or obtaining real property right-of-use assets from related party conforms to either of the following conditions, it shall be handled subject to Article 8-1 and 8-2 regarding the Evaluation and Operation Procedure and shall not apply to the procedures as prescribed in Article 8-3-(1), (2) and (3) regarding Evaluation on the Reasonability of the Transaction Cost.
 - i. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - ii. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - iii. If the real property is acquired by signing a joint construction contract with the related party. The related party acquired the real estates by reason of inheritance of gift.
 - iv. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (7) If the acquisition of real property or obtaining real property right-of-use assets by the Company from a related party indicates any transaction irregularities, it shall follow the steps provided in Article 8-3-(5).

Article 9 Handling Procedure for the Acquisition or Disposal of Membership Certificates or Intangible Assets

1. Evaluation and Operation Procedure

The acquisition or disposal of membership certificates of intangible assets by the Company shall be conducted pursuant to the Property, plant and equipment cycle of the Internal Control System of the company.

2. Determination Procedures for the Transaction Terms and Authorized Quantum

- (1) For the acquisition or disposal of membership certificates, an analysis report referencing fair market value to determine the transaction terms, conditions and transaction price shall be made and submitted to the chairman of the Board; the transactions of NT\$50 million (inclusive) or less shall be approved by the chairman of the Board; transactions more than NT\$50 million shall be approved by resolution of the Board of Directors in advance.
- (2) For the acquisition or disposal of intangible assets, an analysis report referencing professional's evaluation report or fair market value to determine the transaction terms, conditions and transaction price shall be made and submitted to the general manager. Transactions of NT\$50 million (inclusive) or less shall be approved by the general manager; transactions over NT\$50 million and less than NT\$300 million (inclusive) shall be approved by the chairman of the Board; transactions over NT\$300 million shall be approved by the Board of Directors in advance.
- (3) Where any acquisition or disposal of membership certificates or intangible assets by the Company that requires for the Board Meeting's approval in accordance with this Handling Procedure or other laws.
- (4) When a transaction involving the acquisition or disposition of assets is submitted to the Company's Board of Directors for discussion, the opinions of independent directors shall be fully considered. If any of the independent directors express dissent or reservation from the decision, their opinions shall be recorded in the meeting minutes of the Board.
- (5) Material asset transactions shall be approved by over 50% of all members of the audit committee and submitted to the Board of Directors for resolution. Paragraphs 4 and 5 of Article 15 of the Procedures shall apply.

3. Implementing Unit

The acquisition or disposal of the membership certificates or intangible assets by the Company shall firstly apply for required approvals in accordance with the authorization provisions provided in Article 9-2 above and then be implemented by the using department and Finance Department or Administration Department.

4. Expert Opinion

When the transaction amount of acquisition or disposal of membership certificate or intangible assets reaches 20% of the Company's paid-in capital or exceeds NT\$300,000,000, the Company shall retain a certified public accountant to express specific opinion as to the appropriateness of the transaction price before the conduct of transaction is required.

Article 9-1

The calculation of transaction value under Articles 6, 7, 8, and 9 shall follow Article 13 of the Procedures. "Within the last year" shall mean one year preceding the date of occurrence of the event in this transaction. Except for related party transactions, items for which an appraisal report from a professional appraiser or an auditor's opinion have been obtained need not be counted towards the transaction value; in the case of related party transactions, items which have been approved by the audit committee and adopted by the Board of Directors and the shareholders' meeting need not be counted towards the transaction value.

Article 10 Handling Procedure for the Acquisition or Disposal of Creditor' Rights of Financial Institution

In principle, the Company shall not engage in any transaction regarding the acquisition or disposal of the creditor' rights of financial institution. Should the Company intend to engage in said transaction, the Company shall first submit its proposal to the Board for their approval. Upon obtaining the Board's approval, the Company shall stipulate the related Evaluation and Operation Procedure.

Article 10-1 Procedure of Handling Derivatives

The Company is engaged in derivative trade in accordance with the "Procedure for Derivative Trade" established by the Company.

Article 11 Handling Procedure for Merger, Spin-off, Acquisition or Share Assignment

1. Evaluation and Operation Procedure

- (1) Where the Company plans to engage in merger, spin-off, acquisition or Share assignment, it is advised that the Company shall retain an attorney, certified public accountant and underwriter to jointly discuss the compliance schedule and forms a special team to implement the compliance matters. In addition, the Company shall prior to the Board Meeting retains an attorney, certified public accountant and underwriter to express their opinion on the reasonableness of the share exchange ratio, acquisition price and cash or other assets distributed to the shareholders, and then submit such to the Board for their approval. However, a public company that conducts to merge a subsidiary or among subsidiaries which owns 100% directly or indirectly through holdings, shall not engage opinion form specialists.
- (2) Prior to the Shareholders' Meeting, the Company shall provide the shareholders with (1) a public letter to shareholders, which contains material agreements regarding such merger, spin-off, acquisition and other related issues, (2) opinion made by professionals as provided in Article 11-1-(1), and (3) the notice for the holding of Shareholders' Meeting for shareholders' reference in deciding whether they will agree or disagree with such merger, spin-off or acquisition; provided that this provision shall not apply if other laws prescribe that such merger, spin-off, acquisition needs not to hold a Shareholders' Meeting. In addition, if any of the companies joining the merger, spin-off or acquisition fails to hold Shareholders' Meeting or make resolution due to insufficient attendance, insufficient voting rights or other legal restriction, or the proposal is vetoed by the Shareholders' Meeting, the companies joining the merger, spin-off, or acquisition shall immediately explain to the public about the reasons of the events, follow-up handling procedure and expected date of next Shareholders' Meeting.

2. Other Important Matters

(1) Dates of Board Meeting and Shareholders' Meeting

The Board Meeting and Shareholders' Meeting shall be held on the same date for the determination of the merger, spin-off or acquisition and other related issues unless otherwise provided by other laws or the Company has obtained the prior approval of the FSC with special reasons. The company joining the share assignment shall, on the same day, hold the board Meeting unless otherwise provided by other laws or the company has obtained the prior approval of the FSC with special reasons.

Companies listed in the exchange or OTC market engaging in the merger, split up, acquisition, or acceptance of shares through assignment shall prepare the following materials into written record and retain such record for 5 years for inspection.

- i. Basic information of personnel: The occupation title, name, ID card Number (passport number for foreign nationals) of personnel participating in the merger, split up, acquisition, or assignment of shares program or the executor of program before the

- disclosure.
- ii. Important dates: The dates on which the statement of intent or memorandum is signed, retention of financial or legal consultation service, important agreement is signed, or the meeting of the Board.
 - iii. Essential documents and minutes of the meetings: The minutes of the meetings and related documents on the plans of merger, split up, acquisition or assignment of shares, statement of intent or memorandum, important agreements and minutes of Board meetings. Companies listed in the exchange or OTC market engaging in the merger, split up, acquisition, or acceptance of shares through assignment shall prepare the materials specified in 1 and 2 within 2 days after the resolution of the Board in session and declare with the FSC via the internet in the required format for record. Companies listed and not listed in the exchange or OTC market engaging in the merger, split up acquisition, or acceptance of shares through assignment shall enter into agreement and proceed to 3 and 4.
- (2) Promise for Pre-Disclosure Confidentiality
- All members joining the merger, spin-off, acquisition or share assignment shall sign a confidentiality declaration in writing, promising that before the information is disclosed to the public, he or she shall not (1) disclose the content of the plan; (2) purchase or sell any of shares (or other securities that has the nature of stock rights) in relation to this merger, spin-off, acquisition or share assignment, no matter in self name or other's name.
- (3) Principle for the Determination and Amendment of the Share Exchange Ratio and Acquisition Price
- All companies joining the merger spin-off acquisition or share assignment shall, prior to the holding of any board meeting of the joining companies, retain a certified public accountant, attorney or underwriter to express their opinion on the reasonability of the share exchange ratio, acquisition price, cash or other assets distributed to the shareholders and propose it to the shareholders' meeting. In principle, the share exchange ratio and acquisition price shall not be changed at will; provided that the contract has already provided that the share exchange ratio and acquisition price may be changed under certain conditions and said provision has been disclosed to the public. The share exchange ratio and acquisition price may be changed under the following conditions:
- i. Conducting of capital increase through contribution of cash, issuance of exchangeable bond, distribution of shares with compensation, issuance of bond with warrant, special shares with warrant, stock warrant certificate and other securities having the nature of stock right.
 - ii. Conducting any action that affects the financial and business situation of the Company such as disposal of the Company's substantial assets etc.
 - iii. Occurrence of any event that affects the shareholder's right or the price of the securities such as serious calamity material change in technology etc.. (iv) Adjustment for the purchase back of treasure shares by any of the companies joining the merger, spin-off, acquisition or share assignment.
 - iv. Change of the subject or number of the companies joining the merger, spin-off, acquisition or share assignment.
 - v. The contract has already provided that the share exchange ratio and acquisition price may be changed under certain conditions and said provision has been disclosed to the public.
 - vi. Issues Required to be Stipulated in the Contract:
- (4) The provisions of the contract executed by the companies joining the merger, spin-off, acquisition or share assignment shall be made in accordance with Article 317-1 of the Company Law and Article 22 of the Business Mergers and Acquisitions Law. In addition, the following matters shall be provided in said contract:
- i. The handling for the breach of contract.
 - ii. The principle for the handling of the previously issued securities of stock right nature and the bought-back treasury stocks of the dissolved company after merger or the spun-off company.
 - iii. The amount of the treasure stocks that the joining companies is permitted to purchase back pursuant to related laws after the basis day for the calculation of share exchange ratio.
 - iv. The handling method for the change of subject or number of the companies joining

- the merger, spin-off, acquisition or share assignment.
 - v. The implementation progress of the plan and the expected date of completion.
 - vi. Relevant handling procedure governing the delay of the completion of the plan such as the expected date for the holding of Shareholders' Meeting pursuant to the laws.
- (5) The change of number of the companies joining the merger, spin-off, acquisition or share assignment: After the information has been disclosed to the public, if any of the companies joining the merger, spin-off, acquisition or share assignment intends to conduct any merger, spin-off, acquisition or share assignment with any other company, the previously completed procedures or legal acts shall be re-conducted by the thereafter joining companies; provided that the number of the joining companies decreases and the Shareholders' Meeting has resolved to authorize the Board the right to amend then the Company may be released from the holding of Shareholders' Meeting to re-make resolution.
 - (6) In the event that any of the companies joining the merger, spin-off, acquisition or share assignment is not public company, the Company shall sign an agreement with said company and manage this case in accordance with Article 11-2-(1), (2) and (5).

Article 12 Procedure for the Information Disclosure

1. Items Required to be Disclosed to the Public and Reported to the Competent Authority, and the Principle Governing Said Disclosure and Report.

If the acquisition or disposition of assets fall under any of the following categories, the Company shall submit relevant information on the website designated by FSC in the required format by type of transaction within two days as of the date of occurrence of the event:

- (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (2) Conduct merger, spin-off, acquisition or share assignment.
 - (3) Engage in the derivatives transaction and the loss occurred from it reaches the overall or respective contract loss maximum limits provided by related handling procedures.
 - (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: (A) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. (B) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
 - (5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.
 - (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
 - (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the China area, whose transaction amount reaches 20% of the paid-in capital of the Company or exceed NT\$ 300,000,000 with exception to the following situations:
 - i. Trading of domestic government bonds or foreign bonds with credit rating not lower than Taiwan's sovereign rating.
 - ii. Purchase and sale of securities listed on domestic or overseas centralized securities exchanges or over-the-counter exchanges by professional investors.
 - iii. Purchase and sale of bonds with a call or put option or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. The term "within one year" means a one-year period calculated retrospectively from the day of the actual occurrence of the transaction; any portion already reported is exempted from re-

inclusion: The calculation method of the "transaction amount" provided in Article 12-1-(4) is as prescribed below and the term "within one year" means a one-year period calculated retrospectively from the day of the actual occurrence of the transaction; any portion already reported is exempted from re-inclusion:

- (1) The amount of each transaction.
- (2) The cumulative amount of the acquisition or disposition of the same type of assets with the same counterparty within the last year.
- (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- (4) The cumulative amount of acquisition or disposition of the same securities within the last year. The amount of acquisition and disposition of securities shall be calculated separately.

3. Filing Procedures

- (1) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days.
- (2) Where the Company conducts the acquisition or disposal of assets, it shall place the related contract, meeting minutes, record book, appraisal report and opinion issued by a certified public accountant, attorney or underwriter in the Company; said documents shall be kept for not less than five years unless otherwise provided by laws.
- (3) If any of the following is applicable after the Company has disclosed the transaction in compliance with the aforementioned requirement, the Company shall, within 2 days after the transactions, declare the content with the FSC at the designated website:
 - i. Amendment, termination or cancellation of the related contracts executed for the transaction; or
 - ii. The acquisition, spin-off, acquisition or share assignment is not completed in accordance with the expected schedule provided in the contract.
 - iii. There is change in the original content of disclosure.

Article 13 Obligations of the Subsidiary of the Company

1. The subsidiary (the "Subsidiary") of the Company shall also stipulate "Handling Procedure for Acquisition or Disposal of Assets" pursuant to the Criteria for Handling Acquisition or Disposal of Assets by Public Companies.
2. Where the Subsidiary intends to acquire or dispose assets, it shall conduct said acquisition or disposal in accordance with the Company's internal by-laws and regulations.
3. In the case that the Subsidiary is not a public company, and the acquisition or disposal by the Subsidiary conforms to the disclosure and report standards provided in Article 12, the parent company shall handle the related disclosure and report matters on the Subsidiary's behalf.
4. "Amounting to 20% of the paid-in capital of the Company or 10% of the total assets" as referred to in the criteria for disclosure shall be based on the paid-in capital or total assets of the parent company.

Article 14 Punishment

The Company shall conduct the acquisition and disposal of assets pursuant to this Handling Procedure. In the event of any material violation of this Handling Procedure, certain punishment shall be imposed on the related persons, depending on the degree of violation.

Article 15 Enforcement and Amendment

The Procedures have been approved by the audit committee and adopted by the Board of Directors and shareholders meeting; the same approval process shall apply to any amendments to the Procedures. When the Procedures are submitted to the Company's Board of Directors for discussion, the opinions of independent directors shall be fully considered. If any of the independent directors' express dissent or reservation from the decision, their opinions shall be recorded in the meeting minutes of the Board. If the Company fails to obtain the approval of a majority of all members of the audit committee as provided in the first paragraph, the Procedures may be adopted by the approval of at least two-thirds of all members of the Board. The resolution of the audit committee shall be recorded in the meeting minutes of the Board.

As referred to in the preceding paragraph, "all members of the audit committee" shall mean the incumbent members of the audit committee, and "all members of the Board" shall mean the incumbent members of the Board of Directors.

Article 16 Supplementary Provision

The relevant laws and regulations shall govern matters not expressly stated herein.

Hotai Finance Co., Ltd.

Handling Procedure for the Transaction of Derivatives

2023/5/31

Article 1

These Regulations are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act").

Article 2 Principles and Guidelines

1. Types of Transaction

(1) The financial derivatives, which the Company engages in, means Forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts. Whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

(2) This Handling Procedure shall also apply to bond margin transaction; provided that it may not apply to callable bond transaction.

2. Management (Hedge) Strategy

(1) The Company shall conduct the financial derivatives transaction based on the hedging purpose. The Company shall mainly choose commodities that could enable the Company to avoid the risk arising out of or from the operation of the Company, and to obtain the currencies which could meet the requirement of the Company's import and export transactions.

(2) The Company shall conduct foreign exchange hedging operation in order to handle overseas subsidiaries' needs for financing in foreign currency.

(3) The Company shall not engage in transaction of other specific purposes.

3. Authorization and Delegation

(1) Financial & Accounting Division

A. Transaction Staffs

a. The transaction staffs shall be in charge of the draw up of the strategy regarding the overall financial commodity transactions of the Company.

b. The transaction staffs shall, depending on the actual requirement, collect market information, conduct trend tracking and risk evaluation, and draw up the operation strategy. Upon approval by the person responsible, said strategy shall become the principle for conduct of the transaction.

c. The transaction staff shall execute the transaction pursuant to the authorized discretion (as further prescribed in Article 4 below) and the current strategy.

d. Where the transaction staffs consider that the current strategy cannot apply due to the material change of the financial market, they shall immediately provide evaluation report and re-draw strategy, and propose them to the General Manager. Upon approval by the General Manager, said strategy shall become the principle for conduct of the transaction.

B. Confirmer

The confirmer shall

a. execute confirmation of transactions.

b. review and check whether the transactions are conducted pursuant to the authorized discretion (as further prescribed in Article 4 below) and the current strategy.

c. conduct quarterly evaluations and submit said evaluations to General Manager.

d. handle accounting issues.

e. conduct the report and disclosure procedure in accordance with the regulations promulgated by SEC.

C. Delivery Staffs

Execution of the delivery matters.

D. Approval authority of financial derivatives

- a. Authorization Quantum for the Forward Foreign Exchange hedging, Interest Rate Swap (IRS) and Cross Currency Swap (CCS) Transactions of Hedging Nature.

Authorized Person	Authorized Quantum Per Order	Authorized Quantum for Net Accumulated Position
Chief of the Financial Department	Not more than US\$ 10,000,000	Not more than US\$ 240,000,000
General Manager	Not more than US\$ 20,000,000	Not more than US\$ 500,000,000
Chairman	More than US\$ 20,000,000	More than US\$ 500,000,000

- b. Authorization Quantum for the Transaction of Other Hedging Commodities

Authorized Person	Authorized Quantum Per Order	Authorized Quantum for Net Accumulated Position
Chief of the Financial Department	Not more than US\$ 3,000,000	Not more than US\$ 5,000,000
General Manager	Not more than US\$ 10,000,000	Not more than US\$ 20,000,000
Chairman	More than US\$ 10,000,000	More than US\$ 20,000,000

- c. Financial derivatives transactions of the Company which require the approval of the Board of Directors pursuant to the Procedures or other applicable laws or regulations are considered material financial derivatives transactions.
- d. If any of the directors' express dissent from the decision or issue a statement in writing when a transaction involving financial derivatives is submitted to the Company's Board of Directors for discussion, their opinions shall be recorded in the meeting minutes of the Board. The opinions of independent directors shall also be fully considered. If any of the independent directors' express dissent or reservation from the decision, their opinions shall also be recorded in the meeting minutes of the Board.
- e. Material financial derivatives transactions shall be approved by a majority of all members of the audit committee and submitted to the Board of Directors for resolution. Paragraphs 3 and 4 of Article 8 of the Procedures shall apply.

(2) Audit Department

The audit department shall be responsible for understanding the feasibility of internal control for the transaction of derivatives and inspecting whether the transaction department complies with the operating procedure. In addition, it shall also analyze the transaction circulation and draw up an audit report, and report to the Board when material fault is found.

(3) Performance Evaluation

- A. The performance evaluation shall be made based on the profit or loss between the exchange cost on the book and the transaction of financial derivatives.
- B. In order to fully control and express the exact risk of the transactions, the Company adopts quarterly evaluation method to conduct the profit-and-loss evaluation.
- C. Financial Department shall provide General Manager with foreign exchange position evaluation, foreign exchange market trend and market analysis for his/her reference.

(4) The stipulation for the maximum monetary amount of contract and maximum monetary amount of loss

A. Maximum monetary amount of contract

Financial Department shall control the overall position of the Company in order to hedge the transaction risk. The monetary amount of hedging transaction shall not exceed the total monetary amount required by the Company for actual import and export.

B. Maximum monetary amount of loss

For respective contracts of the hedging transaction, the maximum monetary amount of loss shall be 20% of the contracted amount; for all contracts of the hedging transaction, the maximum monetary amount of loss shall be 5% of the corporation's net worth.

Article 3 Risk Management Measure

1. **Credit Risk Management**
Trading counter party: Mainly to the renowned domestic or international financial institutions and could provide professional information to the Company.
2. **Market Risk Management**
The market risk management shall be conducted based on the foreign exchange market provided by banks; futures market is excluded.
3. **Circulation Risk Management**
In order to secure the market circulation, the Company shall mainly choose those financial derivatives with higher circulation (i.e. it may be disposed at all times). The trading financial institution shall have sufficient information and the ability to conduct the transaction in any market at all times.
4. **Cash Flow Risk Management**
In order to secure the stability of the revolving of operating fund, the Company shall conduct the financial derivatives transaction solely by using self-owned fund. In addition, the determination of the operating monetary amount shall consider the Company's fund requirement for the forthcoming three months, which is based on the cash flow forecast.
5. **Operation Risk Management**
 - (1) In order to avoid operation risk, the conduct of financial derivative transactions shall comply with the authorization quantum and operation procedure and be subject to internal audit.
 - (2) No plurality of positions among transaction staff, confirmation staff and the delivery staff is permitted.
 - (3) The risk evaluation staff, risk supervision staff and risk control staff shall belong to different units from those of the staffs mentioned in Article 3-5-(2), and shall report to the Board or the high level officers who are not responsible for the transaction or position determination.
 - (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
6. **Commodity Risk Management**
The transaction staffs shall have comprehensive and correct professional knowledge on financial commodities. In order to avoid any risk arising from financial commodities, they shall require the banks to fully disclose the risk.
7. **Legal Risk Management**
In order to avoid legal risk, any document to be executed between the Company and any financial institution shall not be signed until it has been reviewed by the Foreign Exchange Department and Legal Department or the Company's legal counsel.

Article 4 Internal Audit System

1. Internal audit personnel shall examine the adequacy of internal controls of financial derivatives transactions periodically, conduct monthly audit on the Trading Division for compliance of the Procedures, analyze trading cycle, and prepare audit reports. In the event of a major violation, internal audit personnel shall report to the audit committee in writing.
2. The Company shall conduct the financial derivative transactions pursuant to this Handling Procedure. In the event of any material violation of this Handling Procedure, certain punishment shall be imposed on the related persons, depending on the degree of violation.
3. The internal audit staffs shall, prior to the end of February of the ensuing year, submit the "Audit Report" and "Annual Report for the Internal Audit Operation" to the SEC; prior to the end of May of the ensuing year, submit the "Progress on the Correction of Irregular Matters" to the SEC for record.

Article 5 Method of Regular Evaluation

1. The Board shall authorize high level officers to regularly conduct supervision and evaluation on whether the derivative commodity transactions have been managed pursuant to the transaction procedure provided by the Company, and whether the risk taken by the Company is within the permitted scope. In the event of any irregularity (e.g. the positions that the Company holds have exceeded the maximum monetary amount of loss) in the market price evaluation report, said high level officers shall immediately report to the Board and take countermeasures.
2. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

Article 6 The Board's Supervision and Management Principle for the Financial Derivative Transactions

1. The Board shall appoint high level officers to take charge of the supervision and control of the risk arising from the derivative commodity transactions at all times. The management principles are as follows:
 - (1) Regularly evaluate the feasibility of the currently applied risk management measures; strictly comply with the "Criteria for Handling Acquisition or Disposal of Assets" promulgated by SEC and "Handling Procedure for the Transaction of Derivatives" promulgated by the Company.
 - (2) Supervise the transactions and the profit-and-loss situation, in the event of any irregularity, they shall take necessary countermeasures and immediately report to the Board. In the case that the Company has established Independent Directors, the Independent Directors' attendance and provision of opinion are required for the Board Meeting.
2. Regularly evaluate whether the performance of the derivative commodity transactions meets the current operation strategy, and whether the risk taken by the Company is within the permitted scope.
3. A company shall report to the after meeting of the board of directors after it authorizes the relevant personnel to handle derivate trading in accordance with its Procedures for Engaging in Derivatives Trading.
4. A record book shall be established for the derivative commodity transactions, which shall specifically record the types, monetary amounts, dates of approval by the Board and evaluation items provided in Article 5-2, 6-1 and Article 6-2.

Article 7 Procedure for Disclosure and Report

1. The Company shall, prior to the 10th day of each month, input into the web site designated by the SEC the derivative commodity transaction result of previous month by the Company and its subsidiaries that are not domestic public company.
2. In the event the loss from the engagement in the derivatives transaction by the Company and its subsidiaries that are not domestic public company reaches the overall or respective contract loss maximum limits provided by this Handling Procedures, the Company shall, within two (2) days after the occurrence of said events, disclose and report the related information into the web site designated by the SEC.
3. In the event there is any error or omission in the content of the items disclosed by the Company, the Company shall re-disclose and re-report the whole content of said items.

Article 8

The Procedures have been approved by the audit committee and adopted by the Board of Directors and shareholders meeting; the same approval process shall apply to any amendments to the Procedures.

When the Procedures are submitted to the Company's Board of Directors for discussion, the opinions of independent directors shall be fully considered. If any of the independent directors' express dissent or reservation from the decision, their opinions shall be recorded in the meeting minutes of the Board. If the Company fails to obtain the approval of a majority of all members of the audit committee as provided in the first paragraph, the Procedures may be adopted by the approval of at least two-thirds of all members of the Board. The resolution of the audit committee shall be recorded in the meeting minutes of the Board.

As referred to in the preceding paragraph, "all members of the audit committee" shall mean the incumbent members of the audit committee, and "all members of the Board" shall mean the incumbent members of the Board of Directors.

Article 9

The relevant laws and regulations shall govern matters not expressly stated herein.

Hotai Finance Co., Ltd.

Operation Procedure for Loaning of Company Funds to Others of the Company

2018/11/7

Article 1

The Procedures Governing Loaning Funds to Others by the Company is stipulated in accordance with the ‘Securities and Exchange Act Article 36-1’.

Article 2

The Company’s lending money to others shall be handled pursuant to these Procedures.

Article 3: The Qualified Borrowers

Except for the following circumstances, the capital of the Company shall not be loaned to any shareholder or third party:

- (1) Any company or entity that has business relationship with the Company;
- (2) Any company or entity in need of short-term financing.

The “short-term” stated herein shall mean the period of one year, provided, however, where the Company’s business cycle is longer than one year, the period of the Company’s business cycle shall prevail.

The inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, individual company shall limit of the Company’s net worth, the total amount shall not exceed 200% of the net worth of the Company. The term of the loan shall be limited to 5 years, the methods of interest calculation shall be decided by approval of the board of directors.

Article 4: Reasons and Necessity for Lending

Lending money to any company or entity due to the business relationship with the Company shall proceed in accordance with Article 5(2); lending money to any company or entity due to the need for short-term financing shall proceed in accordance with the following circumstances:

- (1) Any company or entity, which the Company owns more than 50% of its shares, is in need of short-term financing for its business operations.
- (2) Any company or entity that is in need of short-term financing for purchasing materials or for operating capital.
- (3) Any other situations approved by the Board of Directors of the Company.

Article 5: Maximum Amount of Lending & Limitation to Individuals

- (1) The total amount of lending to others shall not exceed 20% of the net worth of the Company.
- (2) Each single lending transaction to any company or business entity, which has business relationship with the Company, shall not exceed the amount of transactions between the parties. The “Amount of Transaction” stated herein shall mean the price of purchasing or selling of products, whichever is higher.
- (3) Each single lending transaction to any company or entity in need of short-term financing shall not exceed 10% of the net worth of the Company.

Article 6: Procedures of Lending

- (1) Before conducting the lending to others, the borrower shall apply to the Company in writing, citing the amount of the loan, along with necessary business and financial information of the Company.

After accepting the application, the finance department shall investigate, evaluate and prepare a credit report on the borrower’s businesses, financial condition, capability of repayment and credit record, capability of profitability, and the purpose of the loan.

- (2) The finance department shall conduct credit checks on the borrower and conduct a risk analysis. The matters to be assessed shall include at least the following:
 - (i) The necessity and reasonableness of lending;
 - (ii) Based on the borrower’s financial condition, determine whether or not the amount to be loaned is necessary;
 - (iii) Whether or not the cumulative and single lending transaction amount proposed to be loaned is within the limit;
 - (iv) Loans proposed to be made to the company which has a business relationship with the Company shall be assessed as to whether or not the lending amount and transaction amount exceed the limit.
 - (v) The impact on the Company’s operating risks, financial condition, and the shareholders’ interest.

- (vi) Whether or not any collateral has been obtained and the evaluated value of such collateral.
- (2) While processing all matters involving the lending money to others, the Company shall acquire a promissory note in the same amount of the loan from the borrower, and if necessary, obtain real property or personal property as collateral. If the debtor can provide any individual or company with proof of substantial financial capability and credibility as a guaranty to substitute the assets provided as collateral, the Board of Directors may process in accordance with the credit report acquired by the financial department. In case a company is the guarantor for the loan, it shall be attention to the Articles of Incorporation to determine whether or not there is any provisions stating that such situation is permissible.

Article 7: Decision-Making Hierarchy

All matters involving the lending money to others by the Company shall, after the Company's finance department has conducted a credit check and risk assessment, and where the borrower is credit worthy, the purpose for lending is legitimate, and it is necessary to make such lending and there is no concern with regard to the borrower's ability to repay, be processed the approval from the board chairman and the after adoption by the Board of Directors are obtained. The opinions of the Board of Directors shall be fully considered, and the reasons and precise opinions for and against shall be recorded in the minutes.

When the loan is made between the Company and its parent company or its subsidiaries, the board director shall have the ability to authorize a revolving or installment loan to the same borrower with the loan amount less than the total amount decided during the board meeting within a year.

Furthermore, based on the consideration of internal control, the authorized lone of credit loaned to a single company shall not exceed 10% of the net worth of the company in the most recent company financial report.

For the purpose of the Procedures, the loaning of Company funds to others is deemed "material" where the approval of the board of directors ("Board of Directors" or "Board") is required according to the Procedures or applicable laws. Material loan transactions shall be approved by a majority of all members of the audit committee and submitted to the Board of Directors for resolution. If the Company fails to obtain the approval of a majority of all members of the audit committee, the procedures may be adopted by the approval of at least two-thirds of all members of the Board. The resolution of the audit committee shall be recorded in the meeting minutes of the Board. As referred to in the preceding paragraph, "all members of the audit committee" shall mean the incumbent members of the audit committee, and "all members of the Board" shall mean the incumbent members of the Board of Directors.

Article 8: Term of Lending and Calculation of Interest

- (1) Each loan shall have a term of less than one year as a principle. In the event of specific circumstances which meet the criteria stated on Article 3, Section 1 Clause 1, an extension on the loan may be approved by the Board of Directors according to the actual conditions.
- (2) The interest rate of lending shall not be lower than the average interest rate of financial institutions that charge on short-term loans to the Company. The interest shall be computed and payable on a monthly basis. In the event of specific circumstances, an adjustment may be applied upon the approval of the Board of Directors to reflect the actual need.

Article 9: Subsequent Control Over Lending and Procedures of Overdue Credits

- (1) After the disbursement of the loan, the responsible department shall always pay attention to the borrower and guarantor's financial, business and credit status. If there is any collateral, the responsible department shall also pay attention to whether or not the value of the collateral has fluctuated. When the fluctuation is substantial, it shall immediately report to the Chairman of the Board of Directors and take appropriate actions according to his/her instructions.
- (2) When the loan is due or repayment if made prior to the due date, the borrower shall calculate the interest accrued on the loan and repay such interest with the principal so that the promissory note can be cancelled and returned to the borrower or any mortgage on collateral can be cancelled thereafter.
- (3) The borrower shall, at the time the loan is due, immediately repay the principal amount, excluding borrowers who meet the criteria stated in Article 8, Section 1 Clause 1. In case of any violation, the Company may, in accordance with the laws and regulations, dispose of the property provided as collateral or request the Guarantor to repay the loan.

Article 10: Internal Control

- (1) The finance department shall establish a book of accounts for inspection. This book of accounts shall record, for inspection, to which the money has been lent, the amount lent, the date that the

Board of Directors made its approval, the date the money was lent and other matters which shall be assessed carefully under the regulations.

- (2) The Company's internal audit personnel shall inspect, at least quarterly, the procedures for lending money to others and other execution situations, and shall record such matters in writing. Where a material violation is revealed, a notice in writing shall report to the audit committee in writing.
- (3) The company shall comply with these Regulations when making loans to others. Any material violation found, punishment being imposed on the managers or personnel in charge.
- (4) In the event that, due to the change of situation, the borrowers are unqualified under this operation procedure, or the loans of funds amount exceeds the limit under this operation procedure, the Company shall formulate the amendment plan and be completed on time. The above timeframe shall be reported to the audit committee in writing.

Article 11: Procedures for Disclosure of Information

- (1) The Company shall publicly announce and declare the remaining amount of lending in the previous month of the Company and its subsidiary before the 10th day of each month.
- (2) If the loan meets any of the following circumstances, it shall be reported within two days upon occurrence of the fact, the date of occurrence to be counted as the first day:
 - (i) In the event that the lending amount to others and the remaining unpaid amount reaches 20% and over of the net worth of the Company and its subsidiary in the most recent financial statements.
 - (ii) In the event that the lending amount to one individual company and the remaining unpaid amounts reaches 10% and over the net worth of the Company and its subsidiary in the most recent financial statements.
 - (iii) The amount of capital financing to other enterprises by the Company and its subsidiaries reaches NT\$10,000,000, and 2% or more of the Company's net worth as stated in its latest financial statement.
 - (iv) "Date of occurrence" in these Regulations means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, dates of boards of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.
- (3) The Company shall announce and report on behalf of any of its subsidiaries that are not a domestic public company any matters that such subsidiary is required to announce and report pursuant to section 2 above.

Article 12

The company shall execute the following control activities when supervising its subsidiaries' audit management

- (1) In the event that the subsidiary of the Company intends to lend money to others, the Company shall supervise the subsidiary to establish the procedures governing the lending money to others.
- (2) The subsidiary shall submit the lending and collecting reports by 6th of each month in order to audit or disclose regarding to regulations.

Article 13

The Company shall evaluate the status of loans of funds, and shall set aside sufficient allowance for bad debts. It shall also adequately disclose relevant information in its financial reports and provide the certifying CPAs with relevant materials for the performance of necessary audit procedures.

Article 14

Paragraphs 4 of Article 7 of the Procedures shall apply and also to any amendments to the Procedures. The Procedures have been adopted by the Board of Directors and Shareholders' Meeting. If any director raises an objection with a record or a written notice, the Company shall submit these objections report to the shareholders' meeting for their discussion.

When the Procedures are being discussed at the Board of Directors' meeting, the opinions of the independent director(s) shall be fully considered. Their opinions and reasons for and against the motions shall be recorded in the minutes of the Board of Directors' meeting.

Article 15

The relevant laws and regulations shall govern matters not expressly stated herein.

Hotai Finance Co., Ltd.

Operation Procedure for Endorsements and Guarantees

2024/5/29

Article 1

The Procedures Governing Loaning Funds to Others by the Company is stipulated in accordance with the "Securities and Exchange Act Article 36-1".

Article 2

Matters in relation to the Company's endorsements and guarantees shall be handled pursuant to this Operation Procedure.

Article 3

The scope of application of this Operation Procedure shall include:

1. Financial endorsements/guarantees:
 - (1) Discounted bill financing;
 - (2) Endorsement or guarantee made for the financing needs of other companies;
 - (3) Issuing negotiable instruments for the purpose of providing guarantee to obtain finance for its own business to an entity other than the financial institutions.
2. Custom duty endorsements/guarantees: means endorsement or guarantee for the Company itself or other companies in respect of custom duty matters.
3. Other endorsements/guarantees: means other endorsements or guarantees which cannot be included in the above two categories.
4. The Company's creation of a pledge or mortgage on its chattel or real estate as security for the loans of another company.

Article 4 Subject of Endorsement/Guarantee

The company may make endorsements/guarantees for the following companies:

1. A company with which it does business.
2. A company in which the company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the company. The companies, directly or indirectly, with acquisition of more than 90% of voting shares can make endorsements/guarantees. However, the endorsements/guarantees amount shall not exceed 10% of the net worth of the company. In the case when company directly or indirectly acquires 100% shares of the subject is excluded from this limitation.

The Company may, in order to fulfill the needs of the construction project, with other company of the same type of business or joint funders, provide mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations. All shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding paragraph. Above called "Investment" means a company is directly invested by the Company or in which the Company directly and indirectly holds 100% of the voting shares.

Article 5 Quantum for the Endorsements/Guarantees

1. The amount of endorsements/guarantees made by the Company and its Subsidiary shall not exceed 100% of the Company's net worth as stated in its latest financial statement. Any single enterprise shall not exceed 100% of the Company's net worth as stated in its latest financial statement. The net worth of the Company shall be determined in accordance with its reviewed by a certified public accountant("CPA").
2. In addition to above restriction, the amount of the Company's endorsements and guarantees for any company that has business relations with the Company shall not exceed the total trading amount between the Company and said company. The term "trading amount" means the purchase amount or the sale amount between said two parties, whichever is higher.

Article 6 Endorsement and Guarantee Procedure

1. The to-be-endorsed/guaranteed company shall submit an application to the Financial Department (the " Financial Department") of the Company. The Financial Department shall conduct credit check on the to-be-endorsed/guaranteed company, evaluate the risk and prepare evaluation report. After the Financial Department has approved said endorsement/guarantee, it shall submit the case to the General Manager and Chairman for their approvals. Where situation necessitates, the Company shall obtain collaterals as guaranty.
2. The Financial Department shall conduct credit check and risk evaluation on the to-be-endorsed/guaranteed company, the evaluation items shall include:
 - (1) Necessity and reasonability of the endorsement/guarantee;
 - (2) Evaluate whether the endorsed/guaranteed amount is reasonable based on the financial situation of the to-be-endorsed/guaranteed company.
 - (3) Whether the aggregate endorsed/guaranteed amount or the endorsed/guaranteed amount for single enterprise is within the limit.
 - (4) As to the Company's endorsements and guarantees for any company that has business relations with the Company, evaluate the endorsed amount and the total trading amount between the Company and said company and see whether it is within the limit.
 - (5) Evaluate the Company's operation risk, financial status and influence on the shareholders' equity.
 - (6) Evaluation on whether the obtaining of security is necessary and evaluation on the value of the security.
 - (7) Provision of the credit check and risk evaluation records regarding the endorsement/guarantee.

Article 7 Determination and Authorization

1. The endorsement/guarantee of the Company shall not be made until it approved by the Board. In the case that the Company resolves the endorsement/guarantee, the Board shall fully consider the opinions of the respective Independent Directors, and record the pros and cons opinions of the Independent Directors in the Board meeting minutes together with the reasons they have explained. The Board may then authorize the Chairman the right to approve any single endorsement/guarantee for no more than NT\$ 50,000,000 in accordance with this Operation Procedure, and report to the most recent Board meeting for their ratification thereafter.
2. In accordance to Article 4 No.2, before Company provides guarantees for subsidiaries which it has acquisition of more than 90% of voting shares, the endorsement/guarantee shall first be approved by the Board. However, in the case when the parent company provides guarantees to another company which it, directly or indirectly, acquires 100% shares of the subject is excluded from this limitation.
3. In the event that, due to business requirements, the Company needs to make endorsement/guarantee for an amount exceeding the quantum provided by this Operation Procedure, and said endorsement/guarantee conforms to the conditions provided by this Operation Procedure, it shall propose said endorsement/guarantee to the Board for prior approval and request at least 50% of the number of the directors to provide joint guarantee against the potential loss that may arise from such endorsement/guarantee, amend this Operation Procedure and propose it to the Shareholders' Meeting for ratification. In the event that the Shareholders' Meeting does not agree with said endorsement/guarantee, the Company shall create a plan to cancel the exceeding part of endorsement/guarantee within certain period. The Board shall fully consider the opinions of the respective Independent Directors during the discussion of the Board Meeting, and record the pros and cons opinions of the Independent Directors in the Board meeting minutes together with the reasons they have explained.
4. Material endorsement/guarantee shall be approved by over 50% of all members of the audit committee and submitted to the Board of Directors for resolution. Otherwise, it may be adopted by the approval of at least two-thirds of all members of the Board. The resolution of the audit committee shall be recorded in the meeting minutes of the Board. "All members of the audit committee" shall mean the incumbent members of the audit committee, and "all members of the Board" shall mean the incumbent members of the Board of Directors.

Article 8 (Deleted)

Article 9 Internal Control

1. Financial Department shall establish an Endorsement/Guarantee Record Book specifically

recording the subject of endorsement/guarantee, amount of endorsement/guarantee, dates of approval by the Board and the Chairman, dates of endorsement/guarantee and items required to be deliberately evaluated in accordance with above provisions.

2. The internal auditing personnel shall audit this "Operation Procedure" and its implementation every quarter, as well as create a written record. In the event of any material violation of this Operation Procedure, auditing personnel shall immediately report it to the audit committee in writing.
3. The endorsement/guarantee of the Company shall be conducted pursuant to this Operation Procedure. In the event of any material violation, certain punishment shall be imposed on the manager or in-charge personnel, depending on the degree of violation.
4. In the event that, due to changes in situation, the endorsement/guarantee made by the Company later becomes unqualified under this Operation Procedure, or the endorsement/guarantee amount exceeds the limit under this Operation Procedure due to changes in the calculation basis, the Company shall discharge the endorsement/guarantee amount or the amount in excess on the date the agreement term expires or within a designated period pursuant to an internal plan. The above timeframe shall be reported to the audit committee.
5. When the public company or its subsidiary is applying for endorsements/guarantees for a subsidiary, which has a net worth lower than 1/2 of its actual capital, besides carefully evaluating the necessity, reasonableness and risk of the loan, a subsequent risk control plan shall also be adapted in event of possible risk.
6. Internal control regulation:
 - (1) The Company shall require improvement proposal from the supported subsidiary.
 - (2) The Company shall regularly review the improvement process, and ask subsidiary to provide the report to GM/ chairman if needed.
 - (3) The Company shall follow up the improvement process every quart.

Article 10 The Procedure for the Use and safekeeping of the Chop of the Company

1. The Company shall use the company chop (the "Chop") registered with the Ministry of Economic Affairs ("MOEA") for the use of endorsement/guarantee. The Chop shall be under the safekeeping of a special personnel and may be used to issue negotiable instruments only following the Company's internal procedure. The appointment and the change of the personnel safekeeping the Chop shall be approved by the Board.
2. In the case that the Company provides guarantees in favor of a foreign company, the Guarantee Agreement shall be signed by the person who was authorized by the Board.

Article 11 Public Announcement and Filing Procedure

1. The Company shall make public announcement and filing regarding its last month's outstanding amount of endorsements/guarantees (including its subsidiaries' amount), on the 10th day of each month.
2. In the event that the amount of endorsements/guarantees of the Company reaches either of the following standards, it shall make public announcement and filing within two days from the occurrence of said endorsement/guarantee:
 - (1) The total amount of endorsements/guarantees reaches fifty percent or more of the Company's net worth as stated in its latest financial statement. Or after the Company's public announcement and filing pursuant to this clause, it engages in further endorsement/guarantee and the additional amount outstanding exceeds five percent of the Company's net worth stated in its latest financial statement.
 - (2) The amount of endorsements/guarantees in favor of any single enterprise reaches twenty percent or more of the Company's net worth as stated in its latest financial statement. Or after the Company's public announcement and filing pursuant to this clause, it engages in further endorsement/guarantee and the additional amount outstanding exceeds five percent of the Company's net worth stated in its latest financial statement.
 - (3) The amount of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investments accounted for using equity method, and balance of loans to, such enterprise reaches 30 percent or more of public company's net worth as stated in its latest financial statement.
 - (4) The aggregate amount of endorsements/guarantees provided to any single enterprise due to business relations exceeds the total trading amount between the Company and said enterprise in

the most recent year. Or, after the Company's public announcement and filing pursuant to this clause, it engages in further endorsement/guarantee and the additional amount outstanding exceeds five percent of the Company's net worth stated in its latest financial statement.

- (5) "Date of occurrence" in this Operation Procedure means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparties and amount of the loan or endorsement/guarantee, whichever date is earlier.
3. As the Company is not a domestic public company, all the above-mentioned items that require public announcements and filing shall be announced and filed by the Company.

Article 12

In the event that the subsidiary of the Company intends to lend money to others

1. The Company shall supervise the subsidiary " to establish the procedures governing the lending money to others.
2. The subsidiary shall submit the lending and collecting reports by 6th of each month in order to audit or disclose regarding to regulations.

Article 13

The Company shall evaluate and recognize the contingent loss arising from the endorsements/guarantees. In addition, it shall duly disclose information regarding the endorsements/guarantees in its financial statement, and provide the CPA with related materials for the convenience of their conduct while auditing and in the issuance of a reasonable audit report.

Article 14

This Operation Procedure shall be revised based on the Article 7-4 and reported to the Shareholders' Meeting for approval upon the passing of the Board of Directors' resolution. If any director raises an objection with a record or a written notice, the Company shall submit these objections report to the shareholders' meeting for their discussion.

When this Operation Procedure is being discussed at the Board of Directors' meeting, the opinions of the independent director(s) shall be fully considered. Their opinions and reasons for and against the motions shall be recorded in the minutes of the Board of Directors' meeting.

Article 15

The relevant laws and regulations shall govern matters not expressly stated herein.

Hotai Finance Co., Ltd.
Rules and Procedures of Shareholders' Meeting

2021/7/22

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 30, 2026. Unit: Share

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

Note 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.

Note 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.

Note 3 : The share ownership of directors has met the minimum legal requirement.

Note 4 : The Audit Committee of the Company will replace the functions of supervisors.

Therefore, the minimum legal requirement of supervisor shareholding does not apply.

Stock code: 6592



和泰集團

和潤企業股份有限公司 Hotai Finance Co., Ltd.

10F., No. 605, Ruiguang Rd., Neihu Dist.,
Taipei City 114, Taiwan (R.O.C.)

TEL : (02)2502-4567

FAX : (02)2501-0095

www.hfcfinance.com.tw