



和潤企業股份有限公司
Hotai Finance Co., Ltd.

2025 Annual Report

(For the convenience of readers and for information purposes only, the annual report has 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.)

Hotai Finance Co., Ltd. annual report is available at:
Company website: <https://www.hfcfinance.com.tw>
Taiwan Stock Exchange Market Observation Post System
<https://mops.twse.com.tw>
Published on March 31, 2026

I. Spokesperson and Acting Spokesperson of the Company

Spokesperson: Kai-Jung Yang

Title: Vice President

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Acting Spokesperson: Wei Lin

Title: Senior Manager

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II. Addresses and Telephone Numbers of Head Office and Branch Offices

Head Office: 10F, No.605, Ruiguang Rd, Neihu Dist, Taipei, Taiwan

Tel:(02)2502-4567

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Name: Department of Stock Affairs Agency, Taishin Securities

Address: B1., No. 96, Sec. 1, Jianguo N. Rd., Taipei, Taiwan

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Website: <https://www.tssco.com.tw>

IV. CPAs for the Latest Annual Financial Report

CPAs: Chun-Yuan Hsiao, Chia-Hung Lin

Accounting Firm: PricewaterhouseCoopers Taiwan

Address: 27 F., No. 333, Sec. 1, Keelung Rd., Taipei 11012, Taiwan

Tel:(02)2729-6666

Website: <https://www.pwc.tw>

V. Name of the exchange where the overseas securities are listed and traded and the method to inquire about the information of the overseas securities: None.

VI. Company Website: <https://www.hfcfinance.com.tw>

Honors and Recognition

Honors	Description	Organizer/Label
BEST Award (Excellence in Learning Organization)	Recognizing the integration of talent development with corporate strategy	ATD U.S.A. Talent Development Association 
Top 20% of the 11th Corporate Governance Evaluation	Demonstrate operational transparency and sound Board of Directors' functions.	
Constituent Stock of the Corporate Governance 100 Index		
Constituent Stock of the Taiwan High Compensation 100 Index	Recognized for the Company's commitment to employee care, emphasis on profit-sharing, and provision of competitive compensation and benefits.	
CommonWealth Magazine Excellence in Corporate Social Responsibility - Top 100 in Sustainability Performance	Recognized for the Company's long-term impact in the dimension of social responsibility.	
Taiwan Corporate Sustainability Awards (TCSA) Taiwan's Top 100 Sustainability Model Enterprises	Commended for transparent ESG information disclosure and sustainable operational performance.	 台灣企業永續獎執委會 <small>Taiwan Corporate Sustainability Awards Executive Committee</small>
Taiwan Corporate Sustainability Awards (TCSA) Sustainability Report Platinum Award		
AREA Asia CSR Award Green Leadership Award	Recognized for the Company's leading performance in environmental protection, carbon management, and the promotion of green finance in the Asia-Pacific region.	
TSAA Taiwan Sustainability Awards Environmental Sustainability Category SDG7 - Silver Award	Commended for the Company's contributions to advancing clean energy and improving energy efficiency through concrete sustainability initiatives.	 台灣企業永續獎執委會 <small>Taiwan Corporate Sustainability Awards Executive Committee</small>
Golden Wheel Award	Commended for the Company's active engagement in road safety advocacy, enhancement of transportation environments, and promotion of sustainable industry development.	Taipei City Government Department of Transportation
Buying Power - Social Innovation Product and Service Procurement Awards	Procurement of social innovation products	 經濟部中小及新創企業署 <small>SMALL AND MEDIUM ENTERPRISE AND STARTUP ADMINISTRATION MINISTRY OF ECONOMIC AFFAIRS</small>

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Review of Operating Achievements in 2025

Looking back at 2025, the global economic landscape remains challenging, with major economies continuing to tackle high coupon rate environments and geopolitical uncertainties. However, Taiwan, with its crucial position in the global technology supply chain, exhibits notable economic resilience. Benefiting from the robust demand for emerging applications such as artificial intelligence (AI) and high-performance computing (HPC), export momentum is strong. According to estimates by the Directorate-General of Budget, Accounting and Statistics, the annual economic growth rate in 2025 is expected to reach 8.68%, outperforming most developed economies.

Building on this stable domestic demand, the Company accurately grasps market trends. Even in the face of changes in funding costs and the regulatory environment, it has achieved outstanding operational results through excellent risk management and a diversified business strategy. In 2025, consolidated revenue reached NT\$23.7 billion, consolidated total assets amounted to NT\$329.6 billion, and consolidated net profit after tax was NT\$3.4 billion. Earnings per share (EPS) after tax was NT\$4.72, showing a 6% growth compared to the same period last year, demonstrating stable profitability.

Core Business Performance:

- **Auto Installment:** Despite intense market competition, HFC has deepened its collaborative relationships with TOYOTA, LEXUS, major dealerships, and used car dealers through diversified and customized installment plans, successfully maintaining stable business growth.
- **In corporate finance,** by deepening supplier channels and industry knowledge, business expansion in the fields of healthcare, construction, and manufacturing is achieved, providing critical financial support to corporate clients.
- **Motorcycle Installment:** By optimizing products, strengthening customer retention, and providing personalized services, the Company continues to expand its market share.
- **Product installment:** Establish the PAY4U brand and actively expand online and offline channels for 3C electronics, home appliances, home renovations, and e-commerce, gradually building an installment ecosystem that meets the needs of consumers' daily lives.

Highlights of Subsidiary Operations:

- **HEJING:** Focusing on the dual pillars of "commercial vehicles" and "corporate finance" with remarkable results. Total assets grew steadily, surpassing NT\$27 billion, with an annual net profit after tax reaching NT\$130 million, reflecting a 7% growth. Demonstrates strong growth momentum.
- **Hotai Finance Development:** In its second year of operations, the company achieved double growth, with total assets surpassing NT\$15 billion (an annual increase of 135%). The net profit after tax turned positive, showcasing significant improvements in operational structure and strategic effectiveness.
- **HEJUN Energy:** Adhering to the comprehensive approach of "Energy Creation, Energy Storage, Energy Charging, Energy Usage," with fruitful results. The contracted capacity for solar and

I. Letter to Shareholders

energy storage has exceeded 240MW; the subsidiary, HEJUN Electricity, has supplied 20 million kWh of green power, generating approximately 16 million in revenue and continuing to expand net-zero carbon business opportunities.

Overseas Market Layout:

- China Mainland - Hoyun International Leasing: Facing the challenges of economic deflationary pressures and the internal competition in the car market in China, the company adopts a steady business strategy. While maintaining a slightly reduced asset size, it continues to deepen local cooperation and strengthen risk management.
- Cambodia - HFC (CAMBODIA) MICROFINANCE PLC.: By increasing shares to 66%, the Company has gained operational control, marking a new milestone in the Group's overseas expansion and injecting strong momentum for multinational growth.

2026 Business Plan and Future Prospect

Looking ahead to 2026, despite the global economy being influenced by trade policies and geopolitical factors, thus full of uncertainties, Taiwan is expected to maintain stable economic fundamentals due to its resilient exports and steady domestic demand. Building on this foundation, as regulatory policies for the leasing industry become clearer, HFC will leverage its clear strategy, rigorous cost and asset quality control, and a diversified business layout to continue generating excellent operational results.

Core Business Strategy Planning:

- Vehicle Installment: To drive future growth, the Company will proactively launch more diversified installment plans to enhance market penetration with TOYOTA, LEXUS, and various partner brands. At the same time, the Company will deepen strategic alliances with used car channels to expand our business footprint.

- In corporate finance, resources are concentrated on four core areas: medical equipment, construction machinery, manufacturing equipment, and corporate financing. Strengthen our professional leadership position through deepening industry knowledge and local operations.

- Motorcycle and Product Installment: In the motorcycle market, the Company will expand collaboration with various brands and channels to capture a higher market share. In the field of product installment, the Company will accelerate the integration of online and offline brand channels, combining existing Customer Relationships (CR) to create a cross-platform digital installment ecosystem that offers seamless and diversified consumer installment services.

Development Blueprint of Subsidiaries:

- HEJING: Will vigorously implement the dual-engine strategy of "commercial vehicles" and "corporate finance," and actively explore the used car market as the third growth trajectory. Internally, AI-enabled application and approval processes will be introduced to enhance efficiency and reduce risks through technology. While stabilizing its core businesses, it will establish a mid-to-long-term competitive advantage with a diversified business model.

I. Letter to Shareholders

- **Hotai Finance Development:** The operational objective will focus on the balanced development of the trinity of "business growth, risk management, and organizational resilience." The Company will expand its product portfolio, deepen operations with small and medium enterprise clients, and enhance operational efficiency through digital systems. On a solid financial foundation, the Company will continue to optimize our profit structure and guarantee allocation, and strengthen organizational capabilities through systematic talent development to support the company's sustainable growth.

- **HEJUN Energy:** The Company will initiate multiple AI optimization projects with the objective of establishing HEJUN Energy as a benchmark company for AI applications in the new energy sector. The Company will actively expand our project holdings through diverse means, including self-development, acquisitions, and participation in public and private tender bids. The Company will also explore emerging renewable energy opportunities such as small hydropower and geothermal energy, expand our renewable energy power sales business to maximize asset efficiency, and provide comprehensive integrated green energy services.

- **Hoyun International Leasing (China):** In the Chinese market, where challenges and opportunities coexist, the annual objective will focus on "quality and steady expansion." Strategically, the Company will expand collaborations with new automakers, deepen the regional industry chain for equipment leasing, and promote innovative business models. At the same time, strengthen digital risk control to enhance operational efficiency through technology, ensuring the continuous improvement of operational effectiveness.

- **HFC (CAMBODIA) MICROFINANCE PLC. (CAMBODIA):** The Company will implement clear market strategies to stabilize asset quality by strengthening dealer relationships, expanding partnerships, and enhancing underwriting accuracy, fully striving to achieve the objective of becoming one of the top ten microfinance institutions (MFIs) in Cambodia.

In 2026, as the industry environment is expected to normalize, funding costs and asset quality are likely to return to stability. Adhering to its business philosophy of "customer first, profession based," HFC will continue to optimize its products, deepen digital transformation, and safeguard asset quality. The Company is confident that, with the efforts of all colleagues, its core businesses and affiliates will achieve steady growth and reach new heights.

The Company is sincerely grateful to our shareholders for your continued support and encouragement. Wishing you good health and great fortune!

Giann-Jou Chen
Chairman

II. Corporate Governance Report

2.1 Directors, President, Vice President, Senior Managers, and Department and Divisional Executive Officers

2.1.1 Directors

2026/3/30

Title	Nationality/Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouses and Children that are Minors		Shares Held under Nominee Accounts		Education and Experience	Current Positions Held in HFC and Other Companies	Spouse or Familial Relationship within the Second Degree of Consanguinity also holding Management, Directorial, or Supervisory Positions		
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship
Chairman	Taiwan	Hozan Investment Co, Ltd.	Male 51~65	2024/5/29	3 years	2024/5/29	257,161,874	45.39%	282,879,511	45.40%	-	-	-	-	Department of Economics, Fu Jen Catholic University Vice President, Hotai Motor Co., Ltd.	Chairman, HEJING Co., Ltd. Chairman, HEJUN Energy Co., Ltd. Chairman, Hotai Finance Development Co., Ltd. Director, Hoyun International Leasing Co., Ltd.	-	-	-
		Representative Jiann-Jou Chen		2025/10/11	2 years	2025/10/11	-	-	-	-	-	-	-	-					
Director	Taiwan	Hozan Investment Co, Ltd.	Male 51~65	2024/5/29	3 years	2002/6/25	257,161,874	45.39%	282,879,511	45.40%	-	-	-	-	MBA, Massachusetts Institute of Technology Vice Chairman and President, Hotai Motor Co., Ltd. Chairman, Carmax Co., Ltd. Chairman, Eastern Motor Co., Ltd. Chairman, Eastern Motor Co., Ltd. Chairman, Hotai Cyber Connection. Vice Chairman, Kuozui Motors Co., Ltd. Managing Director, Hoyu Investment Co., Ltd. Director, Chang Yuan Motor Co., Ltd. Director, Kuotu Motor Co., Ltd. Director, Nan Du Automobile Co., Ltd. Director, Kao Du Automobile Co., Ltd. Director, Hotai Leasing Co., Ltd. Director, Hoing Mobility Service Co., Ltd. Director, Cheng Sun Trading Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Li Gang Enterprise Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Director, Hoyun International Leasing Co., Ltd. Director, Kuan Ying International Co., Ltd. Director, Pao Li Marketing Co., Ltd. Director, Hoyu Culture and Education Foundation Supervisor, Denso Taiwan Corp. Supervisor, CJ Holding Co., Ltd.	-	-	-	

II. Corporate Governance Report

Title	Nationality/Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouses and Children that are Minors		Shares Held under Nominee Accounts		Education and Experience	Current Positions Held in HFC and Other Companies	Spouse or Familial Relationship within the Second Degree of Consanguinity also holding Management, Directorial, or Supervisory Positions		
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship
Director	Taiwan	Hozan Investment Co, Ltd. Representative Leon Soo	Male 51~65	2024/5/29	3 years	2015/6/29	257,161,874	45.39%	282,879,511	45.40%	-	-	-	-	Wharton School of the University of Pennsylvania Director, Hotai Motor Co., Ltd.	Chairman, Golden Orange Corporation Vice Chairman, Hoyu Investment Co., Ltd. Vice Chairman, Hotong Motor Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, Hoing Mobility Service Co., Ltd. Director, Ho Tai Development Co., Ltd. Director, Kuozui Motors Co., Ltd. Director, Cheng Sun Trading Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, YH Development Limited Director, Hoyu Culture and Education Foundation Director, Rising Sun Education Foundation	-	-	-
Director	Taiwan	Hozan Investment Co, Ltd. Representative Ryan Huang	Male Under 50	2024/5/29	3 years	2009/6/23	257,161,874	45.39%	282,879,511	45.40%	-	-	-	-	Kellogg School of Management and Hong Kong University of Science and Technology, MBA Vice Chairman, Hoyun International Leasing Co., Ltd.	Chairman, Shanghai Fengyi Construction Decoration Limited Company Vice Chairman, Hoyun International Leasing Co., Ltd. Director, Ho Tai Development Co., Ltd. Director, Ho-An Insurance Agency Co., Ltd. Director, Ho-Chuang Insurance Agency Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Managing Director and President, Shanghai Ho-Mian Auto Technology Co., Ltd. Managing Director, Shanghai Hochen Auto Technology Co., Ltd. Managing Director, Shanghai Zhongxin Traffic Facility Engineering Co., Ltd. Managing Director, Tianjin Yongda Communication Technology Co., Ltd. Director, Tianjin Ho-Yi International Trading Co., Ltd. Director, Zaozhuang Ho-Wan Motor Sales and Service Co., Ltd. Director, Guangzhou Guangqi Commercial Changhe Automobile Technology Co., Ltd. Director, Linyi Ho-Yu Motor Sales & Service Co., Ltd.	-	-	-

II. Corporate Governance Report

Title	Nationality/Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouses and Children that are Minors		Shares Held under Nominee Accounts		Education and Experience	Current Positions Held in HFC and Other Companies	Spouse or Familial Relationship within the Second Degree of Consanguinity also holding Management, Directorial, or Supervisory Positions		
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship
																Director, Beijing Heling Lexus Motor Sales & Service Co., Ltd. Director, Linyi Heling Lexus Motor Sales & Service Co., Ltd. Director, Jinzhong Central Toyota Motor Sales & Service Co., Ltd. Director, Tianjin Binhai New Area Heling Lexus Motor Sales & Service Co., Ltd. Director, Nanjing Hozhan Motor Service Co., Ltd. Director, Qingdao Heling Lexus Motor Sales & Service Co., Ltd. Director, Taizhou Zhong Du Lexus Motor Sales & Service Co., Ltd. Director, Taiyuan Zhong Du Heling Lexus Motor Sales & Service Co., Ltd. Director, Tianjin Ho-Con Finance Leasing Co., Ltd. Director, Chongqing Yudu Toyota Sales Co., Ltd. Director, Chongqing Yurun Automobile Sales & Service Co., Ltd. Director, Chongqing Yuguo Automobile Accessory Co. Ltd. Director, Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd. Supervisor, Triples Information Co., Ltd. Supervisor, San Xing (Shanghai) Business Management Consulting Co., Ltd. Supervisor, Beijing Ho-Yu Toyota Motor Sales and Service Co., Ltd.			
Director	Taiwan U.S.A.	Hozan Investment Co, Ltd. Representative Roger Huang	Male Under 50	2024/5/29	3 years	2019/5/29	257,161,874	45.39%	282,879,511	45.40%	-	-	-	-	PhD, Department of Aquaculture, National Taiwan Ocean University Managing Director, Wei-Chuan U.S.A., Inc.	Managing Director, Wei-Chuan U.S.A., Inc. Director, Hozao Enterprise Co., Ltd. Director, Hoyu Investment Co., Ltd. Director, Chun Ching Co., Ltd. Director, Hotai Leasing Co., Ltd. Director, Ho Ing Mobility Service Co., Ltd. Director, Shanghai Hoyu Motor Service Co., Ltd. Director, Shanghai Heling Motor Service Co., Ltd. Director, Shanghai Hozhan Motor Service Co., Ltd.	-	-	-

II. Corporate Governance Report

Title	Nationality/Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouses and Children that are Minors		Shares Held under Nominee Accounts		Education and Experience	Current Positions Held in HFC and Other Companies	Spouse or Familial Relationship within the Second Degree of Consanguinity also holding Management, Directorial, or Supervisory Positions		
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship
																Director, Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd. Director, Shanghai Jiading Heling Lexus Motor Service Co., Ltd. Director, Chongqing Heling Lexus Motor Sales & Service Co., Ltd. Director, Tangshan Heling Lexus Motor Sales & Service Co., Ltd. Director, Zaozhuang Ho-Yu Toyota Motor Sales and Service Co., Ltd. Director, Nanchang Heling Lexus Motor Sales & Service Co., Ltd. Director, Tianjin Heling Lexus Motor Sales & Service Co., Ltd. Director, Tianjin Hozhan Motor Service Co., Ltd. Director, Tianjin Heyu Toyota Sales & Service Co., Ltd. Director, Tianjin Hoxi Hozhan Motor Service Co., Ltd. Director, Beijing Heling Lexus Motor Sales & Service Co., Ltd. Director, Beijing Ho-Yu Toyota Motor Sales and Service Co., Ltd. Director, Linyi Heling Lexus Motor Sales & Service Co., Ltd. Director, Linyi Ho-Yu Motor Sales & Service Co., Ltd. Director, Tianjin Binhai New Area Heling Lexus Motor Sales & Service Co., Ltd. Director, Shanghai Fengyi Construction Decoration Limited Company Supervisor, Chang Yuan Motor Co., Ltd.			
Director	Japan	Toyota Financial Services Corporation Representative Tetsuo Higuchi	Male 51~65	2024/5/29	3 years	2024/1/1	130,074,859	22.96%	143,082,344	22.96%	-	-	-	-	Master of Business Administration, Hitotsubashi University, Japan DCEO of APR, Toyota Financial Services Corporation	Director, Hotai Leasing Co., Ltd. Director, Hoing Mobility Service Co., Ltd. Director, Hoyun International Leasing Co., Ltd. DCEO of APR, Toyota Financial Services Corporation Chairman, Toyota Financial Services Vietnam Co., Ltd. Director, Toyota Financial Services Korea Co., Ltd. Director, Toyota Financial Services Singapore Pte. Ltd. Director, Toyota Financial Services Philippines Corporation	-	-	-

II. Corporate Governance Report

Title	Nationality/Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouses and Children that are Minors		Shares Held under Nominee Accounts		Education and Experience	Current Positions Held in HFC and Other Companies	Spouse or Familial Relationship within the Second Degree of Consanguinity also holding Management, Directorial, or Supervisory Positions		
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship
																Director, Toyota Financial Services India Ltd. Director, Toyota Capital Malaysia Sdn. Bhd. Director, Toyota Leasing Thailand Co., Ltd.			
Independent Director	Taiwan	Ming-You Huang	Male Over 66	2024/5/29	3 years	2018/11/7	-	-	-	-	-	-	-	-	Department of Accounting, Soochow University Deputy Chairman, PricewaterhouseCoopers Taiwan Vice Chairman, PwC Tax Consulting Co., Ltd.	Chairman, Chuancheng Investment Consulting Co., Ltd. Chairman, Chuancheng Wangwang Investment Co., Ltd. CPA, Zhicheng Accounting Firm Independent Director, Zinwell Corporation Independent Director, Solomon Technology Co., Ltd. Director, Ascent Development Co., Ltd. Director, Bole Film Co., Ltd. Director, Jollify4ever Co., Ltd. Director, Jollify Venture Co., Ltd. Supervisor, Joint Journey Creative Co., Ltd.	-	-	-
Independent Director	Taiwan	Min-Chieh Chang	Male Over 66	2024/5/29	3 years	2023/5/31	-	-	-	-	-	-	-	-	Master of Institute of Industrial Technology, Pittsburgh State University Vice President, Hotai Motor Co., Ltd. President of Nan Du Motor Co., Ltd.	-	-	-	
Independent Director	Taiwan	Yu-Chih Liu	Female 51-65	2024/5/29	3 years	2024/5/29	-	-	-	-	-	-	-	-	Ph.D. of Computer Science, Southern Methodist University, U.S. Professor, Department of Information Management, Yuan Ze University Dean of Academic Affairs, Yuan Ze University Editorial Board Member, Project Management Journal	-	-	-	

II. Corporate Governance Report

Major shareholders of corporate shareholders of HFC

2026/3/30

Name of Corporate Shareholder	Major shareholders of corporate shareholders	Percentage
Hozan Investment Co, Ltd.	Hotai Motor Co., Ltd.	100%
Toyota Financial Services Corporation	Toyota Motor Corporation	100%

In cases where the major shareholders of the above corporate shareholders are also corporations, the following are their major shareholders:

2026/3/30

Company Name	Major Shareholders	Percentage
Hotai Motor Co., Ltd.	Toyota Motor Corporation	10.16%
	Hoyu Investment Co., Ltd.	8.83%
	Li Gang Enterprise Co., Ltd.	7.42%
	Jin Yuan Shan Investment Co., Ltd.	6.60%
	Cheng Sun Trading Co., Ltd.	4.49%
	Shen Rong Investment Co., Ltd.	3.11%
	Yuan Tuo Investment Co., Ltd.	2.69%
	Jin Ji Investment Enterprise Co., Ltd.	2.49%
	Zhi Geng Development Co., Ltd.	2.43%
	Tai Zhang Investment Co., Ltd.	2.29%
Toyota Motor Corporation	The Master Trust Bank of Japan, Ltd.	11.43%
	Toyota Industries Corporation	7.55%
	Custody Bank of Japan, Ltd.	5.14%
	Nippon Life Insurance Company	4.01%
	State Street Bank & Trust Company	3.62%
	JP Morgan Chase Bank, N.A.	3.48%
	DENSO Corporation	2.85%
	The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	2.13%
	Toyota Fudosan Co., Ltd.	1.58%
	Mitsui Sumitomo Insurance Co., Ltd.	1.29%

II. Corporate Governance Report

1. Professional qualifications and independence analysis of directors:

Name	Criteria		Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	Professional Qualification and Experience	Independence	
Giann-Jou Chen (Representative of Hozan Investment)	(1) Possesses working experience necessary for commercial and corporate business. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.	N/A.	0
Chwen-Shing Su (Representative of Hozan Investment)	(1) Possesses working experience necessary for commercial and corporate business. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		0
Leon Soo (Representative of Hozan Investment)	(1) Possesses working experience necessary for commercial and corporate business. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		0
Ryan Huang (Representative of Hozan Investment)	(1) Possesses working experience necessary for commercial and corporate business. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		0
Roger Huang (Representative of Hozan Investment)	(1) Possesses working experience necessary for commercial and corporate business. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		0
Tetsuo Higuchi (Representative of TFSC)	(1) Possesses working experience necessary for commercial and corporate business. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		0
Ming-You Huang	(1) Graduated from the Department of Accounting, Soochow University; was the Deputy Chairman and CPA of the PricewaterhouseCoopers Taiwan; has been in the accounting field for more than 30 years; is a Certified Public Accountant. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		In accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", each director has met the independence requirements, including but not limited to (1) himself/herself, his/her spouse, and any relative within the second degree of kinship is not a director, supervisor or employee of the Company, its affiliates or affiliates; (2) himself/herself, his/her spouse, or minor children hold no shares of the Company; (3) not holding any position in a company with which the Company has a specific relationship; and (4) himself/herself has not provided any services to HFC or its affiliates in the most recent two years.
Min-Chieh Chang	(1) Master of Institute of Industrial Technology, Pittsburgh State University; has been Vice President of Hotai Motor Co., Ltd. And has been President of Nan Du Motor Co., Ltd. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.	0	
Yu-Chih Liu	(1) Ph.D. of Computer Science, Southern Methodist University, U.S.; Professor of Department of Information Management and Dean of Academic Affairs, Yuan Ze University (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.	0	

II. Corporate Governance Report

2. Diversity and independence of the Board of Directors:

(1) Board of Directors diversity policies, goals and implementation:

The Company has regulated the consideration of diversity in the composition of the Board of Directors in Article 20 of the "Corporate Governance Best Practice Principles", and formulated appropriate diversification policies with respect to its operations, business types and development needs. All directors possess the professional knowledge and abilities necessary for the execution of their duties. Some directors have practical experience in the automobile-related industry and business management, and some directors also have different professional backgrounds in finance, technology, advertising, media, accounting and information management, demonstrating the diversity of the Board of Directors. In addition to the professional competence and practical experience of directors, the Company also attach great importance to their personal reputation for ethical behavior and leadership.

The Company currently has a total of 9 directors, including 3 independent directors, accounting for 1/3 of the board. None of the independent directors has served more than three terms, and none of the directors of the Company currently holds an employee position. The Company also emphasizes gender equality in the composition of the Board of Directors and aims to increase the number of seats for each gender to more than one-third of the Board. Among the 9 current directors, there is one female director, accounting for less than one-third of the total number of seats. This is due to the fact that the industry's characteristics lead to a predominance of male directors. The Company believes that the inclusion of female directors can bring more innovation and development to the company, and the number of female directors will be gradually increased. The company will continue to refer to the independent director talent database and engage in ongoing communication with institutional organizations to enhance the diversity of talent development and succession planning.

II. Corporate Governance Report

Name	Nationality	Gender	Age			Ability to Make Operational Judgments	Accounting and Financial Analytical Skills	Management and Administration	Crisis Management	Industry Knowledge	Global Market Perspective	Leadership	Decision-making Ability
			Under 50	51~65	Over 66								
Jiann-Jou Chen	Taiwan	Male		V		V	V	V	V	V	V	V	V
Chwen-Shing Su	Taiwan	Male		V		V	V	V	V	V	V	V	V
Leon Soo	Taiwan	Male		V		V	V	V	V	V	V	V	V
Ryan Huang	Taiwan	Male	V			V	V	V	V	V	V	V	V
Roger Huang	U.S.A.	Male	V			V		V	V	V	V	V	V
Tetsuo Higuchi	Japan	Male		V		V	V	V	V	V	V	V	V
Ming-You Huang	Taiwan	Male			V	V	V	V	V	V	V	V	V
Min-Chieh Chang	Taiwan	Male			V	V	V	V	V	V	V	V	V
Yu-Chih Liu	Taiwan	Female		V		V	-	-	V	V	V	-	V

(2) Independence of the Board of Directors:

Independence of the Board of Directors: The Company has 3 independent directors, accounting for 1/3 of all directors. All directors perform their duties faithfully, and the Board of Directors is independent and functional. There is no spouse or relatives of second degree kinship between the Company's directors and independent directors, which is in compliance with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

II. Corporate Governance Report

2.1.2 President, Vice President, Directors, and Department and Divisional Executive Officers

2026/3/30

Title	Nationality	Name	Gender	Date Elected	Shareholding		Share Ownership of Spouses and Children that are minors		Shares Held under Nominee Accounts		Education and Experience	Current Positions Held at other Companies	Spouse or Familial Relationship within the Second Degree of Consanguinity also holding Manager Positions		
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship
President	Taiwan	Yen-Liang Lin	Male	2016/7/1	190,300	0.03%	-	-	-	-	MBA, University of Memphis, USA Executives Program, Graduate School of Business Administration, National Chengchi University Marketing Manager, Fuwan Co., Ltd.	Chairman, Hoyun International Leasing Co., Ltd. Managing Director, Hoyun (Shanghai) Commercial Factoring Co., Ltd. Managing Director, Hoyun (Shanghai) Vehicle Leasing Ltd. Vice Chairman, HFC (Cambodia) Microfinance PLC. Director and President, HEJING Co., Ltd. Director and President, HEJUN Energy Co., Ltd. Director and President, Hotai Finance Development Co., Ltd. Chairman, Wei Tien Energy Storage Co., Ltd. Chairman, Guang Yang Energy Co., Ltd. Chairman, ChaoYang Energy Co., Ltd. Chairman, XianYao Energy Co., Ltd. Chairman, HEJUN Electricity Co., Ltd. Chairman, Tung Ching Energy Co., Ltd. Chairman, Tung Ching Green Energy Co., Ltd. Chairman, Billion Sunpower Co., Ltd. Chairman, Cheng Yo Technology Co., Ltd. Chairman, Hon Yang Energy Co., Ltd. Chairman, Jun Te Energy Co., Ltd. Director, Kai Lan Energy Co., Ltd. Director, Zheng Ren Energy Co., Ltd. Director, Heng Fong Energy Co., Ltd. Supervisor, Hotai Mobility Service Co., Ltd.	-	-	-
Vice President	Taiwan	Jui-Chi Lin	Male	2022/1/1	-	-	-	-	-	-	Department of Japanese Language and Culture, Soochow University Manager, Yulon Finance Corporation	Director, HEJING Co., Ltd.	-	-	-
Vice President	Taiwan	Kai-Jung Yang	Male	2025/4/1	50,000	0.01%	-	-	-	-	Graduate Institute of Management, University of Inowa Vice President, CTBC Bank Co., Ltd.	Chairman, Pacific One Energy Ltd. Chairman, Ruci Yang Guang Dian Co., Ltd. Vice Chairman, Gochabar Co., Ltd. Chairman, Tung Ching Energy Co., Ltd. Vice Chairman, Jun Te Energy Co., Ltd. Director, HFC (Cambodia) Microfinance PLC. Director, Perpetual New Energy Co. Ltd. Supervisor, Grinnodot Inc. Supervisor, Zheng Ren Energy Co., Ltd. Supervisor, Kai Lan Energy Co., Ltd.	-	-	-
Vice President	Taiwan	Jia-Feng Lee	Male	2025/4/1	48,400	0.01%	-	-	-	-	Tamkang University, BA in Statistics Senior Manager at Hotai Leasing Co., Ltd.	President, Hoyun International Leasing Co., Ltd.	-	-	-

II. Corporate Governance Report

Title	Nationality	Name	Gender	Date Elected	Shareholding		Share Ownership of Spouses and Children that are minors		Shares Held under Nominee Accounts		Education and Experience	Current Positions Held at other Companies	Spouse or Familial Relationship within the Second Degree of Consanguinity also holding Manager Positions		
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship
Senior Manager	Taiwan	Chun-I Tu	Male	2021/12/1	77,400	0.01%	79,860	0.01%	-	-	Department of Law, Fu Jen Catholic University	-	-	-	
Senior Manager	Taiwan	Chin-Tso Liao	Male	2022/1/1	24,200	0%	-	-	-	-	Graduate Institute of Management Science, National Chiao Tung University Division Chief, Fuwan Co., Ltd.	-	-	-	
Senior Manager	Taiwan	Po-Song Wu	Male	2023/6/1	-	-	-	-	-	-	National Cheng Kung University, BA in Transportation and Communication Management Science Senior Manager, Ve Wong Co. Senior Manager, Sinjang Co., Ltd. Vice President, Chao-Zhi Motor City Co., Ltd.	Director, Hotai Finance Development Co., Ltd.	-	-	-
Senior Manager	Taiwan	Tao-Ming Chang	Male	2024/2/1	-	-	-	-	-	-	National Defense University, BA in Accounting Manager, Aurora Industries, Inc.	-	-	-	
Senior Manager	Taiwan	Wei Lin	Male	2025/9/1	-	-	30,250	0%	-	-	Department of Law, National Chung Hsing University	-	-	-	
Accounting Manager	Taiwan	Chia-Ming Tsai	Male	2020/12/29	550	0%	-	-	-	-	Department of Accounting, Fu Jen Catholic University	Director, Jun Te Energy Co., Ltd.	-	-	-

Note: The above shareholdings and ratios are common shares.

2.2 Remuneration of Directors, Supervisors, President and Vice President in the Last Fiscal Year

2.2.1 Remuneration of directors and independent directors

As of December 31, 2025; Unit: NT\$ thousands

Title	Name	Remuneration of Directors								Total Remuneration (A+B+C+D) and its Percentage of Net Income								Compensation Received by Directors Serving Concurrently as Employees				Total Compensation (A+B+C+D+E+F+G) and its Percentage of Net Income		Compensation from reinvested businesses or parent company other than subsidiaries	
		Base Compensation (A)		Compensation for Loss of Office/Retirement (B)		Compensation to Directors (C)		Operational Expenses (D)				Salary, Bonuses, and Allowances (E)		Compensation for Loss of Office/Retirement (F)		Profit Sharing (G)									
		HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC		From All Consolidated Entities		HFC	From All Consolidated Entities		
																		Cash	Stock	Cash	Stock				
Director	Hozan Investment Co, Ltd.																								
	Toyota Financial Services Corporation																								
	Hozan Investment Co, Ltd. Representative Yuan-Sheng Liu (Note 1)																								
	Hozan Investment Co, Ltd. Representative Jiann-Jou Chen (Note 1)																								
	Hozan Investment Co, Ltd. Representative Chwen-Shing Su	7,238	8,284	-	-	-	-	118	185	7,356 0.22%	8,469 0.25%	-	-	-	-	-	-	-	-	-	-	7,356 0.22%	8,469 0.25%	59,384	
	Hozan Investment Co, Ltd. Representative Leon Soo																								
	Hozan Investment Co, Ltd. Representative Ryan Huang																								
	Hozan Investment Co, Ltd. Representative Roger Huang																								
	Toyota Financial Services Corporation Representative Tetsuo Higuchi																								
Independent Director	Ming-You Huang																								
	Min-Chieh Chang	2,160	2,160	-	-	-	-	165	165	2,325 0.07%	2,325 0.07%	-	-	-	-	-	-	-	-	-	-	2,325 0.07%	2,325 0.07%	N/A	
	Yu-Chih Liu																								
Total	9,398	10,444	-	-	-	-	283	350	9,681 0.29%	10,794 0.32%	-	-	-	-	-	-	-	-	-	-	9,681 0.29%	10,794 0.32%	59,384		

- Briefly describe the policy, system, standard and structure applied to independent director remuneration, and the relevancy between remuneration and factors such as their duties and responsibilities, risks borne, time invested:

II. Corporate Governance Report

The Company pay our independent directors based on the policies set out in our Articles of Incorporation, which also takes into consideration the industry salaries. The Board of Directors is authorized to propose independent director remuneration, which would then be reviewed by the Remuneration Committee and submitted to the Board of Directors for final approval; their remuneration has a positive correlation to business performance.

2. Remuneration received by any director of HFC for the services provided (e.g., as a non-employee advisor to the parent company, the consolidated entities included in HFC's latest financial report, and the reinvested businesses): None

Note: For net profit after tax in 2025, the amount of net profit attributable to the owners of the parent company in the Company's parent company only and consolidated financial statements is both NT\$3,375,930 thousand.

Note 1: The corporate director, Hozan Investment Co., Ltd., changed its representative to Jiann-Jou Chen on 2025/10/11 (replacing Yuan-Sheng Liu).

Director Remuneration by Range

Director Remuneration	Name			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	HFC	From All Consolidated Entities	HFC	The parent company and all affiliates
NT\$0 – NT\$999,999	Hozan Investment Co, Ltd. Toyota Financial Services Corporation Jiann-Jou Chen, Chwen-Shing Su, Leon Soo, Ryan Huang, Roger Huang, Tetsuo Higuchi, Ming-You Huang, Min-Chieh Chang, Yu-Chih Liu	Hozan Investment Co, Ltd. Toyota Financial Services Corporation Jiann-Jou Chen, Chwen-Shing Su, Leon Soo, Ryan Huang, Roger Huang, Tetsuo Higuchi, Ming-You Huang, Min-Chieh Chang, Yu-Chih Liu	Hozan Investment Co, Ltd. Toyota Financial Services Corporation Jiann-Jou Chen, Chwen-Shing Su, Leon Soo, Ryan Huang, Roger Huang, Tetsuo Higuchi, Ming-You Huang, Min-Chieh Chang, Yu-Chih Liu	Hozan Investment Co, Ltd. Toyota Financial Services Corporation Roger Huang, Tetsuo Higuchi, Ming-You Huang, Min-Chieh Chang, Yu-Chih Liu
NT\$1,000,000 – NT\$1,999,999	-	-	-	Leon Soo
NT\$2,000,000 – NT\$3,499,999	-	-	-	-
NT\$3,500,000 – NT\$4,999,999	-	-	-	-
NT\$5,000,000 – NT\$9,999,999	Yuan-Sheng Liu	Yuan-Sheng Liu	Yuan-Sheng Liu	Yuan-Sheng Liu
NT\$10,000,000 – NT\$14,999,999	-	-	-	Ryan Huang
NT\$15,000,000 – NT\$29,999,999	-	-	-	Jiann-Jou Chen, Chwen-Shing Su
NT\$30,000,000 – NT\$49,999,999	-	-	-	-
NT\$50,000,000 – NT\$99,999,999	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	12 people	12 people	12 people	12 people

II. Corporate Governance Report

2.2.2 Remuneration of President, Vice President, and Senior Managers

As of December 31, 2025; Unit: NT\$ thousands

Title	Name	Salary (A)		Compensation for Loss of Office/Retirement (B)		Bonuses and Allowances (C)		Employee Profit Sharing (D)				Total Compensation (A+B+C+D) and its Percentage of Net Income (%)		Compensation from reinvested businesses or parent company other than subsidiaries
		HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities	HFC		From All Consolidated Entities		HFC	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
President	Yen-Liang Lin	20,916	23,343	-	-	43,528	56,561	9,253	-	9,253	-	73,697 2.18%	89,157 2.64%	439
Vice President	Jui-Chi Lin													
Vice President	Kai-Jung Yang													
Vice President	Jia-Feng Lee													
Senior Manager	Chun-I Tu													
Senior Manager	Chin-Tso Liao													
Senior Manager	Po-Song Wu													
Senior Manager	Tao-Ming Chang													
Senior Manager	Wei Lin													

Note 1: For 2025, the net profit after tax attributable to owners of the parent amounted to NT\$3,375,930 thousand in both the Company's parent-only financial statements and consolidated financial statements.

Note 2: Wei Lin, Senior Manager, assumed office on September 1, 2025.

II. Corporate Governance Report

Director Remuneration by Range

Remuneration of President, Vice President, and Senior Managers	Names of President, Vice President, and Senior Managers	
	HFC	The parent company and all affiliates
NT\$0 – NT\$999,999	-	-
NT\$1,000,000 – NT\$1,999,999	-	-
NT\$2,000,000 – NT\$3,499,999	-	-
NT\$3,500,000 – NT\$4,999,999	-	-
NT\$5,000,000 – NT\$9,999,999	Jui-Chi Lin, Kai-Jung Yang, Jia-Feng Lee, Chun-I Tu, Chin-Tso Liao, Po-Song Wu, Tao-Ming Chang, Wei Lin	Jui-Chi Lin, Kai-Jung Yang, Jia-Feng Lee, Chun-I Tu, Chin-Tso Liao, Po-Song Wu, Tao-Ming Chang, Wei Lin
NT\$10,000,000 – NT\$14,999,999	-	-
NT\$15,000,000 – NT\$29,999,999	Yen-Liang Lin	Yen-Liang Lin
NT\$30,000,000 – NT\$49,999,999	-	-
NT\$50,000,000 – NT\$99,999,999	-	-
Over NT\$100,000,000	-	-
Total	9 people	9 people

Note: Wei Lin, Senior Manager, assumed office on September 1, 2025.

2.2.3 Names of Managers Receiving Employee Compensation and Allocation Details

As of December 31, 2025; Unit: NT\$ thousands

Manager		Stock	Cash	Total	Total Amount in % of Net Income
Title	Name				
President	Yen-Liang Lin	-	9,794	9,794	0.29%
Vice President	Jui-Chi Lin				
Vice President	Kai-Jung Yang				
Vice President	Jia-Feng Lee				
Senior Manager	Chun-I Tu				
Senior Manager	Chin-Tso Liao				
Senior Manager	Po-Song Wu				
Senior Manager	Tao-Ming Chang				
Senior Manager	Wei Lin				
Accounting Supervisor	Chia-Ming Tsai				

Note 1: For net profit after tax in 2025, the amount of net profit attributable to the owners of the parent company in the Company's parent company only and consolidated financial statements is both NT\$3,375,930 thousand.

Note 2: Wei Lin, Senior Manager, assumed office on September 1, 2025.

II. Corporate Governance Report

2.2.4 Analysis on remuneration paid by the Company and all consolidated entities to the Company's directors, president, vice president, and senior managers in the last two fiscal years in percentage of net income stated and description of the remuneration policy, standard, structure, and determination process, as well as their correlation with business performance and future risks.

- (1) Remuneration received by directors, president, vice president, and senior managers from the Company and all consolidated entities for the most recent two fiscal years in percentage of net income:

Unit: NT\$ thousands

	2024		2025 years	
	HFC	From All Consolidated Entities	HFC	From All Consolidated Entities
Director	11,285 0.37%	12,280 0.40%	9,681 0.29%	10,794 0.32%
President, Vice President, and Senior Managers	80,112 2.62%	87,498 2.86%	73,697 2.18%	89,157 2.64%

Note 1: For 2024, the net profit after tax attributable to owners of the parent amounted to NT\$3,055,491 thousand in both the Company's parent-only financial statements and consolidated financial statements.

Note 2: For 2025, the net profit after tax attributable to owners of the parent amounted to NT\$3,375,930 thousand in both the Company's parent-only financial statements and consolidated financial statements.

- (2) Remuneration policy, standard, structure, and determination process, as well as their correlation with business performance and future risks:
- (a) Director Remuneration: The remuneration paid to the Company's directors is determined in accordance with the Company's Articles of Incorporation and is aligned with prevailing industry standards, with authorization granted to the Board of Directors for determination. In addition, the Company has established a Remuneration Committee, and directors' remuneration must be reviewed and approved by the Remuneration Committee before being submitted to the Board of Directors for resolution. The remuneration of directors is based on the overall performance of the Company's operations (e.g., the achievement of the Company's revenue, net profit before tax and net income) and the results of the directors' performance evaluation, including but not limited to the directors' contribution to the Company's performance and their meeting attendance, as a reference for setting their individual compensation.
- (b) Manager Remuneration: Remuneration for the Company's President, Vice President and senior managers consists of salaries, bonuses and employee compensation, etc. Salaries and bonuses are mainly based on the positions held and the degree of contribution; employee compensation is based on the Company's Articles of Incorporation, and is submitted to the Board of Directors for resolution and reported to the shareholders' meeting. The Company conducts annual managerial performance review in accordance with the "Managerial Performance Review Regulations". The

II. Corporate Governance Report

review includes, but are not limited to, the achievement of annual goals, operational management ability, leadership and management ability, personal contribution to the Company's performance (based on the achievement rate of the Company's revenue, net income before tax and net income after tax) and personal contribution to the Company's ESG sustainability (assessing the risks and opportunities of sustainable business operations, and reviewing the extent to which the Company fulfills its social responsibility, environmental sustainability, and corporate governance priorities). The results of such review are used as a reference for the payment of performance bonuses and salary adjustments. The remuneration of managers is subject to the approval of the Remuneration Committee before it is submitted to the Board of Directors for resolution.

- (c) On a regular basis, the Remuneration Committee reviews the annual and long-term performance goals of the Board of Directors and the management team, as well as the policy, mechanism, standard, and structure of remuneration. The committee also regularly evaluates the achievement progress of the Board of Directors and the management team.

In summary, the Company's remuneration policy and determination process of directors, president, vice president, and senior managers have a positive correlation with business performance, and the reasonableness of such remuneration is reviewed by the Remuneration Committee and the Board of Directors. When needed, we will review and evaluate our remuneration policy and standard based on the Company's operations and applicable laws and regulations in order to maintain a balance between operational sustainability and risk management.

2.3 Corporate Governance

2.3.1 Operations of the Board of Directors:

Operations of the Board of Directors

In 2025, the Board of Directors convened 9 (A) meetings; the attendance of the directors is as follows:

Title	Name	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Attendance Rate % (B/A)	Remarks
Chairman	Hozan Investment Co, Ltd. Representative Yuan-Sheng Liu	5	-	100%	The corporate director was dismissed and reappointed on 2025/10/11.
Chairman	Hozan Investment Co, Ltd. Representative Jiann-Jou Chen	4	-	100%	The corporate director was appointed on 2025/10/11.
Director	Hozan Investment Co, Ltd. Representative Chwen-Shing Su	9	-	100%	
Director	Hozan Investment Co, Ltd. Representative Leon Soo	8	1	89%	
Director	Hozan Investment Co, Ltd. Representative Ryan Huang	9	-	100%	
Director	Hozan Investment Co, Ltd. Representative Roger Huang	8	1	89%	
Director	Toyota Financial Services Corporation Representative Tetsuo Higuchi	7	2	78%	
Independent Director	Ming-You Huang	9	-	100%	
Independent Director	Min-Chieh Chang	9	-	100%	
Independent Director	Yu-Chih Liu	9	-	100%	
Total attendance rate		77	4	95.06%	

Other information to be disclosed:

- (1) In either of the following events, specify the date and session number of the board meeting, summary of the proposal, the opinions of the independent directors, and the actions taken by the company in response to the opinions of independent directors:
 - (a) A matter stipulated in Article 14-3 of the Securities and Exchange Act occurs: HFC has elected independent directors and established an audit committee on November 7, 2018, the details of which can be found under the "Operations of the Audit Committee" section.
 - (b) In addition to the foregoing, there is any other resolution on record or in writing that contains the independent directors' dissenting or qualified opinion: N/A

(2) Implementation of Directors Recusal of Interested Matters

Date of Meeting	Directors to be recused	Proposal Content	Reason for recusal	Participation in voting
2025/1/14 8th meeting of the 11th Board	Yuan-Sheng Liu	Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions	The recusing director is a director or related party of the transaction counterparty	Did not participate in the discussion and voting.
2025/5/8 10th meeting of the 11th Board	Yuan-Sheng Liu	Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions	The recusing director is a director or related party of the transaction counterparty	Did not participate in the discussion and voting.
2025/8/5 11th meeting of the 11th Board	Yuan-Sheng Liu	Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions	The recusing director is a director or related party of the transaction counterparty	Did not participate in the discussion and voting.
		Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions		
2025/11/6 14th meeting of the 11th Board	Jiann-Jou Chen	Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions	The recusing director is a director or related party of the transaction counterparty	Did not participate in the discussion and voting.
2025/12/11 16th meeting of the 11th Board	Jiann-Jou Chen	Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions	The recusing director is a director or related party of the transaction counterparty	Did not participate in the discussion and voting.

(3) Enhancements to the functionality of the Board of Directors in the current year and the most recent year (e.g. establishment of an Audit Committee, enhancement of information transparency, etc.) and implementation evaluations:

- (a) Striving to implement the spirit of corporate governance, the Company has established the Audit Committee and the Remuneration Committee to assist the Board of Directors in improving corporate governance and strengthen the functions of the Board of Directors, and regularly evaluate and review the remuneration of directors and managers. Please refer to the Operations of the Audit Committee and the Remuneration Committee. In September 2021, a Risk Management Committee and an ESG Sustainable Management Committee were appointed.
- (b) The Board of Directors' Performance Evaluation Regulations were established by HFC on 2018/10/23, and amended on 2020/11/11. The latest external evaluation was to perform the 2023 External Performance Evaluation of the Board of Directors including functional committees in the fourth quarter of 2023. The evaluation results show that the Board of Directors is functioning well.
- (c) The Company has announced relevant important resolutions on the Market Observation Post System in accordance with the regulations to enhance information transparency.

Implementation of the Evaluation of the Board of Directors:

The Company has established the Board of Directors' Performance Evaluation Regulations whereby the Company conducts an internal performance evaluation of the Board of Directors, individual Board members and functional committees once a year, and commissions an external independent organization to conduct a Board of Directors performance evaluation at least once every three years.

- (1) The most recent external evaluation was conducted in the fourth quarter of 2023 by the Taiwan Institute of Ethical Business, which was commissioned to conduct an external evaluation of the performance of the Board of Directors, the Audit Committee, the Remuneration Committee, and the Risk Management Committee for 2023. The overall evaluation results showed that the functioning of the Board of Directors and the functional committees was "good". The results of the evaluation were reported to the Board of Directors on January 24, 2024.
- (2) In the fourth quarter of 2025, the Company conducted an internal assessment of the performance of the Board of Directors, individual Board members, and functional committees, and collected self-assessment questionnaires from 9 directors (including independent directors). The overall evaluation results showed that the functioning of the Board of Directors and the functional committees was "good". The results of the evaluation were reported to the Board of Directors on January 22, 2026.
- (3) The implementation in the most recent year is as follows:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Topics
Once a year; at least one external evaluation every three years	2025/1/1 ~ 2025/12/31	Board of Directors as a whole	Self-evaluation questionnaire	A. Participation in the operations of the Company. B. Improvement to the quality of the Board of Directors' decision-making. C. Board composition and structure. D. Selection of Board members and continuing education. E. Internal control.
		Individual Director	Self-evaluation questionnaire	A. An understanding of the goals and tasks of the Company. B. An understanding of the duties and responsibilities of the functional director. C. Participation in the operations of the Company. D. Internal relationship management and communication. E. Profession of members and continuing education. F. Internal control.
		Functional committees 1. Audit Committee 2. Remuneration Committee 3. Risk Management Committee	Self-evaluation questionnaire	A. Participation in the operations of the Company. B. An understanding of the duties and responsibilities of the functional committee. C. Quality of decision-making of functional committees. D. Composition of the functional committee and election of its members. E. Internal control.

II. Corporate Governance Report

2.3.2 Operations of the Audit Committee:

Operations of the Audit Committee

In 2025, the Audit Committee convened 8 (A) meetings; the attendance of the independent directors is as follows:

Title	Name	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Attendance Rate % (B/A)	Remarks
Independent Director Convener	Ming-You Huang	8	-	100%	
Independent Director	Min-Chieh Chang	8	-	100%	
Independent Director	Yu-Chih Liu	8	-	100%	

Other information to be disclosed:

- (1) If the operation of the Audit Committee is under any of the following circumstances, the meeting date and period, the contents of the motions, the independent directors' dissenting opinions, qualified opinions or major recommendations, the Audit Committee's resolution outcomes, and the Company's handling of the opinions of the Audit Committee shall be stated.

(a) Conditions described in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Proposal Content	Resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions
2025/1/14 7th meeting of the 3rd Audit Committee	<ol style="list-style-type: none"> Early termination of the leasing of right-of-use of property from a related party Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions Endorsement/Guarantee Provided to Hoyun (Shanghai) Commercial Factoring Co., Ltd. and Its Financial Institutions 	Passed without objection by all attending members
2025/3/6 8th meeting of the 3rd Audit Committee	<ol style="list-style-type: none"> 2024 Business Report and Financial Statements 2024 distribution of earnings proposal Lifting of non-compete restrictions on directors Change in the Company's Internal Audit Officer Amendment to the internal control system Statement on Internal Control System 	Passed without objection by all attending members
2025/5/8 9th meeting of the 3rd Audit Committee	<ol style="list-style-type: none"> 2025 Q1 Consolidated Financial Statements Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions Endorsement/Guarantee Provided to Hoyun (Shanghai) Commercial Factoring Co., Ltd. and Its Financial Institutions 	Passed without objection by all attending members
2025/8/5 10th meeting of the 3rd Board	<ol style="list-style-type: none"> 2025 Q2 Consolidated Financial Statements Proposal Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions Amendments to Corporate Governance Related Regulations 	Passed without objection by all attending members
2025/8/20 11th meeting of the 3rd Board	<ol style="list-style-type: none"> Proposal to Acquire Part of the Shares of HFC (Cambodia) Microfinance PLC. 	Passed without objection by all attending members
2025/11/6 12th meeting of the 3rd Board	<ol style="list-style-type: none"> The Company propose to approve that the Auditor and their Accounting Firm provide IFRS (S1/S2) consulting services to HFC and its subsidiaries. 2025 Q3 Consolidated Financial Statements Proposal Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions Amendment to the internal control system 	Passed without objection by all attending members
2025/11/27 13th meeting of the 3rd	<ol style="list-style-type: none"> Proposal to Invest in Shares of a Listed Financial Company in Thailand 	Passed without objection by all attending members

II. Corporate Governance Report

Audit Committee	Proposal Content	Resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions
Remuneration Committee		
2025/12/11 14th meeting of the 3rd Board	<ol style="list-style-type: none"> 1. Change in the Company's Internal Audit Officer 2. 2026 audit plan 3. Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions 4. Proposal to Invest in Shares of a Listed Financial Company in Thailand 	Passed without objection by all attending members

(b) Other than the aforementioned matters, any resolutions not passed by the Audit Committee but approved by more than two-thirds of all directors: None.

- (2) For the recusal of an independent director from a proposal because of a conflict of interest, the name of the independent director, the content of the proposal, the reason for recusal, and the participation in voting shall be disclosed: None.
- (3) Communication between independent directors and the internal audit officer and accountants
- (a) Summary of communications between independent directors and external auditors:

Date	Key Points of Communication
2025/3/6	<ul style="list-style-type: none"> • The Company's external auditor explained the audit results of the individual financial reports and consolidated financial reports for 2024 and communicated the audit results regarding key audit matters. • The auditor discussed and communicated with the independent directors regarding the issues raised.
2025/8/5	<ul style="list-style-type: none"> • The auditor discussed and communicated with the independent directors regarding the 2025 Q4 audit planning (absent of management and non-independent directors)

(b) Summary of communications between independent directors and the chief internal audit officer:

Date	Key Points of Communication
2025/1/14	<ul style="list-style-type: none"> • 2024 4th Internal Audit Report
2025/3/6	<ul style="list-style-type: none"> • 2024 Annual Assessment of Internal Control System Effectiveness and Statement of Internal Control System
2025/5/8	<ul style="list-style-type: none"> • 2025 1st Internal Audit Report
2025/8/5	<ul style="list-style-type: none"> • 2025 2nd Internal Audit Report (absent of management and non-independent directors)
2025/11/6	<ul style="list-style-type: none"> • 2025 3rd Internal Audit Report
2025/12/11	<ul style="list-style-type: none"> • 2026 Audit Plan

(4) Annual work highlights of the Audit Committee:

- (a) The purpose of the Audit Committee is to assist the Board of Directors in monitoring the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial control.
- (b) Matters reviewed by the Audit Committee primarily include:

II. Corporate Governance Report

No.	Item
1	Review of financial statements: The Board of Directors has prepared the Company's 2025 business report, financial statements and earnings distribution proposal, among which, the financial statements have been audited by PwC Taiwan, which has issued an audit report. The above-mentioned business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and found no irregularities.
2	Accounting policies and procedures.
3	Internal control system and related policies and procedures: The Audit Committee assessed the effectiveness of the Company's internal control system policies and procedures (including control measures in finance, operation, risk management, information security, legal compliance, etc.), and reviewed the regular reports by the Audit Department, Auditors and management, including risk management and legal compliance. The Audit Committee believes that the Company's risk management and internal control systems are effective, and the Company has adopted the necessary control mechanisms to supervise and correct violations.
4	Material Loaning of Funds by Endorsement or Guarantee.
5	Offering or issuance of securities.
6	Legal compliance.
7	Qualification, independence and performance evaluation of CPAs.
8	Appointment, dismissal, or remuneration of certified public accountants.
9	Fulfillment of duties by the Audit Committee.
10	Audit Committee Performance Evaluation Questionnaire.

II. Corporate Governance Report

2.3.3 The Status of Corporate Governance Operations and Any Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
1. Has the Company adopted and disclosed its corporate governance principles in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company have adopted HFC Corporate Governance Best Practice Principles in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, which is published on MOPS and made available on our corporate website.	N/A
2. Shareholders structure and shareholders' rights				
(1) Has the Company set up internal operating procedures for handling shareholder suggestions, inquiries, disputes, and litigation matters? If so, have these procedures been implemented accordingly?	V		(1) The Company has a spokesperson, an acting spokesperson, and a designated unit to handle shareholder affairs. And the Company's website has an "Investors" section for shareholders to make searches and inquiries.	(1) N/A
(2) Does the Company keep track of the list of major shareholders having actual control of the Company, as well as the beneficial owners of such shareholders?	V		(2) The Company maintains a consistent group of major shareholders, and we regularly monitor shareholder ownership by reviewing the shareholder register and the reported changes, provided by the stock agency, to the share ownership of directors and officers.	(2) N/A
(3) Has the Company built and implemented a risk management system and firewalls between the Company and its affiliates?	V		(3) The Company has adopted and implemented internal rules and regulations such as the Procedures for Transactions with Affiliated Companies, Specific Companies, and Related Parties and Guidelines for Subsidiary Oversight and Governance.	(3) N/A
(4) Has the Company established internal rules prohibiting insider trading on non-public information?	V		(4) In order to establish a good mechanism for the handling and disclosure of material internal information and to avoid improper leakage or untimely disclosure of information, the "Operating Procedures for Handling Material Internal Information" has been established, and the Company has adopted its Insider Trading Policy which prohibits all employees, managers, directors, and any other person who has knowledge of material non-public information due to their identity, position, or control from trading securities based on that non-public information. Every individual who is considered an insider of the Company and any other relevant personnel are required to strictly comply with the rules.	(4) N/A

II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation
	Yes	No	Summary	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the Board of Directors formulate and implement diversified policies, specific management goals?</p>	V		<p>(1) The Company has regulated the consideration of diversity in the composition of the Board of Directors in Article 20, item 3 of the "Corporate Governance Best Practice Principles." Except that the number of Directors who also serve as the Company's managerial officers shall not exceed one-third of the seats on the Board, the Company formulates appropriate diversification policies. The 11th Board of Directors of the Company consists of 9 members (term of office May 29, 2024~2027/5/28), including 3 independent directors (accounting for 1/3, and none of the 3 independent directors will serve for more than 3 terms) and 1 female director (accounting for 1/9; the Company emphasizes on gender equality in the composition of the Board of Directors and aims to increase the number of seats on the Board of Directors by more than one-third for each gender). None of the Company's directors has the identity of an employee. There are 2 directors under the age of 50, 5 directors between 51 and 65 years old, and 2 directors over 66 years old. All directors possess the professional knowledge and abilities necessary for the execution of their duties. Some directors have practical experience in the automobile-related industry and business management, and some directors also have different professional backgrounds in finance, technology, advertising, media, accounting and information management, demonstrating the diversity of the Board of Directors. In addition to the professional competence and practical experience of directors, the Company also attaches great importance to their personal reputation for ethical behavior and leadership. Aiming to strengthen the functions of the board of directors and achieve the ideal goal of corporate governance, Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates that the board of directors as a whole should have the following capabilities:</p> <ol style="list-style-type: none"> 1. Ability to Make Operational Judgments 2. Accounting and Financial Analytical Skills 3. Management and Administration 4. Crisis Management 5. Industry Knowledge 6. Global Market Perspective 7. Leadership 8. Decision-making Ability <p>Please refer to Note 1 for the Company's implementation of diversity policy.</p>	(1) N/A

II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation																								
	Yes	No	Summary																									
(2) In addition to the Remuneration Committee and the Audit Committee, has the Company established other functional committees voluntarily?	V		<p>(2) In addition to the Remuneration Committee and Audit Committee, the Company has established the Risk Management Committee and ESG Sustainable Management Committee on September 17, 2021, which will meet at least twice a year. The composition, duties and operation are as follows.</p> <p>Risk Management Committee:</p> <ol style="list-style-type: none"> Composition: 3 members are all independent directors <table border="1"> <thead> <tr> <th>Member</th> <th>Experience</th> </tr> </thead> <tbody> <tr> <td>Convener Ming-You Huang</td> <td>A practicing CPA for many years, with expertise in accounting, risk, and financial analysis.</td> </tr> <tr> <td>Min-Chieh Chang</td> <td>Previously served as Vice President of Hotai Motor Co., Ltd. and President of NAN DU Motors, and has some exposure to the Company's products, laws, and various risks.</td> </tr> <tr> <td>Yu-Chih Liu</td> <td>Professor of Department of Information Management, Yuan Ze University, specializing in big data analysis and information system management.</td> </tr> </tbody> </table> <ol style="list-style-type: none"> Duties and responsibilities: Improve risk control and management and strengthen the functions of the Board of Directors <table border="1"> <thead> <tr> <th colspan="2">Responsibilities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Regularly review the Company's risk management policy and procedures and put forth proposals for discussion by the Board of Directors.</td> </tr> <tr> <td>2</td> <td>Review the changes in the quality as well as risks and trends of the financial assets owned by the Company every six months and report the review results to the Board of Directors.</td> </tr> <tr> <td>3</td> <td>Regularly review the competent authority's legal requirements and the board's requirements for management mechanisms and other issues related to various risk management systems and report the review results to the Board of Directors.</td> </tr> <tr> <td>4</td> <td>Other major risks specified by the Company or competent authorities.</td> </tr> </tbody> </table> <ol style="list-style-type: none"> Operations: A total of 2 meetings were held in 2025, and the actual attendance rate was 100%. The operations were reported to the Board of Directors on December 11, 2025. <table border="1"> <thead> <tr> <th>Risk Management Committee</th> <th>Meeting Content</th> </tr> </thead> <tbody> <tr> <td>2025/3/6 2nd meeting of the 2nd ESG Sustainable Management Committee</td> <td>Review of asset quality management</td> </tr> <tr> <td>2025/8/5 2nd meeting of the 2nd Session</td> <td>Review of asset quality management</td> </tr> </tbody> </table> <p>ESG Sustainable Management Committee:</p> <ol style="list-style-type: none"> Composition: 5 members, with the Chairman serving as the convener and other members being HFC's senior managers, who have actual contact with HFC's corporate sustainability and have the ability to make relevant recommendations to the Board of Directors. 	Member	Experience	Convener Ming-You Huang	A practicing CPA for many years, with expertise in accounting, risk, and financial analysis.	Min-Chieh Chang	Previously served as Vice President of Hotai Motor Co., Ltd. and President of NAN DU Motors, and has some exposure to the Company's products, laws, and various risks.	Yu-Chih Liu	Professor of Department of Information Management, Yuan Ze University, specializing in big data analysis and information system management.	Responsibilities		1	Regularly review the Company's risk management policy and procedures and put forth proposals for discussion by the Board of Directors.	2	Review the changes in the quality as well as risks and trends of the financial assets owned by the Company every six months and report the review results to the Board of Directors.	3	Regularly review the competent authority's legal requirements and the board's requirements for management mechanisms and other issues related to various risk management systems and report the review results to the Board of Directors.	4	Other major risks specified by the Company or competent authorities.	Risk Management Committee	Meeting Content	2025/3/6 2nd meeting of the 2nd ESG Sustainable Management Committee	Review of asset quality management	2025/8/5 2nd meeting of the 2nd Session	Review of asset quality management	(2) N/A
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Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation																												
	Yes	No	Summary																													
(3) Has the Company established rules and methods for evaluating the performance of the Board of Directors, and conducts annual performance evaluations regularly, and reports the results of the performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination?	V		<table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>Chairman (Convener)</td> <td>Yuan-Sheng Liu (Note 1)</td> </tr> <tr> <td>Chairman (Convener)</td> <td>Jiann-Jou Chen (Note 2)</td> </tr> <tr> <td>President</td> <td>Yen-Liang Lin</td> </tr> <tr> <td>Vice President</td> <td>Jui-Chi Lin</td> </tr> <tr> <td>Vice President</td> <td>Kai-Jung Yang</td> </tr> <tr> <td>Senior Manager</td> <td>Po-Song Wu</td> </tr> </tbody> </table> <p>Note 1: Resigned on October 11, 2025. Note 2: Appointed by the Board of Directors on October 14, 2025.</p> <p>2. Duties and responsibilities: Promotion and implementation of corporate social responsibility policies and sustainable development.</p> <table border="1"> <thead> <tr> <th colspan="2">Responsibilities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Review and suggestions on the effectiveness of ESG implementation.</td> </tr> <tr> <td>2</td> <td>Set out the main ESG direction and outlined an annual implementation plan and progress.</td> </tr> </tbody> </table> <p>3. Operations: A total of 3 meetings were held in 2025, and the actual attendance rate was 100%. The operations were reported to the Board of Directors on December 11, 2025.</p> <table border="1"> <thead> <tr> <th>ESG Sustainable Management Committee</th> <th>Meeting Content</th> </tr> </thead> <tbody> <tr> <td>2025/5/8 2nd meeting of the 2nd Session</td> <td>(1) 2024 ESG Sustainability Report issuance 案</td> </tr> <tr> <td>2025/8/5 4th meeting of the 2nd Audit Committee</td> <td>(1) ESG project execution results report for the first half of 2025 (2) ESG project execution planning report for the second half of 2025</td> </tr> <tr> <td>2025/12/11 5th meeting of the 2nd ESG Sustainable Management Committee</td> <td>(1) ESG project execution results report for 2025 (2) Report on the status of stakeholder communication (3) IFRS S1/S2 Sustainability Disclosure Standards Implementation Report (4) ESG project execution planning for 2026</td> </tr> </tbody> </table>	Title	Name	Chairman (Convener)	Yuan-Sheng Liu (Note 1)	Chairman (Convener)	Jiann-Jou Chen (Note 2)	President	Yen-Liang Lin	Vice President	Jui-Chi Lin	Vice President	Kai-Jung Yang	Senior Manager	Po-Song Wu	Responsibilities		1	Review and suggestions on the effectiveness of ESG implementation.	2	Set out the main ESG direction and outlined an annual implementation plan and progress.	ESG Sustainable Management Committee	Meeting Content	2025/5/8 2nd meeting of the 2nd Session	(1) 2024 ESG Sustainability Report issuance 案	2025/8/5 4th meeting of the 2nd Audit Committee	(1) ESG project execution results report for the first half of 2025 (2) ESG project execution planning report for the second half of 2025	2025/12/11 5th meeting of the 2nd ESG Sustainable Management Committee	(1) ESG project execution results report for 2025 (2) Report on the status of stakeholder communication (3) IFRS S1/S2 Sustainability Disclosure Standards Implementation Report (4) ESG project execution planning for 2026	(3) N/A
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			<p>(3) The Company's Board of Directors has approved the establishment of the "Regulations Governing Performance Appraisal of the Board of Directors of Hotai Finance Co., Ltd.", and at the end of the year, the performance appraisal of the Board of Directors will be conducted, including the overall Board of Directors and the operation of functional committees, as well as the evaluation of the directors themselves.</p> <table border="1"> <thead> <tr> <th>Meeting</th> <th>Performance Evaluation Item</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td>Participation in the operations of the Company Improvement to the quality of the Board of Directors' decision-making Board composition and structure Election and continuing education of directors Internal control</td> </tr> </tbody> </table>	Meeting	Performance Evaluation Item	Board of Directors	Participation in the operations of the Company Improvement to the quality of the Board of Directors' decision-making Board composition and structure Election and continuing education of directors Internal control																									
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II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation																	
	Yes	No	Summary																		
(4) Does the Company regularly assess the independence of the CPAs?	V		<p>Functional committees</p> <p>Participation in the operations of the Company An understanding of the duties and responsibilities of the functional committee Improve the quality of decision making by functional committees Composition of the functional committee and election of its members Internal control</p>																		
			Reporting of evaluation results to the Board of Directors:																		
			<table border="1"> <thead> <tr> <th>Evaluation Year</th> <th>Evaluation Method</th> <th>Evaluation Results</th> <th>Board of Directors</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>External evaluation (Taiwan Institute of Ethical Business)</td> <td>The overall operation of the Board and the functional committees is in good condition.</td> <td>2024/1/24</td> </tr> <tr> <td>2024</td> <td>Internal self-assessment</td> <td>The overall operation of the Board and the functional committees is in good condition.</td> <td>2025/1/14</td> </tr> <tr> <td>2025</td> <td>Internal self-assessment</td> <td>The overall operation of the Board and the functional committees is in good condition.</td> <td>2026/1/22</td> </tr> </tbody> </table>		Evaluation Year	Evaluation Method	Evaluation Results	Board of Directors	2023	External evaluation (Taiwan Institute of Ethical Business)	The overall operation of the Board and the functional committees is in good condition.	2024/1/24	2024	Internal self-assessment	The overall operation of the Board and the functional committees is in good condition.	2025/1/14	2025	Internal self-assessment	The overall operation of the Board and the functional committees is in good condition.	2026/1/22	
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The results of the performance evaluation of the Company's Board of Directors will be used as a reference for the selection or nomination of directors; the performance evaluation results of individual directors will be used as a reference for determining their individual remuneration.																					
(4) The independence of the Company's attesting CPAs is evaluated by the Audit Committee and the Board of Directors once a year, and the evaluation of the independence and competency of the attesting CPAs shall be reviewed and approved by the Audit Committee and the Board of Directors. CPAs Chun-Yuan Hsiao and Chia-Hung Lin from PwC Taiwan have no interest or business relationship with the Company other than the professional fees for the attestation cases, and their family members and the audit team have not violated the criteria for independence (Note 2). On January 22, 2026, the Board of Directors and the Audit Committee reviewed and approved the appointment of 2025 CPAs and evaluation of independence and suitability.																					
4. Does the TWSE/TPEX listed company appoint competent and appropriate corporate governance personnel,	V		The Board of Directors of the Company resolved on March 19, 2019 to establish a Corporate Governance Officer to be responsible for corporate governance-related matters, protect shareholders' rights and interests and strengthen the functions of the Board of Directors.	N/A																	

II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation						
	Yes	No	Summary							
and designate a corporate governance officer to be responsible for corporate governance related affairs (including but not limited to providing directors and supervisors with the information required for performing their duties, and handling board meetings and shareholders' meetings in accordance with the law, company registration and change of registration, preparation of minutes of board of directors and shareholders' meetings)?			<p>As resolved by the Board of Directors on August 20, 2024, the corporate governance officer was changed to Vice President Kai-Jung Yang, who has experience in finance and board meeting management and meets the qualifications required of a corporate governance officer.</p> <p>Business implementation in 2025 is as follows:</p> <ol style="list-style-type: none"> 1. Assist directors in continuing education. 2. Evaluate and purchase "Directors' and Key Officers Liability Insurance", and explain the insured amount, coverage and insurance premiums in detail in the board meeting. 3. Draft the agenda of the board meeting and notify the directors 7 days before the meeting, convene the meeting and provide meeting materials, and remind the directors in advance if recusal is required due to conflict of interest. Prepare the minutes of the board meeting and distribute them to the directors within 20 days after the meeting. 4. Handle the pre-registration of the date of the shareholders' meeting according to laws, produce meeting notices, agenda handbooks, and minutes of meetings within the statutory deadline, and handle change registration matters in the case of amendments to the Articles of Incorporation or re-election of directors. 5. Convene meetings with the independent auditors, independent directors, internal audit, and accounting and finance officers on an ad hoc basis to implement the internal audit and internal control system. 6. The performance evaluation of the Board of Directors is conducted on a regular basis according to the "Procedures of Performance Evaluation of the Board of Directors" of the Company. At the end of each year, relevant information on the activities of the Board of Directors is collected, and relevant self-evaluation questionnaires are distributed and completed. The evaluation results are reported to the Board of Directors for review and improvement. <p>The continuing education in 2025 is as follows: The Corporate Governance Officer has attended courses related to the execution of his or her business in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", and has followed the "Taiwan Stock Exchange Corporation Operation Directions for Compliance With the Establishment of a Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", as the new Corporate Governance Officer to take at least eighteen hours of further education within one year from the date of assuming this position, and at least twelve hours of further education per year. The contents of the related education in 2025 are as follows:</p> <table border="1"> <thead> <tr> <th>Organizer</th> <th>Course name</th> <th>Number of hours</th> </tr> </thead> <tbody> <tr> <td>Taiwan Institute of Directors</td> <td>Leading Strategies in the Transformation of the Mobility Industry through AI</td> <td>3</td> </tr> </tbody> </table>	Organizer	Course name	Number of hours	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	
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II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation						
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			<table border="1"> <tr> <td>Taiwan Independent Director Association</td> <td>Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention</td> <td>3</td> </tr> <tr> <td>Taiwan Stock Exchange</td> <td>2025 Cathay Sustainable Banking and Climate Change Summit</td> <td>6</td> </tr> </table>	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6	
Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3								
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5. Does the Company create communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), set up a stakeholder section on the Company's website, and appropriately respond to stakeholders' important corporate social responsibility concerns Issues?	V		<p>The Company has set up a Stakeholders Section on the Company's website with contact persons, contact numbers, emails and other communication channels available to stakeholders for timely and proper handling of important corporate social responsibility issues that are of concern to stakeholders.</p> <p>Plan and discuss issues related to the economy, society, and environment that are of concern to stakeholders, and report to the Board of Directors once a year. The achievements on stakeholder communications in 2025 were reported to the Board of Directors on December 11, 2025.</p>	N/A						
6. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	V		The Company has appointed the Shareholders Service Agency Dept. of Taishin Securities to handle the shareholders' meeting affairs.	N/A						
7. Information Disclosure										
(1) Does the Company set up a website to disclose financial, business and corporate governance information?	V		(1) The Company website (www.hfcfinance.com.tw) has an "Investor Section" that discloses the Company's financial and business-related information, corporate governance information, and stakeholder information for the reference of shareholders and stakeholders. In addition, the Company discloses relevant information from time to time, and announces its profile and various financial and business information on the Market Observation Post System in accordance with the regulations of the competent authority.	(1) N/A						
(2) Has the Company adopted other means of information disclosure (e.g. setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, posting the proceedings of investor conferences on the Company's website)?	V		(2) The Company has set up a Chinese and English website, and the corporate governance unit has assigned dedicated personnel to be responsible for the collection of information for disclosure, and has complied with the relevant information disclosure regulations of the competent authority, and has set up a spokesperson and a deputy spokesperson to communicate. In 2025, after each quarterly financial report was announced, the Company was invited to conduct a total of four investor conferences, and the presentation materials and related links were made available in the Investor Relations section of the Company's website for public access.	(2) N/A						

II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline?		V	(3) The Company's annual financial statements are announced and reported within three months after the end of the year in accordance with Article 36 of the Securities and Exchange Act; the financial statements for quarters 1, 2, and 3 and the announcement and reporting of the operating status for each month are made before the deadline.	(3) The Company complied with the announcement and reporting deadline of the Securities and Exchange Act.
8. Does the Company have other important information that is helpful to understand the operation of corporate governance? (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholders' rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors)?	V		<p>(1) Employee rights: The Company protects the rights and interests of employees by providing an opinion box for employees in accordance with the Labor Standards Act and the Company's personnel regulations.</p> <p>(2) Employee care: The Company provides group insurance, club activities and other welfare measures, and commission professional institutions to provide assistance for employees, including medical and health consultations.</p> <p>(3) Investor relations: The Company has a spokesperson system in place to handle investor-related matters. There is also an investor section on the Company's website. Material information about the Company in finance, business, and changes in shareholdings by insiders are disclosed on the Market Observation Post System in a timely manner to protect investors' interests.</p> <p>(4) Supplier relations: The Company has open communication and grievance channels with suppliers and stakeholders. Each dedicated department is responsible for communication and coordination to protect their legitimate rights and interests.</p> <p>(5) Stakeholders' rights: Stakeholders of the Company may contact the Company directly at any time through the mailbox or telephone number disclosed on the Company's website.</p> <p>(6) Continuing education of directors: The Company provides information on relevant laws and regulations that directors need to pay attention to and information on professional knowledge training courses organized by relevant units from time to time, and has conducted continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."</p> <p>(7) Implementation of risk management policies and risk measurement standards: In September 2021, HFC established a functional Risk Management Committee and has also formulated risk management policies and various internal regulations. Major proposals relating to major policies such as investments, endorsements/guarantees, loans, and bank financing must be evaluated and analyzed by the appropriate responsible department and implemented in accordance with the resolution of the Board of Directors. The Risk Management Department is responsible for the implementation of risk management policies. The Risk Management Committee is responsible for supervising and proposing risk management policies for approval by</p>	N/A

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation						
	Yes	No	Summary							
			<p>the Board of Directors. The Audit Department formulates and executes the annual audit plan based on the risk assessment results to implement the supervision mechanism and control the execution of various risk management.</p> <p>(8) Implementation of customer policy: The Company upholds the philosophy of ethical management, continues to provide various innovative products and professional services that meet or exceed customer expectations, and specifically implements the spirit of "customer first and professionalism" to provide a full range of customer services.</p> <p>(9) The situation of the Company's purchasing liability insurance for the directors: The Company has purchased the liability insurance for the directors to reduce and diversify the risk of material damage to the Company's shareholders caused by the error or negligence of the directors.</p> <p>(10) Information security risk management framework and implementation: The Company has the IT Department as the main responsible information management unit to plan and review the Company's information security projects. The Company also established information security management measures and policies and computerized information system control operations to ensure the confidentiality, integrity and availability of information, protect the Company's information assets from improper use and disclosure, and ensure the security of information collection, processing, transmission, storage and circulation by requiring all employees to strictly comply and maintain the Company's information security.</p> <table border="1" data-bbox="582 1243 1236 1377"> <thead> <tr> <th>Year</th> <th>External Certification</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>Obtained ISO27001 certification for the first time in December</td> </tr> <tr> <td>2023~2025</td> <td>Passed ISO27001 certification by SGS every November.</td> </tr> </tbody> </table> <p>The information management unit holds monthly meetings. The discussion focuses on the review of relevant laws and regulations, such as the Personal Information Act and the Information Security Act, information security policy review and amendment, personnel education and training, network attack protection, physical equipment security enhancement, data backup/backup measures, conduct reviews and formulate countermeasures to implement information security policies and maintain information security.</p> <p>(11) Intellectual Property Rights Management Plan</p> <ol style="list-style-type: none"> Intellectual property rights management policy: Through the formulation and optimization of the intellectual property management system, while deepening the cooperation with enterprises in the industry value chain, the Company strengthens intellectual property risk management, and continuously enhances the Company's brand image to enhance brand penetration; trademark acquisition, protection, maintenance, and utilization, to enhance the market's awareness of the Company's and subsidiaries' service-related brands, to facilitate the diversified development of the Company and its subsidiaries, and to strengthen training and communication to improve the Company's personnel knowledge on intellectual 	Year	External Certification	2022	Obtained ISO27001 certification for the first time in December	2023~2025	Passed ISO27001 certification by SGS every November.	
Year	External Certification									
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II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation																				
	Yes	No	Summary																					
			<p>property, and promote the Company's compliance with corporate governance and intellectual property laws and regulations.</p> <p>2. 2025 IP management goals:</p> <table border="1"> <thead> <tr> <th></th> <th>Objective</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Pass TIPS Grade A revalidation (Announced on the official website of TIPS on December 31, 2024. Certification is valid until December 31, 2026)</td> </tr> <tr> <td>2</td> <td>Improve the Application and Control Process for Trademark Use</td> </tr> <tr> <td>3</td> <td>Ensure that the registered trademarks are indeed used externally to prevent them from being canceled due to non-use.</td> </tr> <tr> <td>4</td> <td>Add new trademark management Item for self-compliance check</td> </tr> <tr> <td>5</td> <td>Hold at least 2 educational training courses related to the intellectual property rights.</td> </tr> </tbody> </table> <p>3. Intellectual Property Management Manual 4. Regulations Governing the Administration of Trademarks 5. Regulations Governing the Management of Copyrights 6. Management of Confidential Documents 7. Intellectual Property Public Contract</p> <p>Implementation Status in 2025:</p> <p>1. The Company plans to report the relevant status of intellectual property management and operation to the Board of Directors in the fourth quarter of each year. The most recent report was on December 11, 2025.</p> <p>2. Implementation status of intellectual property management in 2025:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Implementation Status</th> </tr> </thead> <tbody> <tr> <td>Intellectual property related courses: 2 courses in total</td> <td> 1. Matters to be noted in relation to the Trade Secrets Act and the prohibition of employee competition, 1,323 person-times in total. 2. Explanation of TIPS management specification and promotion of the Company's intellectual property management system, 1,341 person-times in total </td> </tr> <tr> <td>The inventory list of intellectual property and associated results derived from the completed intellectual property inventory and audit</td> <td>As of the end of November 2025, the results of intellectual property rights inventory are 206 copyrights, 12 trademarks, and 1 patent.</td> </tr> <tr> <td>Intellectual property disputes occurred</td> <td>N/A</td> </tr> </tbody> </table>		Objective	1	Pass TIPS Grade A revalidation (Announced on the official website of TIPS on December 31, 2024. Certification is valid until December 31, 2026)	2	Improve the Application and Control Process for Trademark Use	3	Ensure that the registered trademarks are indeed used externally to prevent them from being canceled due to non-use.	4	Add new trademark management Item for self-compliance check	5	Hold at least 2 educational training courses related to the intellectual property rights.	Item	Implementation Status	Intellectual property related courses: 2 courses in total	1. Matters to be noted in relation to the Trade Secrets Act and the prohibition of employee competition, 1,323 person-times in total. 2. Explanation of TIPS management specification and promotion of the Company's intellectual property management system, 1,341 person-times in total	The inventory list of intellectual property and associated results derived from the completed intellectual property inventory and audit	As of the end of November 2025, the results of intellectual property rights inventory are 206 copyrights, 12 trademarks, and 1 patent.	Intellectual property disputes occurred	N/A	
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Intellectual property disputes occurred	N/A																							
			<p>(12) Restrictions on Insider Stock Transactions Prohibition of insiders, such as directors or employees, from trading marketable securities using non-public information. Trading of the Company's shares is not allowed during the closed periods preceding financial report announcements (30 days for annual reports and 15 days for quarterly reports).</p>																					

II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviation
	Yes	No	Summary	
9.			<p>Please describe the improvements made based on the corporate governance evaluation results published by the Taiwan Stock Exchange Corporation in the most recent year, and propose enhancement measures and measures for the matters that have not yet been improved.</p> <p>The Company was ranked 6-20% in the 12th Corporate Governance Evaluation and will continue to strengthen its corporate governance in the future.</p> <p>Priority for Improvements:</p> <p>Pay attention to gender equality in the composition of the Board of Directors, aim to achieve more than one-third of the board seats for each gender, and gradually increase the number of female directors.</p>	

Note 1: Implementation of the Company's diversity policy

Name	Nationality	Gender	Age			Ability to Make Operational Judgments	Accounting and Financial Analytical Skills	Management and Administration	Crisis Management	Industry Knowledge	Global Market Perspective	Leadership	Decision-making Ability
			Under 50	51~65	Over 66								
Jiann-Jou Chen	Taiwan	Male		V		V	V	V	V	V	V	V	V
Chwen-Shing Su	Taiwan	Male		V		V	V	V	V	V	V	V	V
Leon Soo	Taiwan	Male		V		V	V	V	V	V	V	V	V
Ryan Huang	Taiwan	Male	V			V	V	V	V	V	V	V	V
Roger Huang	U.S.A.	Male	V			V		V	V	V	V	V	V
Tetsuo Higuchi	Japan	Male		V		V	V	V	V	V	V	V	V
Ming-You Huang	Taiwan	Male			V	V	V	V	V	V	V	V	V
Min-Chieh Chang	Taiwan	Male			V	V	V	V	V	V	V	V	V
Yu-Chih Liu	Taiwan	Female		V		V	-	-	V	V	V	-	V

Note 2: Criteria for evaluating the independence of CPAs.

Evaluation Item	Evaluation Results	Independence
1 Do the CPAs, their spouses, or underage children invest or share financial benefits with HFC?	No	Yes
2 Has the accountant or his/her spouse or underage children borrowed funds from the Company? Except when the principal is a financial institution and has regular transactions.	No	Yes
3 Are the CPAs or members of the audit service team serving as directors, managers, or positions that have a significant impact on the audits of the Company currently or in the past two years?	No	Yes
4 Do the accountants or members of the audit service team promote or mediate stocks or other securities issued by the Company?	No	Yes
5 In addition to the services permitted by law, do the accountants or members of the audit service team defend legal cases or other disputes on behalf of HFC and third parties?	No	Yes
6 Does the CPA or member of the audit team have a spousal relationship, direct blood relatives, relatives by marriage, or second-degree relatives and so on collateral relatives by blood, with any director, managerial officer, or any person in HFC who has a significant influence on the audit?	No	Yes
7 Do the co-practicing accountants within one year after resignation serve as the Company's directors, managers, or positions that have a significant impact on the audit?	No	Yes
8 Do the CPA or members of the Audit Service Team receive any gifts or special offers of significant value from the Company or its directors, managers or major shareholders?	No	Yes
9 Are the CPAs currently engaged by the principal or the surveyee to perform regular duties, receive fixed salaries, or serve as directors or supervisors?	No	Yes

Appendix: Continuing Education of Directors in the Most Recent Year

Title	Name	Date of continuing education	Organizer	Course name	Number of hours for continuing education	Total hours	First appointment
Chairman	Jiann-Jou Chen	2025/6/24	Taiwan Insurance Development Center	Challenges and Future Trends in Information Security for the Financial and Insurance Industry	3	9	-
		2025/9/19	Taiwan Insurance Development Center	Sustainable Insurance and Responsible Investment (including the Self-Regulatory Code for the Insurance Industry Responsibility Map System)	3		
		2025/9/25	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Sustainability Trends	3		
Director	Chwen-Shing Su	2025/4/17	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	9	-
		2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3		
		2025/9/25	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Sustainability Trends	3		
Director	Leon Soo	2025/4/17	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	9	-
		2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3		
		2025/9/25	Taiwan Institute of Directors	New Perspectives on Corporate Governance under Sustainability Trends	3		
Director	Ryan Huang	2025/4/17	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	12	-
		2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3		
		2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6		
Director	Roger Huang	2025/4/17	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	12	-
		2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3		
		2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6		
Director	Tetsuo Higuchi	2025/4/17	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	12	-
		2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3		
		2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6		
Independent Director	Ming-You Huang	2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3	12	-
		2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6		
		2025/9/26	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3		

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Title	Name	Date of continuing education	Organizer	Course name	Number of hours for continuing education	Total hours	First appointment
Independent Director	Min-Chieh Chang	2025/4/17	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	12	-
		2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3		
		2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6		
Independent Director	Yu-Chih Liu	2025/4/17	Taiwan Institute of Directors	Leading Strategies in the Transformation of the Mobility Industry through AI	3	12	-
		2025/5/27	Taiwan Independent Director Association	Anti-Money Laundering Course - Latest Laws and Policies on Fraud Prevention	3		
		2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6		

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2.3.4 Composition and Operations of the Company's Remuneration Committee

The Company established the Remuneration Committee in November 2018 in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". The Remuneration Committee meets at least twice a year. Its operations are carried out in accordance with the "Remuneration Committee Organizational Charter".

Responsibilities	
1	Regularly review the Charter and propose amendments thereto
2	Establish and regularly review the policies, systems, criteria and structures for evaluating the performance and remuneration of the Company's directors, supervisors and managers
3	Regularly evaluate the remuneration of the Company's directors, supervisors and managers.

1. Remuneration Committee Members

Title	Name	Criteria		Number of Other Public Companies where Concurrently Serving as a Remuneration Committee Member
		Professional Qualification and Experience	Independence	
Independent Director (Convener)	Ming-You Huang	(1) Graduated from the Department of Accounting, Soochow University; was the Deputy Chairman and CPA of the PricewaterhouseCoopers Taiwan; has been in the accounting field for more than 30 years; is a Certified Public Accountant. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.	In accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", each director has met the independence requirements, including but not limited to (1) himself/herself, his/her spouse, and any relative within the second degree of kinship is not a director, supervisor or employee of the Company, its affiliates or affiliates; (2) himself/herself, his/her spouse, or minor children hold no shares of the Company; (3) not holding any position in a company with which the Company has a specific relationship; and (4) himself/herself has not provided any services to HFC or its affiliates in the most recent two years.	2
Independent Director	Min-Chieh Chang	(1) Master of Institute of Industrial Technology, Pittsburgh State University; has been Vice President of Hotai Motor Co., Ltd. And has been President of Nan Du Motor Co., Ltd. (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		0
Independent Director	Yu-Chih Liu	(1) Ph.D. of Computer Science, Southern Methodist University, U.S.; Professor of Department of Information Management and Dean of Academic Affairs, Yuan Ze University (2) Not has been in or is under any circumstances stated in Article 30 of the Company Act.		0

2. Operations of the Remuneration Committee

- (1) The Remuneration Committee consists of three members.
- (2) The term of office for the current members is from June 13, 2024 to May 28, 2027. In 2025, the Remuneration Committee convened three (A) meetings; the qualifications and attendance of the Remuneration Committee members is as follows:

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Title	Name	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Attendance Rate % (B/A)	Remarks
Convener	Ming-You Huang	3	-	100%	
Member	Min-Chieh Chang	3	-	100%	
Member	Yu-Chih Liu	3	-	100%	

(3) The proposals and resolutions of the Remuneration Committee and the actions taken by the company in response to the opinions of the remuneration committee in 2025:

Remuneration Committee	Proposal Content	Committee Decision	Company's Response to Committee's Opinion
2025/3/6 3rd meeting of the 4th Board	1. 2024 distribution of remuneration to employees 2. Amendment to the Company's "Articles of Incorporation"	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
2025/5/8 4th meeting of the 4th Board	Performance bonus for managerial officers and profit-sharing remuneration for employees for 2024	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
2025/8/5 4th meeting of the 5th Board	2025 Annual Salary Adjustment for Managers and All Employees	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.

Other information to be disclosed:

- (1) If the Board of Directors declines or revises the recommendations provided by the Remuneration Committee, please specify the date and session number of the board meeting, summary of the proposal, resolutions by the Board of Directors, and the actions taken by the company in response to the opinions of remuneration committee (e.g., the circumstances and reasons for the difference shall be specified if the remuneration adopted by the Board of Directors is more preferential than the Remuneration Committee's recommendation): N/A.
- (2) If there is any dissenting or qualified opinion by a member on the Remuneration Committee's resolutions on record or in writing, the date and session number of the remuneration committee meeting, summary of the proposal, and all members' opinions and responses should be specified: N/A.

2.3.5 The Company's Promotion of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

1. Implementation Status of Promoting Sustainable Development

Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
1. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorizing the board of directors for handling, and the status of the supervision of the board of directors?	V		<p>The Company adheres to the vision and mission of the ESG policy, and emphasizes on the issue of sustainable development. In order to strengthen the effectiveness of the original ESG business execution, the Company has established the “ESG Sustainable Management Committee” under the Board of Directors (established in March 2019, and renamed in September 2021). It is the highest sustainable development decision-making center within the Company. The Chairperson acts as convener and meeting chair, and with senior managers (Departmental Head and above level) from different fields, jointly examine the Company's core operating capabilities and formulate short, medium and long-term sustainable development plans.</p> <p>The various functional teams have been set up under the committee, including the Environmental Sustainability team, Corporate Governance team, and Social Participation team, to handle the issues of concerns to different stakeholders and promote the planned work with the relevant departments of the Company, so as to carry out the planning, promotion and execution of related business. By the end of 2025, the IFRS S1/S2 Sustainability Disclosure Standards will be implemented to identify the risks and opportunities of various sustainability issues and their financial impact on the company. In accordance with the regulations of the Financial Supervisory Commission, regular reports will be made to the Board of Directors and the competent authority.</p> <p>The “ESG Sustainable Management Committee” meets at least twice a year and as often as necessary. The Committee should report to the Board of Directors at least once a year on the results of its operations (including, but not limited to, an executive report, a report on the status of stakeholder communication, and an annual plan). It last reported to the Board of Directors on December 11, 2025.</p> <p>A total of 3 meetings were held in 2025: May 8, 2025: Issuance of the 2024 ESG Sustainability Report August 05, 2025: ESG project execution results for the first half of 2025 and execution planning for the second half of 2025 December 11, 2025: ESG project execution results for 2025, stakeholder communications, IFRS S1/S2 Sustainability Disclosure Standards Implementation Report, and ESG project execution planning for 2026</p> <p>The Board of Directors regularly listens to various reports of the management team, including the ESG report. From time to time, the management team conduct the implementation, progress monitoring, and review of sustainable development strategies and topic proposals after the evaluation and resolution of the Board of Directors. Please refer to the Company's ESG Sustainability Report for the implementation.</p>	N/A
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of	V		<p>The Company follows the materiality principle of the GRI Standards and uses the four major procedures of "Identify, Sort, Confirm, and Review" to identify material topics and select the key sustainability topics. Material topics are analyzed and ranked in order to determine the priority of environmental, social (including human rights) and corporate governance issues, and to formulate relevant management strategies or</p>	N/A

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Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
materiality, and establish relevant risk management policies or strategies?			performance targets. Please refer to the Company's ESG Sustainability Report for the implementation.	
3. Environmental Issues				
(1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		(1) HFC is committed to creating a low-carbon, safe, and highly efficient working environment. In addition to following waste disposal regulations and implementing resource recycling and sorting guidelines, a regular cleaning and disinfection mechanism has been established to maintain the health of employees. The company also cooperates with the building management committee to conduct annual fire safety and regular elevator inspections to ensure the safety of the operational environment. By fully implementing the 5S management regulations (sort, set in order, shine, standardize, sustain), we eliminate resource waste and strengthen environmental discipline, thereby enhancing work efficiency and corporate productivity.	(1) N/A
(2) Is the Company committed to improving the efficiency of energy use and using recycled materials with low impact on the environment?	V		(2) HFC actively promotes energy conservation and carbon reduction measures to respond to the impact of environmental changes, and implements sustainable environmental development through the following strategies: 1. Energy efficiency management: Fully introduce high-efficiency lighting and Grade 1 energy-efficient electrical appliances; optimize operational regulations, implement light switch-off during lunch breaks, alternate lighting, and regular maintenance of air conditioning. Simultaneously implement the management habit of "turning off idle power sources" to reduce electricity consumption from the source. 2. Digitalization and paperless transformation: Integration of video Meeting systems, promotion of digitization of credit investigation and paperless credit matching, implementation of electronic business cards, and the introduction of printer authentication control along with double-sided printing mechanisms. Through process innovation, accurately control paper usage to achieve resource conservation and operational cost reduction. 3. Implement the green procurement strategy: prioritize purchasing products with environmental protection and energy-saving labels, and expand the use of recyclable materials to reduce the environmental impact of the product life cycle. 4. Promote the transition to low-carbon operations: gradually replace the fleet of business vehicles with hybrid vehicles. In terms of energy structure, aside from the headquarters (10th and 8th floors) and the Xinhua office (7th and 8th floors) having already introduced green power, we are also continuously promoting the use of renewable energy at our own and leased locations, and acquiring green buildings such as the Kuo Yang Digital Technology Building in Sanchong as office locations.	(2) N/A
(3) Does the Company evaluate the potential risks and opportunities posed by	V		(3) The Company actively responds to climate change issues and plans management measures. In 2021, we signed up for the Task Force on Climate-related Financial	(3) N/A

Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies and Reasons for Deviation								
	Yes	No	Summary									
<p>climate change to the Company at present and in the future, and take countermeasures in response to climate-related issues?</p> <p>(4) Has the Company kept statistics on greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulated policies for energy conservation, carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?</p>	V		<p>Disclosures (TCFD) and adopted the TCFD framework recommended by the Financial Stability Board (FSB) to disclose climate risks and opportunities, and we increase the scope of disclosures year by year to build a complete climate change governance mechanism.</p> <p>Major issues on physical and transitional risks are as follows.</p> <p>Physical risk: Immediate physical risk, such as increased severity of extreme weather events such as typhoons and floods.</p> <p>Transition risk: Changes in customer behavior and uncertainty of market information are market risks, and consumer preferences for reputation risk are changes. In addition, opportunities with significant impact are: The adoption of incentive policies for energy sources, as well as products and services related to the development of climate adaptation and insurance risk solutions, the development of new products and services for R&D and innovation, and changes in consumer preferences.</p> <p>The Company has formulated management actions and targets for mitigation and adjustment in response to major climate risks and opportunities. For example, in the face of market risks, the Company actively understands the market trend of green products and pays attention to customer needs in order to adjust products and services in a timely manner, such as providing preferential interest rates for eco-friendly vehicles. Please refer to the Company's ESG Sustainability Report for the content of climate risks and opportunities.</p> <p>(4) The Company has implemented the inventory of greenhouse gas emissions in the past two years in accordance with the international standard ISO14064-1, and entrusted a third party (SGS) for the inspection. For greenhouse gas emission, water consumption, and waste generation, please refer to the Company's ESG Sustainability Report.</p> <p>The Company actively responds to Taiwan's 2050 net zero emission goal, promotes various environmental management operations based on the scientific and quantitative data from ISO 14064-1 greenhouse gas inventory, and plans a net zero blueprint to review and adjust actions and goals on a rolling basis on a regular basis. Concurrently, establish an environmental management information system, implement an environmental culture, and disclose information on the official website and ESG sustainability report.</p> <p>For greenhouse gases:</p> <table border="1"> <thead> <tr> <th colspan="2">Reduction Management Actions</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>Reduce the number of internal combustion engine vehicles in our official vehicles year by year</td> </tr> <tr> <td>Scope 2</td> <td>Introduce green power at the headquarters and the Xinhua office location, and actively promote electricity conservation and the procurement of grade 1 energy-efficient electrical appliances, as well as promote the green energy industry.</td> </tr> <tr> <td>Scope 3</td> <td>Aim to reduce waste and promote recycling and digitalization of document</td> </tr> </tbody> </table>	Reduction Management Actions		Scope 1	Reduce the number of internal combustion engine vehicles in our official vehicles year by year	Scope 2	Introduce green power at the headquarters and the Xinhua office location, and actively promote electricity conservation and the procurement of grade 1 energy-efficient electrical appliances, as well as promote the green energy industry.	Scope 3	Aim to reduce waste and promote recycling and digitalization of document	(4) N/A
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II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies and Reasons for Deviation												
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			Please refer to the Company's ESG Sustainability Report for other greenhouse gas management actions.(https://esg.hfcfinance.com.tw/zh-tw/download)													
4. Social Issues																
(1) Has the Company established relevant management policies and procedures in accordance with applicable laws and International Bill of Human Rights?	V		(1) The Company has clearly stipulated in the personnel regulations in accordance with the Labor Standards Act and the Act of Gender Equality in Employment that the employment, promotion and various evaluations of human resources are not based on gender, race, social and economic class, age, marriage and family status. The Company has complied with the Labor Standards Act for all employees.	(1) N/A												
(2) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect the operating performance or results in the employee remuneration?	V		(2) The Company's employee welfare measures such as: competitive annual salaries, year-end bonuses are better than the market level, bonus, annual salary adjustment, incentives (incentives determined by position), employees with outstanding performance who have served for 25 years receive a stock reward valued at 120,000, group insurance, accident insurance, gifts for three festivals, birthday gifts, scholarships, discounts at designated stores, subsidies for foreign language training, foreign language test score incentives, and employee car discounts, regular health checkups, medical subsidies, weddings, funerals, births, hospitalization subsidies and consolation funds for employees and dependents, travel subsidies, competition tours, and a variety of club activities. The Company launched an employee stock ownership trust in 2024 to boost morale and enhance cohesion of employees. The Company has formulated a reasonable salary policy, cooperated with the performance appraisal system, effectively implemented rewards and disciplines, and linked operating performance to reflect performance bonuses. All benefits are designed according to the laws and regulations, and the benefits system is designed to meet the needs of employees.	(2) N/A												
(3) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?	V		(3) With the principle of safety first, the Company is committed to providing a safe working environment and planning and implementing safety protection measures to build a safe and reliable working environment. In 2025, there were no fires and other occupational disasters, and no occupational disasters occurred to employees. The specific measures are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Specific Measures</th> </tr> </thead> <tbody> <tr> <td colspan="2">I. System and Management Framework</td> </tr> <tr> <td style="text-align: center;">1</td> <td>Occupational safety and health officers are appointed in each office of the Company in accordance with the regulations, responsible for planning, executing, and managing occupational safety and health-related affairs.</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Fire-fighting facilities are built and maintained in accordance with regulations to ensure compliance with legal requirements.</td> </tr> <tr> <td colspan="2">II. Workplace Safety Equipment and Environmental Management</td> </tr> <tr> <td style="text-align: center;">3</td> <td>The office is equipped with central air-conditioning and sufficient lighting, and access control is used to protect the safety of employees.</td> </tr> </tbody> </table>	Specific Measures		I. System and Management Framework		1	Occupational safety and health officers are appointed in each office of the Company in accordance with the regulations, responsible for planning, executing, and managing occupational safety and health-related affairs.	2	Fire-fighting facilities are built and maintained in accordance with regulations to ensure compliance with legal requirements.	II. Workplace Safety Equipment and Environmental Management		3	The office is equipped with central air-conditioning and sufficient lighting, and access control is used to protect the safety of employees.	(3) N/A
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Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
(4) Does the Company establish an effective career ability development training program for employees?	V		4 First aid kits are available, and the offices are equipped with automated external defibrillators (AED) to enhance emergency response capabilities.	(4) N/A
			5 The workplace is disinfected once a quarter.	
			6 Replacement of water dispenser filters on a regular basis to ensure the hygiene and safety of drinking water.	
			III. Educational training and drill mechanisms.	
			7 Conduct regular fire and safety drills for each office in accordance with building and fire safety regulations.	
			8 Participate in fire drills in conjunction with the office building to enhance overall disaster response capabilities.	
			IV. Employee health promotion and care measures	
			9 Regular health checkups are provided according to employees' ages to care about their health.	
			10 Establish an on-site medical services mechanism to provide employees with physical and mental health adjustments and consultation assistance.	
			11 Nursing and breastfeeding rooms are available for employees.	
			V. Accident Response and Employee Protection	
			12 In the event of a disaster, operations shall be stopped immediately, rescue efforts shall be provided, and employees shall be granted work injury leave in accordance with the law.	
			13 Assist employees in applying for labor insurance and group insurance subsidies, and provide employees with the assistance they need in the shortest time possible in the event of accidents.	
			(4) Every year, the Company formulates an annual talent development plan and provides physical and online functional courses for employees at all levels to enhance the effectiveness of learning in a variety of ways. In addition, the Company also supports the development of employees' career abilities through systems and resources such as rotations, external training , and foreign language subsidies.	
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Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
			<p>between professional techniques and work practices, and continuously enhancing professional effectiveness.</p> <p>Online Training</p> <ol style="list-style-type: none"> 1. MBA Academy: Established into four professional academies based on functions: "Marketing Management," "Finance," "Customer Management," and "Business Sales," to make the online courses more diversified and complete, providing colleagues with a self-learning environment that is not limited by time or space. 2. General courses: Provide courses in line with industry trends in thinking and technology to strengthen employees' digital transformation capabilities and enhance their hard and soft skills. 3. Legal Courses: Strictly implement the self-regulatory responsibilities of listed companies, regularly provide training courses on corporate governance, internal control, and relevant regulations to deepen the culture of compliance among all employees. <p>In 2025, a total of 93 courses were offered for employee training (including online courses), with 23,939 participants completing the training.</p>	
(5) Des the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect consumers' or customers' rights and interests?	V		(5) The Company's marketing procedures are in compliance with the requirements and restrictions on the use of personal information of the Personal Data Protection Act; the provision of products and services fully complies with the relevant provisions of the Consumer Protection Act, so that consumers have sufficient contract review period to understand the contents of the service or product. Marketing and labeling also follow the relevant provisions of the Fair Trade Act. The Company also attaches great importance to customer opinions. In addition to timely visiting and caring, the Company also provides a contact number, email address and official Line account on the Company's website for customers to ask questions and provide a channel for suggestions. We uphold the spirit of integrity principle by appropriate handling and feedback to protect the rights and interests of consumers and customers.	(5) N/A
(6) Does the Company have a supplier management policy defined to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and the implementation status thereof?	V		(6) The Company has established supplier management procedures for suppliers, and conducts supplier evaluation and assessment in the fourth quarter of each year for qualified and registered suppliers. For the registered suppliers, before dealing with the Company, in addition to signing the integrity commitment to ensure that there is no bribe acceptance and compliance with relevant laws and regulations, all suppliers must sign the supplier commitment. Besides maintaining labor human rights, they are also committed to environmental protection and compliance with policies and laws. Furthermore, they are provided with counseling and communication to pursue the sustainable development of the company and partners. In 2025, a total of 38 suppliers were collaborating with HFC, and the supplier assessment ratio was 100%. As a	(6) N/A

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Evaluation Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
			<p>result, 23 suppliers were rated Grade A, 15 suppliers rated Grade B, 0 suppliers rated Grade C, and 0 suppliers rated Grade D.</p> <p>Content of supplier counseling and communication in 2025:</p> <ol style="list-style-type: none"> 1. Introduction to the Occupational Safety and Health Act. 2. Explanation of Major Occupational Disasters. 	
<p>5. Does the Company prepare reports disclosing the Company's non-financial information, such as the Sustainability Report, with reference to international reporting standards or guidelines? Has the aforementioned reports obtained assurance or an assurance opinion from a third-party verification unit?</p>	V		<p>Starting from 2019, the Company compiles the sustainability report annually based on the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the Global Reporting Initiative (GRI) GRI Standards.</p> <p>At the same time, HFC commissioned BSI (Taiwan) to verify the report's core options in accordance with the GRI Standards and AA1000AS 1st verification type medium assurance level; and commissioned PricewaterhouseCoopers Taiwan to perform independent limited assurance on the ESG sustainability report in accordance with Assurance Standard No. 3000 "Assurance for Audits or Reviews of Non-Historical Financial Information" issued by the Accounting Research and Development Foundation of Taiwan.</p> <p>The 2025 Sustainability Report will be published on the Company's official website and the Market Observation Post System upon its completion.(https://esg.hfcfinance.com.tw/zh-tw/download)</p>	N/A
<p>6. If the Company has established its own sustainable development best-practice principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations from the Best-Practice Principles: The Company has established the "Sustainable Development Best-Practice Principles" and the Company will continue to abide by the provisions of the Principles, which has no significant deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."</p>				
<p>7. Other important information helpful to understand the Company's implementation of sustainable development: The Company's honors and recognition in 2025 are as follows:</p> <ol style="list-style-type: none"> 1. Taiwan Index - Constituent of the Corporate Governance 100 Index 2. Taiwan Index - Constituent of the Taiwan High Compensation 100 Index 3. Ranked in the top 6% - 20% of the 11th Corporate Governance Evaluation of TWSE/TPEX Listed Companies 4. AREA Asia CSR Award: Green Leadership Award 5. ATD U.S.A. Talent Development Association - BEST Award (Excellence in Learning Organization) (One of only two winners in Taiwan) 6. CommonWealth Magazine Excellence in Corporate Social Responsibility - Top 100 in Sustainability Performance (Ranked 20th in Large-scale Corporate Services) 7. Taiwan Corporate Sustainability Awards (TCSA): Comprehensive Performance - Taiwan's Top 100 Sustainability Model Enterprises, Sustainability Report - Platinum Award 8. TSAA Taiwan Sustainability Awards: SDG7 - Silver Award 9. Taipei City Government Department of Transportation Golden Wheel Award 10. Buying Power Social Innovation Procurement Award 				

2. Implementation of climate-related information

(1) Implementation of climate-related information

Evaluation Item	Implementation Status																																					
<p>1. State board and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors is the highest supervisory and governing body for climate change issues. The management and control mechanism for relevant issues is established under the ESG Sustainable Management Committee, which has established various functional task forces, including the Environmental Sustainability Task Force, the Corporate Governance Task Force, and the Social Participation Task Force. These task forces respectively respond to issues of concern to different stakeholders and collaborate with the Company's relevant departments in the planning and implementation of sustainability-related operations. They hold meetings at least twice a year and report their operations and results to the Board of Directors at least once per year.</p>																																					
<p>2. State how the identified climate risks and opportunities affect an enterprise's business, strategy, and finance (in the short, medium, and long term).</p> <p>3. State the financial impact of extreme climate events and transition actions.</p>	<p>Impacts of climate risk issues on the Company</p> <table border="1" data-bbox="544 573 1449 1205"> <thead> <tr> <th>Category</th> <th>Risk</th> <th>Impact period</th> <th>Financial impact</th> </tr> </thead> <tbody> <tr> <td>Immediate Risk</td> <td>Increased severity of extreme weather events, such as typhoons and floods</td> <td>Mid- and long-term</td> <td>Losses or business interruption caused by natural disasters may not only increase costs but reduce revenue.</td> </tr> <tr> <td rowspan="2">Market Risk</td> <td>Changes in customer behavior</td> <td>Medium term</td> <td>Decrease in market share affects the Company's revenue</td> </tr> <tr> <td>Uncertainty in market information</td> <td>Mid- and long-term</td> <td>Collateral value and operation preparation time are impacted, and costs rise</td> </tr> <tr> <td>Reputation Risk</td> <td>Changes in customer preferences</td> <td>Mid- and long-term</td> <td>Poor ESG performance or lack of sustainable products or services of brands affect consumers' or customers' willingness to collaborate, resulting in a decrease in revenue</td> </tr> </tbody> </table> <p>Impacts of climate opportunity issues on the Company</p> <table border="1" data-bbox="544 1256 1449 1664"> <thead> <tr> <th>Category</th> <th>Opportunity issue</th> <th>Impact period</th> <th>Financial impact</th> </tr> </thead> <tbody> <tr> <td>Energy source</td> <td>Adopt incentive policies</td> <td>Mid-to-long-term</td> <td>Reduce investment costs and increase revenue</td> </tr> <tr> <td rowspan="3">Products and services</td> <td>Develop climate adaptation and insurance risk solutions</td> <td>Mid-to-long-term</td> <td>Provide diverse products and services to increase revenue</td> </tr> <tr> <td>R&D and innovation of new products and services</td> <td>Medium term</td> <td>Increase new products and service opportunities and strengthen customers' and investors' support</td> </tr> <tr> <td>Changes in consumer preferences</td> <td>Mid-to-long-term</td> <td>Seize opportunities for investment in green energy early to increase revenue</td> </tr> </tbody> </table> <p>Please refer to the Company's ESG Sustainability Report for details.</p>	Category	Risk	Impact period	Financial impact	Immediate Risk	Increased severity of extreme weather events, such as typhoons and floods	Mid- and long-term	Losses or business interruption caused by natural disasters may not only increase costs but reduce revenue.	Market Risk	Changes in customer behavior	Medium term	Decrease in market share affects the Company's revenue	Uncertainty in market information	Mid- and long-term	Collateral value and operation preparation time are impacted, and costs rise	Reputation Risk	Changes in customer preferences	Mid- and long-term	Poor ESG performance or lack of sustainable products or services of brands affect consumers' or customers' willingness to collaborate, resulting in a decrease in revenue	Category	Opportunity issue	Impact period	Financial impact	Energy source	Adopt incentive policies	Mid-to-long-term	Reduce investment costs and increase revenue	Products and services	Develop climate adaptation and insurance risk solutions	Mid-to-long-term	Provide diverse products and services to increase revenue	R&D and innovation of new products and services	Medium term	Increase new products and service opportunities and strengthen customers' and investors' support	Changes in consumer preferences	Mid-to-long-term	Seize opportunities for investment in green energy early to increase revenue
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<p>4. State how climate risk identification, assessment, and management processes are integrated into the risk management system.</p>	<p>The Company integrates the concept of climate risk into all operations and business contents, identifies potential climate risks/opportunities, analyze risks/opportunities, evaluates and decides on countermeasures, and manages them centrally and implements them at different levels according to their characteristics and impact levels in order to effectively control risks and opportunities. The steps for identifying and assessing climate risks and opportunities are as follows:</p> <ol style="list-style-type: none"> 1. Identification: Collect relevant literature, industrial climate related risk and opportunity issues 2. Assessment: Climate-related risks and opportunities are inventoried and assessed. Issues are summarized and sorted by their significant impact on the Company. 3. Response: The ESG Sustainable Management Committee reviews and confirms such issues and integrates them into the Company's existing risk management process for management. 																																					

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Evaluation Item	Implementation Status
	4. Report: Regularly track and review implementation results
5. If scenario analysis is adopted to assess resilience to climate change risks, state the scenarios, parameters, assumptions, and analysis factors used, and major financial impacts.	The Company introduced the scenario analysis model, followed the results of the identification of climate change risks and opportunities, and selected the physical risk - "increased severity of extreme weather events such as typhoons and floods" - and opportunities - "the R&D and innovation in the development of products and services" - based on the SSP5-8.5 Climate Scenario of the IPCC AR6 report as the assumption. The Company has performed quantitative analysis for three consecutive years. For details, please refer to the Company's ESG Sustainability Report.
6. If there is a transition plan for coping with climate-related risks, state the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	The Company follows the ISO 14064-1 warm-up results every year to track emission hotspots regularly, set quantitative tracking indicators in response to various climate risks and opportunities, and conduct rolling reviews and adjustments. For example: In response to market risks, the Company actively plans a variety of green financial products; in response to the increasing demand for renewable energy in the market, the Company invests in the development of the green energy industry. Please refer to the Company's ESG Sustainability Report for details.
7. If an internal carbon pricing mechanism is adopted as a planning tool, the basis for pricing should be stated.	None as of the date.
8. If climate-related targets are set, state the activities covered, scope of greenhouse gas emissions, planned schedule, annual progress, and other information; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, state the source and quantity of carbon credits or the quantity of RECs used.	In order to achieve net-zero carbon emissions, HFC's headquarters formally introduced green power and obtained renewable energy certificates starting from November 2024. Statistics show that a total of 30 renewable energy certificates were obtained during the period from November to December 2024 (equivalent to the purchase of 30,000 kWh of green power). During 2025, HFC obtained a total of 349 renewable energy certificates (including fractional certificates), totaling 268,000 kWh of green power purchased, contributing to a carbon reduction of approximately 127 tons CO ₂ e.

(2) The Company's greenhouse gas inventory and assurance in the last 2 years

The Company's ESG Sustainability Report has disclosed information on annual greenhouse gas emissions for the past year. In 2025, we implemented ISO 14064-1 GHG inventory through a third-party inspection unit. The third-party inspection statement for each year's greenhouse gas inventory is also published on the Company's official website and in the sustainability report (<https://esg.hfcfinance.com.tw/zh-tw/content/37#cms4>).

		Item/Year	2024	2025 years
Taiwan Note 1	Scope 1	Emissions (tons CO ₂ e)	372.8171	365.5234
		Intensity (tons CO ₂ e/million)	0.0177	0.0186
	Scope 2	Emissions (tons CO ₂ e)	806.8391	631.9245
		Intensity (tons CO ₂ e/million)	0.0384	0.0322
	Scope 3	Emissions (tons CO ₂ e)	249.1683	232.3568
	Overseas Note 2	Scope 1	Emissions (tons CO ₂ e)	1,155.1406
Intensity (tons CO ₂ e/million)			0.2373	0.2146
Scope 2		Emissions (tons CO ₂ e)	542.6347	420.8819
		Intensity (tons CO ₂ e/million)	0.1115	0.1024
Scope 3		Emissions (tons CO ₂ e)	280.1593	190.9054
Taiwan + Overseas		Scope 1	Emissions (tons CO ₂ e)	1,527.9577
	Intensity (tons CO ₂ e/million)		0.0528	0.0527
	Scope 2	Emissions (tons CO ₂ e)	1,349.4738	1,052.8064
		Intensity (tons CO ₂ e/million)	0.0466	0.0444
	Scope 3	Emissions (tons CO ₂ e)	529.3276	423.2622
	Percentage of inventory coverage			100%
External verification unit			SGS Taiwan Ltd.	

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- Note 1: Taiwan's inventory boundary comprised 100% of the locations of 4 companies, namely Hotai Finance Co., Ltd., HEJING Co., Ltd., HEJUN Energy Co., Ltd. and Hotai Finance Development Co., Ltd.
- Note 2: Overseas inventory boundary includes 100% of the locations of Hoyun International Leasing Co., Ltd.
- Note 3: Other indirect emissions include business travel (taxi only), waste disposal (incineration), and purchase of goods and services (tap water).
- Note 4: Starting in 2025, calculations will be uniformly based on the Ministry of Environment's Greenhouse Gas Emission Factor Management Table (Version 6.0.4). The calculation basis for gasoline emissions at overseas sites has been changed from "weight calorific value" to "volume factor". The 2024 data has been recalculated.
- Note 5: Renewable energy certificates and the final information on emissions and intensity is based on the ESG Sustainability Report. (<https://esg.hfcfinance.com.tw/zh-tw/download>)

(3) Greenhouse gas reduction goals, strategies and specific actions:

In line with the “2050 Carbon Neutrality” goal of Hotai Finance Co., Ltd. as a sustainable vision, we have implemented the tracking of greenhouse gas emissions and formulated an environmental policy statement. In order to achieve the goal of a sustainable environment, Hotai Finance Co., Ltd. actively keeps abreast with international trends and regulations, and develops green finance and green energy in conjunction with its own business. The Company regularly tracks emission hotspots in accordance with ISO 14064-1 temperature inventory results every year, reviews and adjusts management actions on a rolling basis, establishes an environmental management information system, implements an environmental culture, and discloses information to the public. Based on the scientific quantitative data of the ISO14064-1 temperature inventory and the characteristics of the Company’s industry, our energy consumption is based on “gasoline in Scope 1, electricity in Scope 2, and water and waste disposal in Scope 3” as the emission hotspots.

Scope	Item	Action Strategy	2050 net-zero objective	YoY Quantitative Indicator Tracking (Achieved)	
				2024	2025 years
Scope 1	Gasoline	<ul style="list-style-type: none"> Replacing business vehicles with electric/petrol scooters for company rental Encouragement in taking public transportation 	Zero internal combustion engine vehicles	72% of non-pure diesel vehicles	93% of non-pure diesel vehicles
Scope 2	Electricity	<ul style="list-style-type: none"> Optimization of air conditioning operation Promotion of first-class products for electrical appliances 	Enhance energy efficiency Efficiency of use	<ul style="list-style-type: none"> Electricity consumption per capita of 1372.89 KWH Average power consumption per million revenues of 83.03 KWH 	<ul style="list-style-type: none"> Electricity consumption per capita of 1,221.55 KWH Average power consumption per million revenues of 81.89 KWH
		<ul style="list-style-type: none"> Use of renewable energy Promoting green energy 	Externally-purchased electricity Net Zero Carbon Emission	<ul style="list-style-type: none"> 2024 November, Green power was introduced to the head office, with an estimated annual carbon reduction of 90 tons CO₂e. 309 (746%) metered solar energy sites with a total installation capacity of 88.1MW (746%) and an estimated annual carbon reduction effect of 55,534 tons CO₂e 	<ul style="list-style-type: none"> In 2025, the head office and Xinhua First Road's own offices introduced green power, with a carbon reduction benefit of approximately 129 tons CO₂e last year. 372 (720%) metered solar energy sites with a total installation capacity of 106.7MW (721%) and an estimated annual carbon reduction effect of 62,210 tons CO₂e

II. Corporate Governance Report

Scope	Item	Action Strategy	2050 net-zero objective	YoY Quantitative Indicator Tracking (Achieved)	
				2024	2025 years
Scope 3	Water consumption	<ul style="list-style-type: none"> • Installation of water-saving devices • Water conservation advocacy and promotion 	Reduced per capita water consumption by 1% compared to the base year Compared to the previous year Decrease by 1% or at least remain stable	<ul style="list-style-type: none"> • Water consumption per capita of 6.86 thousand liters • Average water consumption per million revenues of 0.41 tons 	<ul style="list-style-type: none"> • Water consumption per capita of 6.56 thousand liters • Average water consumption per million revenues of 0.43 tons
	Waste	<ul style="list-style-type: none"> • Promoting digital paperless • Waste reduction and document destruction recycling 	Promoting a paperless Work Environment	<ul style="list-style-type: none"> • Digitalization saves 9.65 million sheets of paper, equivalent to a reduction of 59,498 kg of CO₂e. • Document destruction recycling 6.27 tons 	<ul style="list-style-type: none"> • Saves over 2.9 million sheets of paper, equivalent to a reduction of 16,825 kg of CO₂e. • Document destruction recycling 5.44 tons

Note 1: Give priority to setting a 2050 carbon emission reduction objective for business locations in Taiwan (including subsidiaries).

Note 2: The final information on quantitative tracking indicators is based on the ESG Sustainability Report.

2.3.6 Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
1. Establish ethical corporate management policies and programs				
(1) Has the Company formulated ethical corporate management policies and procedures approved by the Board in its internal rules and regulations and external documents, as well as the commitment from its Board and management to implement the policies?	V		(1) The Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Operating Procedures and Guidelines, and Code of Ethics were respectively adopted and approved by the Board, which are aimed to help the Board of Directors and management to have a full understanding of ethical business practices and ensure that all internal management and external business activities are in compliance with these guidelines.	(1) N/A
(2) Has the Company established a risk assessment mechanism and routinely analyze and evaluate those business activities that have a higher risk of unethical behavior? Have adequate measures been adopted to prevent unethical behaviors, which should at least include the preventive measures stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(2) We have adopted relevant preventive measures against dishonest conduct and evaluation mechanism, the scope of which covers the conducts in paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Operating Procedures and Guidelines" and encourage internal and external personnel to report any unethical or improper conduct. The directors and managerial officers of HFC are expected to adhere to ethical business practices as the utmost priority and should recuse themselves when the decisions or transactions conflict with their own personal interests. In addition, internal audit officers should regularly report to the Board of Directors with respect to the Company's compliance of internal rules and other regulations.	(2) N/A
(3) Has the Company established relevant operating procedures, code of conduct, disciplinary actions for violations, and grievance procedures under the policy to prevent unethical behaviors? And has the Company implemented and regularly review and revise the above policy?	V		(3) Our Workplace Rules and Ethical Corporate Management Best Practice Principles are designed to prevent unethical behaviors from interfering with our business relationships and transactions by prohibiting employees from using their positions for personal gains, or accepting hospitality, gifts, kickbacks, or misappropriating company funds, or receiving other unlawful interests.	(3) N/A
2. Ethical business practices				
(1) Does the Company evaluate the ethical records of business partners and include ethics clauses in business contracts to impose ethical conduct?	V		(1) Before entering into a contract with our business partners, we perform a due diligence to be adequately informed of and to evaluate their ethical business practices and relevant records, and we include ethics clauses in our business contracts.	(1) N/A
(2) Has the Company established a business unit delegated by the Board to promote business ethics and regularly (or at least once a year) deliver a report to the Board on the implementation and	V		(2) The Planning and Administration Department is the business unit charged with the responsibilities of amending, implementing, explaining, and providing consultation with respect to the Ethical Corporate Management Best Practice Principles, as well as filing suspicious report of misconduct; the Auditing Department is assigned the task to oversee the foregoing activities and regularly report to the Board.	(2) N/A

II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
oversight of ethical corporate management policies and programs to prevent unethical behaviors?			On December 11, 2025, the implementation of the integrity management supervision for 2025 has been reported to the 16th meeting of the 11th Board of Directors.	
(3) Has the Company established policies to prevent conflicts of interest, provided appropriate communication channels, and properly implemented the policies and measures?	V		(3) The Company has established policies on the prevention of conflicts of interest under its ethical corporate management regulations. The Rules of Procedure for Board of Directors Meetings further stipulate that where a director has an interest in a matter under discussion, whether in their own capacity or as a representative of a legal entity, and such interest may be detrimental to the interests of the Company, the director shall not participate in the discussion or voting and shall not exercise voting rights on behalf of another director. In addition, the Company provides stakeholder communication channels on its website to ensure effective handling.	(3) N/A
(4) In order to achieve ethical business practices, has the Company established an effective accounting and internal control system, and had its internal audit unit formulate an audit plan based on the ethics risk assessment results and review the compliance of its program to prevent unethical behaviors accordingly, or engaged external auditors to do so?	V		(4) The Company has established an effective accounting and internal control system which is regularly audited by internal audit officers who will then report to the Board of Directors.	(4) N/A
(5) Does the Company regularly hold internal and external educational trainings on ethical business practices?	V		(5) HFC adheres to the principles of honesty and integrity in its operations, regularly conducting training for all employees to deepen the culture of compliance and strengthen the organization's governance mechanisms. The 2025 Year training scope covers three core areas: regulatory compliance, information security, and occupational safety, with courses including: <ul style="list-style-type: none"> ◆ Legal compliance: prevention of insider trading, fair trade act, anti-bribery. ◆ Rights protection: intellectual property rights, Personal Data Protection Act. ◆ Safety Protection: Information security education, occupational safety and health education. Class Size: 1,004 students/class Class Hours: 15~90 minutes/class Total Number of Class Hours per Person: 5.1 hours.	(5) N/A
3. Implementation Status of the Reporting System				
(1) Has the Company established a reporting and reward system and an integrity hotline? Does the Company assign a contact person to an employee who was reported for alleged ethics violations?	V		(1) The Company have adopted specific reward and whistleblower system through the Ethical Corporate Management Best Practice Principles and Code of Ethics, and established a grievance procedure and contact email on our corporate website. The Company's Auditing Department has been designated as the responsible business unit accepting ethics violation reports.	(1) N/A
(2) Has the Company established standard operating procedures, post-investigation follow-up,	V		(2) Any reported incident and subsequent investigation are handled in strict confidence and conducted with high discretion according to the procedures set out in our internal rules and regulations.	(2) N/A

II. Corporate Governance Report

Evaluation Item	Implementation Status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviation
	Yes	No	Summary	
<p>and confidentiality measures for the investigation of reported incidents?</p> <p>(3) Does the Company take precautionary measures to protect whistleblowers from reprisals?</p>	V		(3) The Auditing Department maintains absolute anonymity of the whistleblower's identity as well as the confidentiality of reported incident to protect the whistleblower from reprisals.	(3) N/A
<p>4. Enhancing Information Disclosure</p> <p>(1) Has the Company disclosed its ethical corporate management policies and results of implementation on the Company's website and MOPS?</p>	V		(1) The Company has disclosed its ethical business practices under the Ethical Corporate Management Best Practice Principles on our corporate website and MOPS.	(1) N/A
5.	If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and its practices: The Company has adopted our own Ethical Corporate Management Best Practice Principles and Ethical Corporate Management Operating Procedures and Guidelines which the Company continues to adhere to in its ethical business practices. There is no major deviation between the Principles and our practices.			
6.	Other important information to facilitate a better understanding of the Company's ethical corporate management practices (for example, if the Company has revised its Ethical Corporate Management Best Practice Principles):			
	<ol style="list-style-type: none"> 1. The Company strictly complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, and other regulations relevant to commercial activities as the basis of implementing ethical corporate business management. 2. The Company actively promote operating transparency and encourage the cooperation of its business partners (including dealers and suppliers) to maintain the reputation of our business. 			

2.3.7 Other important information to facilitate better understanding of the Company's corporate governance practices: N/A

II. Corporate Governance Report

2.3.8 Implementation Status of Internal Control:

1. Statement of Internal Control: Please refer to the Market Observation Post System MOPS Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement <https://mopsov.twse.com.tw/nas/cont06/c6592114011150309.pdf>

Hotai Finance Co., Ltd.
Statement of Internal Control

Date:2026/3/5

Based on an evaluation of the Company's internal control system for the year 2025, the Company hereby states that:

1. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and management, and that such a system has been duly established. Its purpose is to provide reasonable assurance regarding the achievement of objectives related to the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
2. Due to its inherent limitations, internal control over financial reporting can only provide reasonable assurance on the achievement of the three objectives above. Also, projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in environment or conditions. However, the internal control system of the Company has a self-monitoring mechanism which allows the Company to take corrective actions as soon as any inadequacy is identified.
3. The Company has assessed the design and operating effectiveness of the internal control system based on the criteria established in the Framework for the Establishment of Internal Control System by Public Companies (the "Framework"). The Framework defines internal control as a process effected by management, consisting of five components: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring. Each component comprises several items. For more information, please refer to the Framework.
4. We have reviewed the design and operating effectiveness of the Company's internal control system based on the criteria established in the Framework.
5. Based on the evaluation, we conclude that the Company maintained an effective design and operation of its internal control system (including oversight and management of subsidiaries) as of December 31, 2025, providing reasonable assurance regarding the achievement of the following objectives: effectiveness and efficiency of operations, reliability, timeliness and transparency of financial reporting, and compliance with applicable laws and regulations.
6. This statement shall be included as part of the annual report and future prospectus of the Company and disclosed to the public. Any false or fraudulent representations and concealment of information in this statement shall be subject to the legal liabilities prescribed by Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. This statement was unanimously approved with zero objections by the board of directors of HFC on March 05, 2026, with nine directors present at the meeting.

Hotai Finance Co., Ltd.

Jiann-Jou Chen
Chairman

Yen-Liang Lin
President

2. A separate auditor's report shall be included where an independent registered public accounting firm has reviewed the Company's internal control system: None.

II. Corporate Governance Report

2.3.9 Major Resolutions of the Shareholders Meeting and Board Meetings in the last fiscal year and as of the date of this annual report:

(1) Major Resolutions of the 2025 Annual General Meeting of Shareholders Held on May 27, 2025 and Implementation Status:

Major Resolutions	Implementation Status
1. Ratification of 2024 Business Report and Financial Statements	Announced and reported as required. Consolidated net income after tax for the year was NT\$32.7 billion and earnings per share was NT\$4.44.
2. Ratification of 2024 distribution of earnings proposal	(1) Type-A special dividend (NT\$ 4.2 per share) Type-B special dividend (NT\$ 4.5 per share) Common stock cash dividends (NT\$ 3 per share) (2) Ex-dividend date: 2025/7/4 (3) Dividend payout date: 2025/7/25
3. Passed the amendment to the Company's "Articles of Incorporation"	Approved for registration by the Ministry of Economic Affairs and announced on the corporate website on June 18, 2025.
4. Passed the lifting of non-compete restrictions on directors	The announcement will be made on MOPS after the AGM on May 27, 2025.

(2) Major Resolutions of the Board of Directors from 2025 to the publication date of the annual report:

Date of Board Meeting	Major Resolutions
2025/1/14 8th meeting of the 11th Board	<ol style="list-style-type: none"> 1. Early termination of the leasing of right-of-use of property from a related party 2. Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions 3. Endorsement/Guarantee Provided to Hoyun (Shanghai) Commercial Factoring Co., Ltd. and Its Financial Institutions 4. Proposal of issuing a Letter of Support (LOS) for financing between Hoyun International Leasing Co., Ltd. and its counterparty financial institutions 5. Amendments to Corporate Governance Related Regulations
2025/3/6 9th meeting of the 11th Board	<ol style="list-style-type: none"> 1. 2024 Business Report and Financial Statements 2. 2024 distribution of remuneration to employees 3. 2024 distribution of earnings proposal 4. Amendment to the Company's "Articles of Incorporation" 5. Lifting of non-compete restrictions on directors 6. Matters Relating to the Convening of the 2025 Annual General Meeting of Shareholders 7. Lifting of non-compete restrictions on managers 8. Personnel Proposal 9. Change in HFC's Internal Audit Officer 10. Amendment to the internal control system 11. Statement on Internal Control System 12. Proposal for issuing the Letter of Support (LOS) for the financing between HEJING Co., Ltd. and its counterparty financial institutions. 13. Proposal for issuing the Letter of Support (LOS) for the financing between HEJUN Energy Co., Ltd. and its counterparty financial institutions. 14. Proposal of issuing a Letter of Support (LOS) for financing between Hoyun International Leasing Co., Ltd. and its counterparty financial institutions
2025/5/8 10th meeting of the 11th Board	<ol style="list-style-type: none"> 1. 2025 Q1 Consolidated Financial Statements 2. Performance bonus for managerial officers and profit-sharing remuneration for employees for 2024 3. Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions 4. Endorsement/Guarantee Provided to Hoyun (Shanghai) Commercial Factoring Co., Ltd. and Its Financial Institutions 5. Proposal for issuing the Letter of Support (LOS) for the financing between HEJING Co., Ltd. and its counterparty financial institutions 6. Proposal for issuing the Letter of Support (LOS) for the financing between HEJUN Energy Co., Ltd. and its counterparty financial institutions 7. Proposal of issuing a Letter of Support (LOS) for financing between Hoyun International Leasing Co., Ltd. and its counterparty financial institutions 8. Preparation and issuance of the 2024 Sustainability Report 9. Establishment of the "Fair Customer Treatment Principle"
2025/8/5 11th meeting of the 11th Board	<ol style="list-style-type: none"> 1. 2025 Q2 Consolidated Financial Statements Proposal 2. 2025 Annual Salary Adjustment for Managers and All Employees 3. Personnel Proposal 4. Proposal to form a syndicated credit arrangement 5. Endorsement/Guarantee to Hotai Finance Development Co., Ltd. and its correspondent financial institutions 6. Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions 7. Proposal for issuing the Letter of Support (LOS) for the financing between HEJING Co., Ltd. and its counterparty financial institutions 8. Proposal for issuing the Letter of Support (LOS) for the financing between Hotai Finance Development Co., Ltd. and its counterparty financial institutions. 9. Proposal for issuing the Letter of Support (LOS) for the financing between HEJUN Energy Co., Ltd. and its counterparty financial institutions 10. Proposal of issuing a Letter of Support (LOS) for financing between Hoyun International Leasing Co., Ltd. and its counterparty financial institutions 11. Amendments to Corporate Governance Related Regulations
2025/8/20 12th meeting of the 11th Board	<ol style="list-style-type: none"> 1. Proposal to Acquire Part of the Shares of HFC (Cambodia) Microfinance PLC.

II. Corporate Governance Report

Date of Board Meeting	Major Resolutions
2025/10/14 13th meeting of the 11th Board	<ol style="list-style-type: none"> 1. Election of Chairman of the Board 2. Appointment of ESG Sustainable Management Committee members
2025/11/6 14th meeting of the 11th Board	<ol style="list-style-type: none"> 1. 2025 Q3 Consolidated Financial Statements Proposal 2. Proposal to issue common corporate bonds 3. Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions 4. Proposal for issuing the Letter of Support (LOS) for the financing between HEJING Co., Ltd. and its counterparty financial institutions 5. Proposal for issuing the Letter of Support (LOS) for the financing between Hotai Finance Development Co., Ltd. and its counterparty financial institutions. 6. Proposal of issuing a Letter of Support (LOS) for financing between Hoyun International Leasing Co., Ltd. and its counterparty financial institutions 7. Amendment to the internal control system
2025/11/27 15th meeting of the 11th Board	<ol style="list-style-type: none"> 1. Proposal to Invest in Shares of a Listed Financial Company in Thailand
2025/12/11 16th meeting of the 11th Board	<ol style="list-style-type: none"> 1. Change in the Company's Internal Audit Officer 2. Change of anti-money laundering and counter terrorism specialists 3. 2026 Budget 4. 2026 audit plan 5. Endorsement/Guarantee to HEJUN Energy Co., Ltd. and its correspondent financial institutions 6. Proposal for issuing the Letter of Support (LOS) for the financing between HEJING Co., Ltd. and its counterparty financial institutions 7. Proposal for issuing the Letter of Support (LOS) for the financing between Hotai Finance Development Co., Ltd. and its counterparty financial institutions. 8. Proposal to Invest in Shares of a Listed Financial Company in Thailand
2026/1/22 17th meeting of the 11th Board	<ol style="list-style-type: none"> 1. Amendment to the authority for reviewing corporate finance business 2. Appointment of CPAs and evaluation of independence and suitability 3. Establishment of the "Consultant Appointment Regulations" 4. Proposal of issuing a Letter of Support (LOS) for financing between Hoyun International Leasing Co., Ltd. and its counterparty financial institutions
2026/3/5 18th meeting of the 11th Board	<ol style="list-style-type: none"> 1. 2025 business report and financial statements 2. 2025 distribution of remuneration to employees 3. 2025 distribution of earnings proposal 4. Issue new shares for capital increase by earnings 5. Amendment to the Company's "Procedures for the Acquisition and Disposition of Assets" 6. Amendment to the Company's "Procedures for the Transactions of Financial Derivatives" 7. Amendment to HFC's "Lending Procedures" 8. Amendment to the Company's "Procedures for Endorsement and Guarantee" 9. Lifting of non-compete restrictions on directors 10. Matters Relating to the Convening of the 2026 Annual General Meeting of Shareholders 11. Lifting of non-compete restrictions on managers 12. Amendment to the internal control system 13. Statement on Internal Control System 14. The HFC Consultant Appointment Proposal 15. Proposal to raise overseas loans 16. Proposal to form a syndicated credit arrangement 17. Endorsement/Guarantee Provided to Hoyun (Shanghai) Commercial Factoring Co., Ltd. and Its Financial Institutions 18. Proposal for issuing the Letter of Support (LOS) for the financing between HEJING Co., Ltd. and its counterparty financial institutions. 19. Proposal for issuing the Letter of Support (LOS) for the financing between Hotai Finance Development Co., Ltd. and its counterparty financial institutions. 20. Proposal for issuing the Letter of Support (LOS) for the financing between HEJUN Energy Co., Ltd. and its counterparty financial institutions. 21. Proposal of issuing a Letter of Support (LOS) for financing between Hoyun International Leasing Co., Ltd. and its counterparty financial institutions

2.3.10 Summary of dissenting opinions on record or in writing made by any director to any important resolutions passed by the Board of Directors in the last fiscal year and as of the date of this annual report: N/A.

2.4 Audit Fees:

2.4.1 Audit Fees

Unit: NT\$ thousands

Accounting Firm	Name of Auditors	Audit Period	Audit Fees	Non-audit Fees				Total	Remarks
PricewaterhouseCoopers Taiwan	Chun-Yuan Hsiao Chia-Hung Lin	2025/1/1~ 2025/12/31	\$3,775	\$1,680				\$5,455	Non-audit fees include: tax compliance audit, company registration, ESG assurance, and other project consultation fees, etc.
				System Design	Company Registration	Human Resources	Others		
				—	\$115	—	\$1,565		

2.4.2 Disclosure of any change of certified public accounting firm, and the amount, percentage and reasons of the decrease where the audit fees are lower than the previous fiscal year: N/A.

2.4.3 Disclosure of the amount, percentage, and reasons of the decrease where the audit fees are lower than the previous fiscal year by 10% or more: N/A.

2.5 Disclosure of Change of Auditors:

2.5.1 Predecessor Auditor(s):

Date of change	2026/1/22
Summary and Reasons of change	Due to the internal job rotation of the accounting firm, the then external auditors, Chun-Yuan Hsiao and Chia-Hung Lin are replaced by Fang-Yu Wang and Chia-Hung Lin.
Has the auditor(s) resigned or declined to stand for reappointment?	N/A
If the auditor(s) has issued an audit report expressing an opinion other than unqualified opinion within the last two years, please state the opinion and reason	N/A
State whether there is any disagreement with the Company	N/A
Other disclosures pursuant to Article 10, Paragraph 6, Subparagraph 1, Item 4-7 of the Regulations Governing Information to be Published in the Annual Reports of Public Companies	N/A

2.5.2 Successor Auditor(s):

Accounting firm	PricewaterhouseCoopers Taiwan
Name of Auditors	Fang-Yu Wang, Chia-Hung Lin
Date of appointment	2026/1/22
Opinions about the accounting treatment or principles applied to specific transactions, or the financial statements prior to the acceptance of engagement	N/A
Written opinion of successor auditor(s) on the disagreements with predecessor auditor(s)	N/A

2.5.3 Written communication from the predecessor auditor(s) in response to disclosure under Article 10, Paragraph 6, Subparagraph 1 and Article 10, Paragraph 6, Subparagraph 2, Item 3 of the Regulations Governing Information to be Published in the Annual Reports of Public Companies: N/A.

2.6 Disclosure of the Company's chairman, president, chief financial officer, or chief accounting officer who has held a position at the Company's independent certified public accounting firm or its affiliates in the last fiscal year: N/A.

2.7 Changes in Shareholding of Directors, Managerial Officers, and Major Shareholders

2.7.1 Changes in Shareholding and Pledged Shares of Directors, Managerial Officers, and Shareholders Holding More Than 10% of the Company's Shares

Please refer to the Market Observation Post System:

MOPS Market Observation Post System > Single Company > Change in

Shareholding/Securities Issuance > Share Transfer Data Inquiry > Insider Shareholding Changes Post-Declaration Form

<https://mopsov.twse.com.tw/mops/web/stapap1>

https://emops.twse.com.tw/server-java/stapap1_e?step=historical&co_id=6592&TYPEK=sii

2.7.2 If the counterparty to a transfer or pledge of stock is a related party, the name of the counterparty, the relationship with the Company, its directors, managers, and shareholders holding more than 10% of the stock, and the number of shares acquired or pledged should be disclosed: N/A.

2.8 Information on whether the top ten shareholders by shareholding percentage are related parties to one another or are spouses or relatives within the second degree of kinship

2026/3/30

Name	Share Ownership		Share ownership of spouses and children that are minors		Shares held under nominee accounts total Shareholding		Related party or spousal or familial relationship within the second degree among top 10 shareholders		Remarks
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Property Type	Relationship	
Hozan Investment Co, Ltd. Representative: Chwen-Shing Su	282,879,511	45.40%	-	-	-	-	Hoyu Investment Co., Ltd.	Other related parties	-
Toyota Financial Services Corporation Representative: Hiroyoshi Korosue	143,082,344	22.96%	-	-	-	-	-	-	-
Hoyu Investment Co., Ltd. Representative: Li-Hua Lin	10,047,470	1.61%	-	-	-	-	Hozan Investment Co, Ltd.	Other related parties	-
Chunghwa Post Co., Ltd. Representative: Kuo-Tsai Wang	3,137,710	0.50%	-	-	-	-	-	-	-
Kun-Jin Shen	2,900,800	0.47%	-	-	-	-	-	-	-
Wei Heng Asset Management Co., Ltd. Representative: Qing-Yuan Huang	2,750,000	0.44%	-	-	-	-	-	-	-
Chen-Jen Wang	2,628,000	0.42%	-	-	-	-	-	-	-
Ming Yi Investment Co., Ltd. Representative: Sung-Po Tsai	2,256,650	0.36%	-	-	-	-	-	-	-
The Standard Chartered International Commercial Bank Business Department was entrusted with the custody of the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds.	2,114,120	0.34%	-	-	-	-	-	-	-
The Standard Chartered International Commercial Bank Business Department was entrusted with the custody of the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, managed by Vanguard Group Inc.	1,933,080	0.31%	-	-	-	-	-	-	-

Note: The above table lists the top ten shareholders in terms of common stock ownership.

2.9 The number of shares held in the same investee by the Company, its directors, management, and entities directly or indirectly controlled by the Company, together with the aggregated shareholding percentage

Unit: shares

Affiliates (Note 1)	Share Ownership by the Company		Share Ownership by Directors, Managerial Officers, or Entities Directly or Indirectly Controlled by the Company (Note 2)		Total Share Ownership	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Hoyun International Limited	40,400,000	50.5%	39,600,000	49.5%	80,000,000	100%
Hotai Finance Development Co., Ltd.	300,000,000	100%	-	-	300,000,000	100%
HEJING Co., Ltd.	253,831,919	81%	-	-	253,831,919	81%
HEJUN Energy Co., Ltd.	224,000,000	80%	-	-	224,000,000	80%
HFC (Cambodia) Microfinance PLC.	10,560,000	66%	-	-	10,560,000	66%
Hotai Mobility Service Co., Ltd.	12,000,000	27.4%	-	-	12,000,000	27.4%

Note 1: The investment is made under the equity method on December 31, 2025.

Note 2: The Company's corporate shareholders, Hozan Investment Co, Ltd. and Toyota Financial Services Corporation, hold 49.5% shares of Hoyun International Limited through its subsidiary, Hotai Leasing Co., Ltd.

III. Fundraising

3.1 Capital and Shares

3.1.1 Source of Capital

Units: thousand shares/NT\$ thousands

Year /Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital increased by Assets Other than Cash	Others
1999.05	10	30,000	300,000	30,000	300,000	Equity received at incorporation	—	Note 1
2001.08	10	100,000	1,000,000	49,800	498,000	Cash capital increase	—	Note 2
2002.08	10	100,000	1,000,000	57,270	572,700	Capitalization of earnings	—	Note 3
2003.08	10	100,000	1,000,000	65,861	658,605	Capitalization of earnings	—	Note 4
2004.07	10	100,000	1,000,000	75,740	757,396	Capitalization of earnings	—	Note 5
2005.02	19.5	101,381	1,013,808	101,381	1,013,808	Cash capital increase	—	Note 6
2005.08	10	150,000	1,500,000	113,547	1,135,465	Capitalization of earnings	—	Note 7
2006.07	10	150,000	1,500,000	131,714	1,317,139	Capitalization of earnings	—	Note 8
2007.08	10	150,000	1,500,000	142,251	1,422,511	Capitalization of earnings	—	Note 9
2008.11	10	200,000	2,000,000	155,053	1,550,537	Capitalization of earnings	—	Note 10
2009.08	10	200,000	2,000,000	167,457	1,674,579	Capitalization of earnings	—	Note 11
2010.07	10	200,000	2,000,000	177,505	1,775,055	Capitalization of earnings	—	Note 12
2011.07	10	200,000	2,000,000	192,593	1,925,934	Capitalization of earnings	—	Note 13
2012.07	10	300,000	3,000,000	217,631	2,176,306	Capitalization of earnings	—	Note 14
2013.08	10	300,000	3,000,000	248,099	2,480,988	Capitalization of earnings	—	Note 15
2014.07	10	300,000	3,000,000	280,352	2,803,517	Capitalization of earnings	—	Note 16
2015.08	10	400,000	4,000,000	313,994	3,139,939	Capitalization of earnings	—	Note 17
2016.07	10	400,000	4,000,000	350,103	3,501,032	Capitalization of earnings	—	Note 18
2017.08	10	400,000	4,000,000	374,610	3,746,104	Capitalization of earnings	—	Note 19
2020.01	53	600,000	6,000,000	515,000	5,150,004	Cash capital increase	—	Note 20
2022.10	100	1,000,000	10,000,000	565,000	5,650,004	Issue preferred stock A	—	Note 21
2023.08	10	1,000,000	10,000,000	616,500	6,165,004	Capitalization of earnings	—	Note 22
2023.09	100	1,000,000	10,000,000	666,500	6,665,004	Issue preferred stock A	—	Note 23
2024.08	10	1,000,000	10,000,000	723,150	7,231,505	Capitalization of earnings	—	Note 24

Note 1: Approved by letter Jing (088) Shang Zi No. 088118239 dated May 25, 1999
 Note 2: Approved by letter Jing (090) Shang No. 09001344770 dated August 31, 2001
 Note 3: Approved by letter Jing Shou Shang Zi No. 09101331950 dated August 22, 2002
 Note 4: Approved by letter Jing Shou Shang Zi No. 09201259200 dated August 28, 2003
 Note 5: Approved by letter Jing Shou Shang Zi No. 09301121320 dated July 19, 2004
 Note 6: Approved by letter Jing Shou Shang Zi No. 09401019950 dated February 05, 2005
 Note 7: Approved by letter Jing Shou Shang Zi No. 09401167140 dated August 25, 2005
 Note 8: Approved by letter Jing Shou Shang Zi No. 09501162050 dated July 26, 2006
 Note 9: Approved by letter Jing Shou Shang Zi No. 09601202060 dated August 17, 2007
 Note 10: Approved by letter Jing Shou Shang Zi No. 09701300250 dated November 25, 2008
 Note 11: Approved by letter Jing Shou Shang Zi No. 09801179780 dated August 11, 2009
 Note 12: Approved by letter Jing Shou Shang Zi No. 09901170880 dated July 28, 2010

Note 13: Approved by letter Jing Shou Shang Zi No. 10001168460 dated July 25, 2011
 Note 14: Approved by letter Jing Shou Shang Zi No. 10101153100 dated July 27, 2012
 Note 15: Approved by letter Jing Shou Shang Zi No. 10201139160 dated August 06, 2013
 Note 16: Approved by letter Jing Shou Shang Zi No. 10301143800 dated July 28, 2014
 Note 17: Approved by letter Jing Shou Shang Zi No. 10401159900 dated August 07, 2015
 Note 18: Approved by letter Jing Shou Shang Zi No. 10501163610 dated July 15, 2016
 Note 19: Approved by letter Jing Shou Shang Zi No. 10601110990 dated August 08, 2017
 Note 20: Approved by letter Jing Shou Shang Zi No. 10801188570 dated January 06, 2020
 Note 21: Approved by letter Jing Shou Shang Zi No. 111101192780 dated October 11, 2022
 Note 22: Approved by letter Jing Shou Shang Zi No. 11230146540 dated August 07, 2023
 Note 23: Approved by letter Jing Shou Shang Zi No. 11230173010 dated September 11, 2023
 Note 24: Approved by letter Jing Shou Shang Zi No. 11330135930 dated August 06, 2024

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Unit: shares

Type of Shares	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common shares	623,150,493	276,849,507	1,000,000,000	Shares listed on TWSE
Preferred shares	100,000,000			

Shelf Registration: N/A

3.1.2 Major Shareholders

2026/3/30

Shareholders	Shares	
	Share Ownership	Percentage
Hozan Investment Co, Ltd.	282,879,511	45.40%
Toyota Financial Services Corporation	143,082,344	22.96%
Hoyu Investment Co., Ltd.	10,047,470	1.61%
Chunghwa Post Co., Ltd.	3,137,710	0.50%
Kun-Jin Shen	2,900,800	0.47%
Wei Heng Asset Management Co., Ltd.	2,750,000	0.44%
Chen-Jen Wang	2,628,000	0.42%
Ming Yi Investment Co., Ltd.	2,256,650	0.36%
The Standard Chartered International Commercial Bank Business Department was entrusted with the custody of the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds.	2,114,120	0.34%
The Standard Chartered International Commercial Bank Business Department was entrusted with the custody of the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, managed by Vanguard Group Inc.	1,933,080	0.31%

Note: The table discloses the top ten shareholders in terms of common stock ownership.

3.1.3 The Company's dividend policy and implementation

(1) Dividend policy:

In accordance with the Company's Articles of Incorporation, if the Company has surplus earnings as concluded by the year-end accounting close, it shall first set aside an amount sufficient to pay income tax and make up for losses from previous years in accordance with the law. Before distributing earnings, the Company shall first set aside 10% of after-tax earnings as the legal reserve, except when the legal reserve has reached the total capital. In addition, after the special reserve is set aside or reversed and preferred stock dividends are distributed in accordance with the relevant laws and regulations, the remaining earnings together with the undistributed earnings at the beginning of the period shall be the earnings available for distribution to shareholders, based on which, the Board of Directors shall

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prepare a proposal for distribution and submit it to the shareholders for resolution if there are any remaining earnings available for distribution.

The Company is currently in the growth stage. In consideration of the Company's future investment environment, capital requirements, and domestic and international competition, as well as the interests of shareholders and long-term financial planning, dividends to shareholders should be no less than 50% of the earnings available for distribution for the year, of which cash dividends should not be less than 10% of the total dividends.

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 to the shareholders' meeting; not subject to the aforementioned requirement of a resolution of the shareholders' meeting.

(2) Dividend distribution (already discussed) this year:

The 2025 distribution of earnings proposal of HFC was approved by the Board of Directors on March 5, 2026, and the dividends were distributed as follows:

Distribution Item	Amount (NT\$)
preferred stock A cash dividend (NT\$ 4.2 per share)	210,000,000
preferred stock B cash dividend (NT\$ 4.5 per share)	225,000,000
Common stock cash dividends (NT\$ 3.0 per share)	1,869,451,479
Stock dividends for common shares (NT\$ 0.3 per share)	186,945,150

3.1.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

The Company has not prepared any financial forecast, so it is not applicable.

3.1.5 Remuneration to employees and directors:

(1) Percentage or range of employee and director remuneration stated in the Company's Articles of Incorporation:

- (2) If the Company makes a profit each year, it shall allocate 1% as remuneration to employees. However, if the Company still has accumulated losses, it shall reserve an amount to offset the accumulated losses first, and then allocate remuneration to employees according to the aforementioned percentage. Of the amount of remuneration to employees mentioned in the preceding paragraph, no less than 50% should be allocated as remuneration for grassroots employees. Remuneration to employees shall be made in the form of shares or in cash, and such remuneration shall be approved by a majority vote of the directors in attendance at a meeting of the Board of Directors with at least two-thirds of the total number of directors present.

The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares to be distributed as employee remuneration, and the

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accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

The Company estimates the remuneration of employees and directors as expenses within the scope of the Articles of Incorporation and the expected amount to be distributed. If there is any difference between the actual distributed amount and the estimated amount, it will be treated as a change in accounting estimate and recognized as profit and loss of the following year.

- (3) Information on any approval by the board of directors of distribution of profit-sharing compensation:

- (a) Employees' remuneration and directors' remuneration distributed in cash or shares. If there is any discrepancy between the amount and the estimated amount of the expense recognized, the discrepancy, cause and treatment shall be disclosed:

The employee remuneration plan has been approved by the Board of Directors. The amount of employee remuneration in 2025 is NT\$ 41,636 thousand, with NT\$ 20,818 thousand allocated for basic-level employees. The above remuneration is fully paid in cash, and there is no difference recognized in expenses. The Company's Articles of Incorporation do not provide for directors' remuneration, and thus no remuneration is distributed.

- (b) The ratio of the amount of employee remuneration distributed in stock to the sum of net income after tax and total employee remuneration: Not applicable.

- (4) Report on remuneration distribution and results in the shareholders' meeting:

The Company reported the remuneration to employees for 2024 through the 2025/5/27 shareholders' meeting, and there was no difference from the distributed amount resolved by the board of directors.

- (5) The actual distribution of employees' and directors' remuneration in the previous year (including the number of shares distributed, the amount and the price of the shares), and any discrepancy between the actual distribution of remuneration and the recognized employees' and directors' remuneration, the amount, causes and treatment of such discrepancy:

The Company's board of directors resolved to distribute 2024 employee remuneration as follows. In addition, the Company's Articles of Incorporation does not stipulate remuneration to directors and supervisors, so it is not estimated.

Unit: NT\$ thousands

	Estimates for 2024	Resolution of the Board of Directors	Change
Remuneration to employees	39,939	39,939	-

- 3.1.6 Shares repurchased by the Company: None.

3.2 Corporate Bonds:

Type of Bonds	2021 1st unsecured corporate bond	2021 2nd unsecured corporate bond	2023 1st unsecured corporate bond
Issuance Date	2021/4/15	2021/7/22	2023/3/28
Denomination (NT\$)	1,000,000	1,000,000	1,000,000
Location of Issuance and Trading	Taiwan	Taiwan	Taiwan
Issue Price	At par	At par	At par
Total Amount (NT\$)	2,200,000,000	3,000,000,000	4,000,000,000
Coupon Rate	Fixed rate of 0.55%	Fixed rate of 0.56%	Fixed rate of 1.50%
Maturity	5 Years Maturity Date:2026/4/15	5 Years Maturity Date:2026/7/22	5 Years Maturity Date:2028/3/28
Guarantor	N/A	N/A	N/A
Trustee	Bank SinoPac	Taishin International Bank	Bank SinoPac
Underwriter	Hua Nan Bank	Hua Nan Bank	Capital Securities Corp.
Legal Counsel	Lawyer Hui-Chi Guo (Yi-Cheng Law Office)	Lawyer Hui-Chi Guo (Yi-Cheng Law Office)	Lawyer Hui-Chi Guo (Yi-Cheng Law Office)
Auditor	PricewaterhouseCoopers Taiwan CPA Fang-Yu Wang CPA Se-Kai Lin	PricewaterhouseCoopers Taiwan CPA Fang-Yu Wang CPA Se-Kai Lin	PricewaterhouseCoopers Taiwan CPA Chun-Yuan Hsiao CPA Chia-Hung Lin
Repayment	Repayment in lump sum from the issuance date.	Repayment in lump sum from the issuance date.	Repayment in lump sum from the issuance date.
Outstanding Principal	2,200,000,000	3,000,000,000	4,000,000,000
Redemption or Early Repayment Clauses	N/A	N/A	N/A
Restrictive Clauses	N/A	N/A	N/A
Credit Rating	N/A.	N/A.	N/A.
With Other Rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	N/A.	N/A.
	Issuance and conversion (exchange or subscription) terms	N/A.	N/A.
Potential Dilutive Effects on Other Shares and Impact on the Rights of Existing Shareholders due to Method of Issuance and Conversion/Exchange/Subscription or Terms of Issue	N/A	N/A	N/A
Custodian	N/A	N/A	N/A

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Type of Bonds	2025 1st Secured corporate bond	2025 2nd Unsecured corporate bond	2026 1st Unsecured corporate bond
Issuance Date	2025/7/21	2025/10/8	2026/3/30
Denomination (NT\$)	1,000,000	1,000,000	1,000,000
Location of Issuance and Trading	Taiwan	Taiwan	Taiwan
Issue Price	At par	At par	At par
Total Amount (NT\$)	3,000,000,000	5,600,000,000	4,150,000,000
Coupon Rate	Fixed rate of 1.83%	Fixed rate of 1.93%, 1.97%	Fixed rate of 1.93%
Maturity	3 Years Maturity Date:2028/7/21	3 Years Maturity Date:2028/10/8 5 Years Maturity Date:2030/10/8	3 Years Maturity Date:2029/3/30 5 Years Maturity Date:2031/3/30
Guarantor	Bank of Taiwan	N/A	N/A
Trustee	Bank SinoPac	Bank SinoPac	Yuanta Commercial Bank Co., Ltd.
Underwriter	KGI Securities Co., Ltd.	E.SUN Securities Co., Ltd.	Capital Securities Corp.
Legal Counsel	Lawyer Tsung-Chao Tsai (Yi-Cheng Law Office)	Lawyer Tsung-Chao Tsai (Yi-Cheng Law Office)	Lawyer Tsung-Chao Tsai (Yi-Cheng Law Office)
Auditor	PricewaterhouseCoopers Taiwan CPA Chun-Yuan Hsiao	PricewaterhouseCoopers Taiwan CPA Chun-Yuan Hsiao	PricewaterhouseCoopers Taiwan CPA Fang-Yu Wang
Repayment	Repayment in lump sum from the issuance date.	Repayment in lump sum from the issuance date.	Repayment in lump sum from the issuance date.
Outstanding Principal	3,000,000,000	5,600,000,000	4,150,000,000
Redemption or Early Repayment Clauses	N/A	N/A	N/A
Restrictive Clauses	N/A	N/A	N/A
Credit Rating	N/A.	N/A.	N/A.
With Other Rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	N/A.	N/A.
	Issuance and conversion (exchange or subscription) terms	N/A.	N/A.
Potential Dilutive Effects on Other Shares and Impact on the Rights of Existing Shareholders due to Method of Issuance and Conversion/Exchange/Subscription or Terms of Issue	N/A	N/A	N/A
Custodian	N/A	N/A	N/A

3.3 Issuance of Preferred Stock:

Item		Preferred Share A	
Issue Date		2022/9/26 (Initial Issuance)	
Denomination		NT\$10	
Issue Price		NT\$100 per share	
Number of Shares		50,000,000 shares	
Total Amount		NT\$5 billion	
Rights and Obligations	Distribution of Dividends and Bonuses	Preferred stock at 4.2% per annum (5-year IRS rate of 1.1175% + 3.0825%, non-cumulative)	
	Distribution of Remaining Properties	Shareholders of preferred stocks have priority over shareholders of common stocks in the order of distribution of the remaining properties of the Company. The shareholders of various preferred stocks issued by the Company have the same order of distribution, and are all inferior to general creditors. The amount of distribution shall not exceed the amount calculated by multiplying the number of outstanding preferred stocks by the issue price at the time of distribution.	
	Exercise of Voting Rights	Preferred shareholders do not have voting rights at the shareholders' meetings, but have voting rights at the preferred shareholders' meetings and the shareholders' meetings concerning the preferred shareholders' rights and obligations.	
	Others	<ol style="list-style-type: none"> If the Company has surplus earnings as concluded by the year-end accounting close, it shall first set aside an amount sufficient to make up for losses from previous years and pay income tax, set aside 10% as legal reserve in accordance with the Articles of Incorporation, and then set aside or reverse the special reserve in accordance with the laws or the regulations of the competent authorities. If there is still any surplus in the earnings, the remainder shall be distributed as dividends on the preferred stocks for the year. Dividends on the preferred stocks are calculated at an annual rate of 4.2% based on the five-year IRS rate of 1.1175% +, a fixed mark-up rate of 3.0825% on the issue price per share as of August 19, 2022. The five-year IRS rate will be reset on the next business day following the five-year anniversary of the issue date and every five years thereafter. The pricing base date for interest rate reset is the second business day prior to the interest rate reset date, and the interest rate indicator, the five-year IRS, is the arithmetic average of the five-year interest rate swap quotations of "PYTWD01" and "COSMOS3" from Reuters at 11:00 a.m. Taipei time on the pricing base date for interest rate reset. If the above quotations are not available on the pricing base date for interest rate reset, HFC will decide on the basis of good faith and suitable market prices. Dividends are payable annually in cash on the base date set by the Board of Directors for the previous year. The dividends for the year of issuance and the year of redemption are calculated based on the actual number of days of issuance in that year. The Company has the discretion over the distribution of dividends on preferred stocks. If the Company does not have any earnings or sufficient earnings to distribute dividends on preferred stocks as concluded by the year-end accounting close, the Company may resolve to cancel the dividends on preferred stocks, which shall not constitute an event of default. Any dividends not distributed or under-distributed will not be cumulative and deferred in future years. Preferred stockholders shall not participate in the distribution of earnings and capital surplus by cash and by capitalization as equity. <p>When the Company issues new shares for cash, preferred stockholders have the same preemptive rights to subscribe for the new shares as common stockholders.</p>	
Outstanding Preferred Stocks	Redeemed or Converted Amount	0	
	Un-redeemed or Un-converted Balance	NT\$5 billion	
	Redemption or Conversion Clauses	Preferred stocks have no maturity date, but the Company may redeem all or part of the preferred stocks by the actual issue price at any time from the day after the fifth anniversary of the issuance. Un-redeemed preferred stocks shall continue to be subject to the rights and obligations of the aforementioned terms of issuance. If HFC resolves to pay dividends in a given year, the dividends payable as of the date of redemption shall be calculated based on the actual number of days of issuance in that year. Preferred stocks are not convertible into common shares, and preferred stockholders do not have the right to request HFC to redeem the preferred stocks they hold.	
Price per Share	2024	Highest	99.9
		Lowest	93.5
		Average	96.5
	2025	Highest	98.8
		Lowest	93.0
		Average	96.8
	The Current Year up to March 31	Highest	97.9
		Lowest	96.4
		Average	97.3
With Other Rights	Converted or Subscribed Amount as of the Date of Publication of the Annual Report	N/A.	
	Measures for Issuance and Conversion or Subscription	Please refer to the Company's Articles of Incorporation.	
Effect of Terms of Issuance on Preferred Shareholders' Equity, Possible Dilution of Equity and Effect on Existing Shareholders' Equity		N/A	

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Item		Preferred Share B	
Issue Date		2023/9/1 (Initial Issuance)	
Denomination		NT\$10	
Issue Price		NT\$100 per share	
Number of Shares		50,000,000 shares	
Total Amount		NT\$5 billion	
Rights and Obligations	Distribution of Dividends and Bonuses	Preferred stock at 4.5% per annum (5-year IRS rate of 1.4325% + +3.0675%, non-cumulative)	
	Distribution of Remaining Properties	Shareholders of preferred stocks have priority over shareholders of common stocks in the order of distribution of the remaining properties of the Company. The shareholders of various preferred stocks issued by the Company have the same order of distribution, and are all inferior to general creditors. The amount of distribution shall not exceed the amount calculated by multiplying the number of outstanding preferred stocks by the issue price at the time of distribution.	
	Exercise of Voting Rights	Preferred shareholders do not have voting rights at the shareholders' meetings, but have voting rights at the preferred shareholders' meetings and the shareholders' meetings concerning the preferred shareholders' rights and obligations.	
	Others	<ol style="list-style-type: none"> If the Company has surplus earnings as concluded by the year-end accounting close, it shall first set aside an amount sufficient to make up for losses from previous years and pay income tax, set aside 10% as legal reserve in accordance with the Articles of Incorporation, and then set aside or reverse the special reserve in accordance with the laws or the regulations of the competent authorities. If there is still any surplus in the earnings, the remainder shall be distributed as dividends on the preferred stocks for the year. Dividends on the preferred stocks are calculated at an annual rate of 4.5% based on the five-year IRS rate of 1.4325% +, a fixed mark-up rate of 3.0675% on the issue price per share as of July 28, 2023. The five-year IRS rate will be reset on the next business day following the five-year anniversary of the issue date and every five years thereafter. The pricing base date for interest rate reset is the second business day prior to the interest rate reset date, and the interest rate indicator, the five-year IRS, is the arithmetic average of the five-year interest rate swap quotations of "PYTWD01" and "COSMOS3" from Reuters at 11:00 a.m. Taipei time on the pricing base date for interest rate reset. If the above quotations are not available on the pricing base date for interest rate reset, HFC will decide on the basis of good faith and suitable market prices. Dividends are payable annually in cash on the base date set by the Board of Directors for the previous year. The dividends for the year of issuance and the year of redemption are calculated based on the actual number of days of issuance in that year. The Company has the discretion over the distribution of dividends on preferred stocks. If the Company does not have any earnings or sufficient earnings to distribute dividends on preferred stocks as concluded by the year-end accounting close, the Company may resolve to cancel the dividends on preferred stocks, which shall not constitute an event of default. Any dividends not distributed or under-distributed will not be cumulative and deferred in future years. Preferred stockholders shall not participate in the distribution of earnings and capital surplus by cash and by capitalization as equity. <p>When the Company issues new shares for cash, preferred stockholders have the same preemptive rights to subscribe for the new shares as common stockholders.</p>	
Outstanding Preferred Stocks	Redeemed or Converted Amount	0	
	Un-redeemed or Un-converted Balance	NT\$5 billion	
	Redemption or Conversion Clauses	Preferred stocks have no maturity date, but the Company may redeem all or part of the preferred stocks by the actual issue price at any time from the day after the fifth anniversary of the issuance. Un-redeemed preferred stocks shall continue to be subject to the rights and obligations of the aforementioned terms of issuance. If HFC resolves to pay dividends in a given year, the dividends payable as of the date of redemption shall be calculated based on the actual number of days of issuance in that year. Preferred stocks are not convertible into common shares, and preferred stockholders do not have the right to request HFC to redeem the preferred stocks they hold.	
Price per Share	2024	Highest	96.6
		Lowest	93.7
		Average	95.2
	2025 years	Highest	99.7
		Lowest	93.6
		Average	97.5
	The Current Year up to March 31	Highest	98.4
		Lowest	97.0
		Average	97.6
With Other Rights	Converted or Subscribed Amount as of the Date of Publication of the Annual Report	N/A.	
	Measures for Issuance and Conversion or Subscription	Please refer to the Company's Articles of Incorporation.	
Effect of Terms of Issuance on Preferred Shareholders' Equity, Possible Dilution of Equity and Effect on Existing Shareholders' Equity		N/A	

3.4 Global Depository Receipts: N/A.

3.5 Employee Stock Options: N/A

3.6 Employee Restricted Stocks: N/A

3.7 Issuance of New Shares in Connection with Mergers and Acquisitions or in Exchange for the Shares of another Company: N/A

3.8 Fund Utilization Plans and Implementation:

HFC does not have any published fund utilization plans that are either uncompleted or have been completed within the last three years but have not shown results.

4.1 Business Operations

4.1.1 Business Activities

1. Main areas of business operations: The installment sales and leasing of vehicle and equipment, which include:
 - Wholesale and retail of cars, motorcycles, auto parts and accessories
 - General leasing and leasing of pickup trucks and passenger cars
 - Purchase of accounts receivables (factoring)
 - Machinery and equipment retail
 - Machinery wholesale
 - Electrical appliances wholesale
 - Electrical appliances retail
 - Wholesale of computers, office machines and equipment
 - Retail of computers, office machines and equipment
 - Wholesale of pollution prevention equipment
 - Retail of pollution prevention equipment
 - Agency service
 - Overdue receivables collection and management service
 - Industrial and Commercial Credit Checking Service
 - Wholesale of medical supplies and equipment
 - Retail of medical supplies and equipment
 - Purchase of money claims of debt obligations from financial institutions
 - Publish credit review and auction of money claims of debt obligations of financial institutions
 - Magazine (periodical) publishing industry
 - Combined Heat and Power
 - self-usage power generation equipment utilizing renewable energy industry
 - Thermal Energy Supply Industry
 - Electric Appliance Construction
 - Electric Appliance Installation
 - Fire Safety Equipment Installation Engineering
 - Automatic Control Equipment Engineering
 - Machinery Installation
 - Computer Equipment Installation
 - Power Consuming Equipment Inspecting and Maintenance
 - Instrument and Meters Installation Engineering
 - International Trade
 - Energy Technical Services
 - Buildings Cleaning Service
 - Parking Lot Operations
 - Electric Power Supply
 - Any other business that is not prohibited or restricted by the law

2. Percentage of Operations of the Company and its Subsidiaries

Unit: NT\$ thousands

Year Item	2024		2025	
	Amount	%	Amount	%
Sales Income	1,445,514	4.99	902,579	3.80
Interest Income	19,008,884	65.63	17,547,202	74.03
Finance Lease Income	3,824,906	13.20	3,215,989	13.57
Operating Lease Income	3,309,226	11.43	660,661	2.79
Service Income	941,865	3.25	790,744	3.33
Other Income	433,435	1.50	586,940	2.48
Total	28,963,830	100.00	23,704,115	100.00

Source: 2024 and 2025 consolidated financial reports audited and certified by external auditors.

3. Main products and services:

The main product of HFC is to provide vehicle installment services. The main product of HFC is to provide vehicle installment services, with the vehicle being the object of the transaction. According to the Personal Property Secured Transaction Act, HFC is entitled to make claims against the vehicle under the Act until the buyer (consumer) completes the installment payment.

4. New products and services development

The Company continues to conduct new product research to help business expansion and seek new installment products other than automobiles, motorcycles, and merchandise, while continuing to analyze existing installment products for optimization and new growth opportunities. Under the trend of sustainable management, the Company continues to operate its own solar energy plants and actively engages in financing business for new energy industries.

5. Business activities of subsidiaries

Company Name	Main Business Activities
HFC (Cambodia) Microfinance PLC.	Finance and leasing business
Hoyun International Limited	General investment
Hoyun International Leasing Co., Ltd.	Vehicle and equipment finance leasing
Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring (i.e., purchase and management of accounts receivables from a third party)
Hoyun (Shanghai) Vehicle Leasing Co., Ltd.	Leasing of vehicles
Hemei International Trade (Suzhou) Co., Ltd.	Goods trading business
HEJING Co., Ltd.	Installment sales of various vehicles
Hotai Finance Development Co., Ltd.	Installment sales of various equipment
HEJUN Energy Co., Ltd.	Solar energy business
Wei Tien Energy Storage Co., Ltd.	Energy storage business
ChaoYang Energy Co., Ltd.	Solar energy business
Guang Yang Energy Co., Ltd.	Solar energy business
XianYao Energy Co., Ltd.	Solar energy business
HEJUN Electricity Co., Ltd.	Electricity retailing business
Tung Ching Energy Co., Ltd.	Solar energy business
Tung Ching Green Energy Co., Ltd.	Solar energy business
Billion Sunpower Co., Ltd.	Solar energy business
Cheng Yo Technology Co., Ltd.	Solar energy business
Pacific One Energy Ltd.	Solar energy business
Ruei Yang Guang Dian Co., Ltd.	Solar energy business
Jun Te Energy Co., Ltd.	Solar energy business
Hon Yang Energy Co., Ltd.	Solar energy business

Note: The above table does not include the "Hoyun International Leasing Co., Ltd. 2025 Year First Phase Hoyun Tongying Asset-Backed Notes Trust" of the consolidated entities.

4.1.2 Industry Overview

(1) Current Status and Development of the Industry

The automotive installment industry is a part of the peripheral financial industry, and the main function of the financial peripheral industry is to supplement the insufficiency of the capital market and the financing function of the banking system. The capital market and the banking system are mainly based on the investment and savings of the general public. In order to achieve financial and economic stability, the risk of financing is subject to certain restrictions. However, some car owners are unable to obtain bank financing successfully due to factors such as occupation and credit rating. Under the circumstance that the existing supply cannot satisfy these car owners, the financial peripheral companies operate with their own funds, which are less regulated by laws and regulations and have a higher risk tolerance. Hence, it can provide car owners a more flexible financing to supplement the insufficiency of the capital market and banking system function.

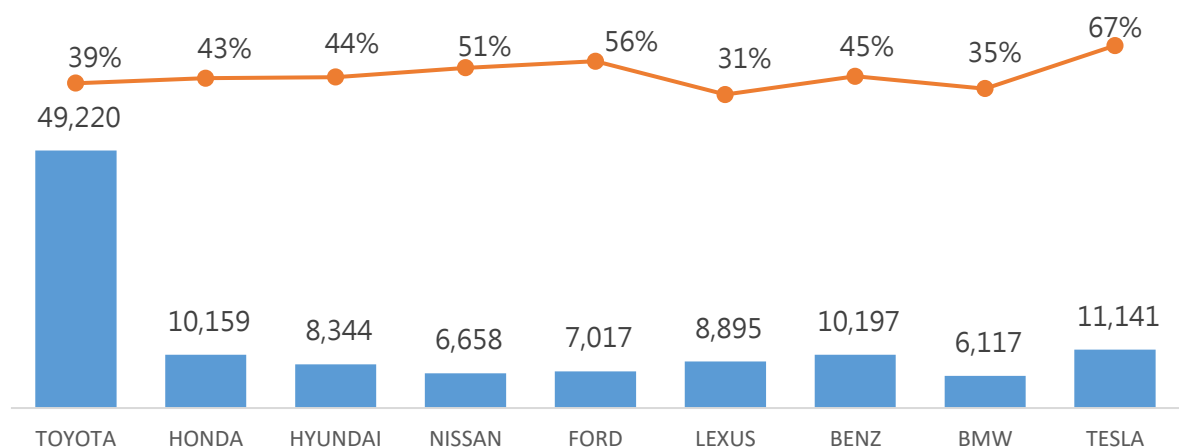
- New vehicle sales and installment sales in Taiwan from 2021 to 2025:

Unit: 1,000 vehicles

Year	2021	2022	2023	2024	2025
New Vehicle Sales	450	430	477	458	414
Installment Sales	193	184	188	187	174
Installment to New Vehicle Sales Ratio	43%	43%	39%	41%	42%

Sources: February 6, 2026, Ministry of Transportation and Communications and internal data compiled by the Company.

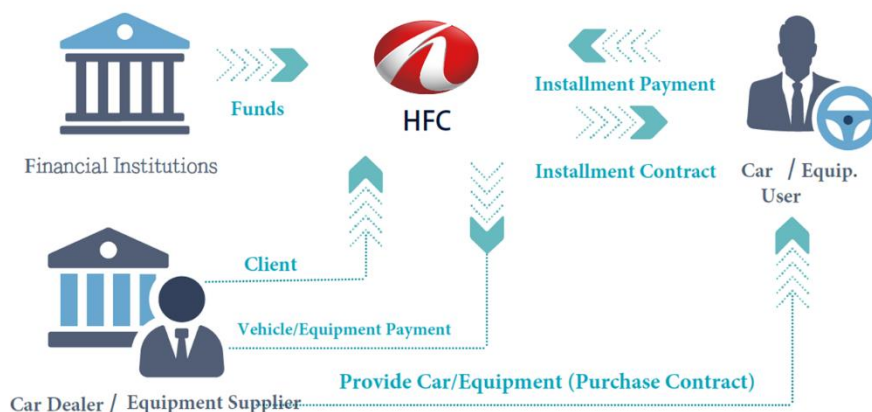
- Installment sales and ratio to new vehicle sales of major automakers in 2025.



Sources: February 6, 2026, Ministry of Transportation and Communications and internal data compiled by the Company.

IV. Business Overview

(2) Relationship with upstream, midstream and downstream companies



(3) Product development trends

In Taiwan, the financial options of installment payment and financial leasing have been gradually accepted by the public. From the Company's initial installment of new cars, installment of used cars, to that of motorcycles, equipment, merchandise, and green energy equipment that has gradually emerged in recent years, many related installment programs have been launched to the market. In an era where everything can be paid by installment, the Company will continue to pay attention to market dynamics, optimize our existing products, and launch new products to meet market demand.

(4) Competition situation

According to the data provided by the Taipei Leasing Association, R.O.C., the main leasing peers can be divided into four major systems:

Item	Main Business Activities	Number of Competitors	Top Industry Players
Investments made by banks	Stable and sufficient source of funds; the depth of their business development depends on the customer list of their banking business, and their investments often focus on large-size equipment leasing	16	FCB Leasing Co., Ltd., CTBC Finance Co., Ltd., Hua Nan International Leasing Co., Ltd., KGI Finance & Leasing Corporation, SinoPac Leasing Corp., IBF Financial Holding Co., Ltd., Taichung Bank Leasing Corporation Limited, Union Finance & Leasing (Int'l) Corp., Sunny International Leasing Co., Ltd., Taiwan Business Bank International Leasing Co., Ltd., Far Eastern International Leasing Corp., Panhsin International Leasing Co., Ltd., Co-Operative Assets Management Co., Ltd., JihSun Taichun International Leasing, JihSun Taichun Universal Industries, and Taihsin D.A. Finance Co., Ltd.
Automotive dealer background	These companies are primarily established by automotive dealers and focus on vehicle-related financial services, while also providing other financing services to customers.	11	Hotai Finance Corporation, Yulon Finance Corporation, CMI Credit Ltd., Shinshin Credit Corporation, Mercedes-Benz Financial Services Taiwan Ltd., Fortune Motors Co., Ltd., Hsieh-Shin Motors Co., Ltd., Scania Taiwan, Yulon GM Company Limited, HEJING Co., Ltd., and Hotai Finance Development
Foreign-owned companies	Most of them are established by foreign enterprises, equipment manufacturers or their leasing companies for the purpose of developing their business in Taiwan.	2	Orix Taiwan Corporation, and Fuyo General Lease (Taiwan) Co., Ltd.
Independent leasing companies	Provide a wide variety of products and great flexibility.	9	Chailease Finance Co., Ltd., Robina Finance & Leasing Corp., Fina Finance & Trading Co., Ltd., Far Trust International Finance Co., Ltd., Yuan Xin International Finance Co., Ltd., Cosmos Leasing Co., Ltd., Chang Hong Co., Ltd., Chailease Consumer Finance Co., Ltd., and Chailease Auto Rental Co., Ltd.

Sources: January 22, 2026, Taipei Association of Leasing Industry website and internal data compiled by HFC.

IV. Business Overview

4.1.3 Technology and R&D overview

Since its establishment in 1999, the Company has engaged in vehicle installment and equipment installment services, and has continuously introduced products that meet market needs, ranging from new car and used car installments and car financing to motorcycle installments, commodity installments, accounts receivable purchase, equipment installments, and raw material installments. We uphold the spirit of "customer first and professionalism" to satisfy customers' needs and to solidify the Company's profitability and growth. At the same time, through years of accumulated professional experience, and continuous improvements in risk management, sales, and operational processes, along with the integration of AI, we have achieved steady growth in a highly competitive market.

4.1.4 Long-term and short-term business development plan

(1) Short-term Business Development Plan

- A. Core business strengthening: The Company will continue to improve its vehicle installment products, enhance the intensity of its channel operations, and increase the penetration rate to stabilize and expand its business growth.
- B. Diversification of products: Continue to invest in consumer installment and equipment supplier channels to expand the opportunities of installment; expand motorcycle and product installment business to accelerate the Company's growth.
- C. Resources invested by the re-investment company: Continue to assist subsidiaries in IT and talent recruitment, improve operating efficiency, and expand business development.

(2) Mid- and long-term business development plans

Continue to invest manpower to research new products, new operating models, new channels, and evaluation of new overseas bases for the Company's long-term development.

4.2 Market and Sales Overview

4.2.1 Market Analysis

(1) Sales (supply) territories of major products (services):

Unit: NT\$ thousands

Year	2024		2025	
Region	Amount	%	Amount	%
Taiwan	24,096,122	83	19,591,651	83
China	4,867,708	17	4,112,464	17
Total	28,963,830	100	23,704,115	100

(2) Market Share:

The automotive financing products underwritten by HFC in 2025 are approximately NT\$101.8 billion. HFC has stably maintained its position as the market leader among the automotive installment service providers. Based on the overall installment number of cars in Taiwan at 174,303 units in 2025, the Group has contracted 59,745 contracts in 2025, with a market share of 34.3%, and has a significant market position.

Unit: cars/cases

Vehicle Installment Market Share					
Year	2021	2022	2023	2024	2025
Registered Vehicles	449,859	429,731	476,987	457,830	414,436
Vehicles with Financing	193,281	183,837	188,345	186,978	174,303
Vehicles with Financing to Registered Vehicles	42.96%	42.78%	39.49%	40.84%	42.06%
Undertaken by HFC	57,991	51,789	54,025	59,902	59,745
HFC Market Share	30.00%	28.17%	28.68%	32.04%	34.28%

Sources: February 6, 2026, Ministry of Transportation and Communications and internal data compiled by the corporate group.

(3) Future market supply, demand and growth:

A. Overview of the Domestic Vehicle Market

Looking ahead to 2026, despite uncertainties and challenges in the international political and economic environment, the market of Taiwan will remain relatively stable and is estimated to grow to 440,000 units throughout the year. For our production lines (TOYOTA/LEXUS), we will continue to introduce new products. The Company will continue to design more diverse installment solutions to meet consumer demand and strengthen its competitiveness in the market in order to drive sales growth and retain our customers to consolidate the Group's mobility as a service (MaaS).

B. Supply and Demand of Equipment Installment

According to the Taipei Leasing Association, the equipment leasing/installment market as a whole has been growing in recent years, indicating that the acceptance of leasing companies by small and medium-sized enterprises has increased. The Group will continue to focus on the three major industries (medical, machine tools, and construction equipment) and continue to develop product channels and actively pursue

quality customers, while maintaining its existing customers and expanding the scale of its undertaking business.

C. Overview of the Commercial Vehicle Market

With the extension of the vehicle replacement policy until the end of 2030, the commercial vehicle market in 2026 is expected to maintain a stable level of approximately 17,000 units.

In addition to continuously increasing the market share of the HINO brand, HEJING Co., Ltd. will also continue to expand its overall market presence by deepening cooperation with other brands. At the same time, leverage the customer base accumulated over the past four years to strengthen the penetration of the used car market. In terms of internal process improvements, 2026 will see the introduction of AI to assist in business activities and optimize risk control processes, enhancing customer retention and asset quality to steadily maintain a leading position in the heavy vehicle installment market.

D. Overview of the Corporate Financing Market

In 2026, the overall economic condition is expected to maintain positive development. With the continued promotion of the government's forward-looking construction plans, corporate investment and operational momentum are anticipated to develop upward, and the funding demand for small and medium-sized enterprises is expected to remain expansionary. However, due to uncertainties such as supply chain fluctuations and central bank coupon rate policies, the overall operational environment risk for enterprises is relatively high.

Facing external challenges, Hoyun International will focus on industries with growth potential and high-quality customer groups, continuing to strengthen risk management. It will use AI and digital tools to improve operational efficiency, steadily growing while ensuring asset quality and risk control.

E. Overview of the Green Energy Industry

Under the government's 2050 net-zero emissions policy, the 2030 installation target for solar power is 31GW, with approximately 15.3GW established by the end of 2025, indicating significant growth potential remains.

Looking ahead, as the overall trend is gradually moving towards diversified green energy development, HEJUN Energy will continue to build solar power plants, and extend its reach to various energy installations to drive growth through diversified deployment. The company also plans to accelerate the advancement of its power sales business to increase revenue.

F. Overview of the Equipment Leasing Market in Mainland China

Under the "15th Five-Year" plan, China will promote industrial upgrades, self-sufficient supply chains, and expanded domestic demand. Coupled with policies for intelligent manufacturing and equipment upgrades, the market's demand for machinery and engineering equipment leasing is expected to increase. Although the green

industry is also a major focus of development, after the rush to install photovoltaic installations subsides, overall investment in the photovoltaic industry in 2026 is expected to become more cautious, shifting from annual growth to a decline ranging from 3% to 35%. In the automotive market, the sales of new energy vehicles are expected to grow by approximately 20%, serving as the main source of momentum. In terms of medical devices, although the reform of the payment system poses short-term operational pressure on the healthcare system, considering the implementation of policies such as domestic substitution and centralized procurement, the market is predicted to have growth potential.

In 2026, Hoyun International will focus on vehicle and equipment businesses, steadily pursuing high-quality cases, adjusting product structure, and managing risks to enhance asset quality.

G. Overview of the Commercial Factoring Market in Mainland China

2026 will be the 14th year of the pilot implementation of the commercial factoring industry in Mainland China, with the industry gradually becoming oriented toward serving the physical economy based on progressively improving systems. With the promotion of policies, there is a substantial demand from enterprises in terms of liquidity management, capacity expansion, and supply chain stability. Commercial factoring, as an important component of corporate operations and supply chain finance, has a solid foundation for market development.

Hoyun International will continue to adhere to the business principle of "cultivating the industry and serving the entity", focusing on relatively stable industries such as auto parts and components, consumer electronics, new materials, logistics and transportation, and selectively engaging with high-quality clients with competitive and creditworthy foundations. At the same time, actively promote digital transformation of business and upgrade risk control capabilities to face the challenges of increasing customer competition, achieving sustainable growth in business scale and profitability while ensuring stable asset quality.

H. Overview of the Cambodian Automotive Market

In 2026, the Cambodian automotive market is expected to exhibit a trend of moderate growth in both supply and demand. On the demand side, as economic growth and the expansion of the middle class drive up demand in the new car market, the overall financing environment remains risky, leading to a conservative supply of car loans, which suggests limited growth momentum in vehicle demand. On the supply side, benefiting from lower tariffs and manufacturing cost advantages, Cambodia is gradually becoming an important hub for the regional automotive industry layout. The increase in local assembly ratios helps to reduce prices and improve delivery efficiency. However, geopolitical events and risks related to international image may affect foreign investment confidence, creating uncertainties in market development.

IV. Business Overview

In 2026, HFC MFI will drive business development through dealer management and product innovation, supported by rigorous risk control and asset quality management, to sustain steady company growth.

(4) Competitive Advantages:

A. Exhaustive Channel Understanding

The Group's agent Toyota/Lexus has over 30% of the domestic market share, and with the consolidation of new car channels of other companies' brands, we continue to maintain a stable new car installment business, while actively developing major car dealers and used car channel alliances in Taiwan and expanding the e-commerce system, allowing the used car installment and car financing business to develop deeply and grow rapidly.

B. Well-built Financial Structure

We have been rated "Long-term twAA-" and "Short-term twA-1+" by Taiwan Ratings for 19 consecutive years from 2007 to 2025, and our long-term credit rating is expected to be "stable". We have also been rated "Long-term BBB" and "Short-term A-2" by the international rating agency, Standard & Poor's, for 6 consecutive years from 2020 to 2025, outperforming many domestic financial institutions and industry peers.

C. Diverse and Complete Product Line

In addition to the installment business for new cars, used cars, and motorcycles, we are also actively exploring the installment business for consumer goods and the installment business for small and medium-sized enterprises to provide more diversified services by extending the product range from individuals to corporations.

D. Excellent Credit Quality

The Group has a high standard of internal risk control, a well-developed review mechanism, uses big data analysis to screen customers, and has maintained a stable overdue percentage for a long time.

E. Use of Technology to Develop Business

The Group has developed a vehicle installment APP case submission system, which allows internal and external sales staff to use the mobile APP to quickly perform case consolidation and back-end credit checks, which not only eliminates the need for paper-based operations for environmental protection, but also speeds up business efficiency.

(5) Favorable and Unfavorable Factors of Development Prospect and Countermeasures:

A. Favorable factors

Aspect	Description
Market	<ul style="list-style-type: none"> Deepened market share of local brands, continuous increased penetration rate of used car dealers and strong domestic demand for consumer financing The economy is experiencing stable growth, and there is strong corporate demand for capital.
Channels	<p>The Company has been working closely with the following channels to stabilize and expand case sources:</p> <ul style="list-style-type: none"> The Group's brands (TOYOTA, LEXUS, HINO) The brands of other industry players (Volvo, Suzuki, Tesla, etc.) Used cars (HOT used car, TOYOTA/LEXUS CPO) Motorcycles (Kymco, YAMAHA, etc.) Merchandise (online/offline channels) Equipment suppliers
Services	<p>We create more value for our customers and partners by providing the following quality services:</p> <ul style="list-style-type: none"> One-on-one personal services for key channels and car dealers Professional planning team to develop flexible and diversified installment programs Professional and fast case review capability Superior car dealer cooperation system Continuous optimization of a case submission APP and operating systems to provide efficient and quality services.
Resources	<ul style="list-style-type: none"> Large retained customers Industry knowledge accumulated over the years Related resources of the Hotai Group The operation extensively utilizes AI resources, significantly enhancing efficiency.

B. Unfavorable factors

Unfavorable factors	Countermeasures
Industry peers/banks continue to influence vehicle and equipment installment business with low prices.	<ul style="list-style-type: none"> Continue to increase competitiveness with product diversification and innovation Stabilize existing channels and strengthen the depth of channel cooperation. Enhance business management, expand both brand and non-brand channels, and increase control over installment financing. Strengthen the Company's used car channels and increase its market control.
More stringent business regulations	<ul style="list-style-type: none"> Adjust relevant regulatory contents and continuously improve the Company's operation process. Continuously monitor laws and policies that may affect the Company's business and operations and take appropriate countermeasures.
The cost of capital remains high.	<ul style="list-style-type: none"> Conduct a comprehensive review of interest rates for each product and increase the interest rates for each product to address the rising cost of capital due to the increase in interest rates
The Company's business is concentrated in the areas of car installment and leasing in Taiwan	<ul style="list-style-type: none"> Enhance business efficiency and effectiveness Develop high value-added equipment leasing business such as medical equipment, machine tools, and construction equipment. Strengthen the development of corporate finance and product installment financing businesses, while accelerating investments in green energy ventures. Replicate Taiwan's successful experience, and expand into the installment financing market in Southeast Asia.

IV. Business Overview

4.2.2 Usage and manufacturing processes for the Company's main products

The Company's main product is the automotive installment payment service. It provides the installment payment plan that the public needs to purchase new and used cars. It not only provides consumers with flexible payment methods, but also promotes the Group's sales model of new cars, and helps corporate customers in getting all equipment, semi-finished products, or raw materials that they required which can be paid in installments to the Company and the Company will make a one-time payment on behalf of the customer to the supplier, and the customers then make regular repayments according to the customer's repayment plan and ability. As for the leasing business, the Company and its subsidiaries provide financing services for various equipment, semi-finished products or raw materials required by the enterprises, mainly by leasing. For example, the Company and its subsidiaries pay the equipment vendor on behalf of the customers to purchase the equipment, and the customer only needs to pay the rent on time in each installment, there is no need to bear the full price at one time. In summary, the Company is a financial service business and therefore does not have a manufacturing process.

4.2.3 Supply of major raw materials

The Company's main business is automotive installment payment, and its business comes from Hotai Motor Co., Ltd. (TOYOTA, LEXUS), regional dealers of other brands, and used car dealers of various brands throughout Taiwan. The second is equipment installment and rental, so there is no major raw material.

4.2.4 List of customers that have accounted for more than 10% of total purchases (sales) in any of the last two years, their purchases (sales) amount and proportion, and explain the reasons for the changes

(1) List of suppliers

The Company and its subsidiaries are mainly engaged in the installment business and rental business. The installment payment business is mainly for interest income, and has no gross profit. Therefore, sales revenue and cost are expressed on a net basis, and the cost of goods sold is not applicable because the leased assets are stopped for renting and are made available for sale.

(2) List of sales customers

The Company and its subsidiaries have a broad customer base and there are no customers who account for 10% of sales, so not applicable.

4.3 Employee Statistics in the Last Fiscal Year and as of the Date of This Annual Report

Year		2024	2025	As of March 31, 2026
Number of Employees	Sales Personnel	1,446	1,007	1,006
	Clerk	743	1,172	1,190
	Total	2,189	2,179	2,196
Average Age		36.7	37.2	37.4
Average Length of Service		4.9	5.3	5.4
Highest Level of Education (%)	Ph.D.	0.0%	0.0%	0.0%
	Master's Degree	8.1%	9.4%	9.4%
	Bachelor's Degree	79.3%	78.1%	78.1%
	Senior High School	11.8%	11.7%	11.7%
	Below Senior High School	0.8%	0.8%	0.8%
Total		100%	100%	100%

4.4 Environmental Expenses

Describe the sum of losses due to environmental violations, including fines and violations found during environmental audit that occurred in the last fiscal year and as of the date of this annual report (please specify the date on which the penalty decision is made, case number, regulations violated, details of the violation, and penalties imposed), as well as an estimate of current and potential losses and countermeasures. If the amount cannot be reasonably estimated, the reasons for which should be included: N/A

4.5 Labor Relations

4.5.1 Relevant systems of the Company and their implementation

From the first day of service, the employees of the Company are entitled to labor and health insurance, pension contributions, and various protections better than the Labor Standards Act. The Company's employee remuneration and benefits, continuing education and training, and retirement system and the status of implementation, as well as the agreements between labor and management, and the status of various measures to protect the rights and interests of employees are also listed below.

(1) Remuneration system

- ✓ Competitive annual salary
- ✓ Better-than-market year-end bonuses
- ✓ Evaluation bonus
- ✓ Annual salary adjustment
- ✓ Incentives (subject to reward regulations for each position)

(2) Welfare system

The Company has established the Employee Welfare Committee of Hotai Finance Co., Ltd. in 2008, dedicated to the improvement of welfare measures:

IV. Business Overview

- ✓ Long-term service leave, birthday leave, volunteer Honors leave better than the Labor Standards Act.
- ✓ Employee stock ownership trust
- ✓ Employees with outstanding performance who have served for 25 years receive a stock reward valued at 120,000.
- ✓ Group insurance, accident insurance
- ✓ Gift money and gifts for the three major festivals
- ✓ Birthday cash gift
- ✓ Subsidies and scholarships for children's educations
- ✓ Special store discounts
- ✓ Subsidies for Foreign Language Training
- ✓ Foreign Language Incentive Program
- ✓ Car discount for employees
- ✓ Regular health checkup, illness medical assistance
- ✓ Wedding and bereavement, childbirth, and hospitalization subsidies and consolation payments for employees and dependents
- ✓ Travel subsidies, competitive travel
- ✓ Abundant club activities
- ✓ Year-end event, Spring cocktail party

(3) Continuing education and training

HFC adheres to the sustainable management philosophy of "people-oriented," considering employees as the most essential assets for the company's growth. The Company is committed to building a comprehensive talent development system, deeply integrating our annual training plans with the Company's vision and strategic development objectives. Through diversified training resources, achieve the objectives of "nurturing talent, retaining talent, and organizational co-prosperity," comprehensively enhance employees' workplace competitiveness and sense of achievement, drive the Company's continuous and steady growth, and consolidate its leading position in the vehicle installment market.

To implement the talent development strategy, HFC deepens its talent capital through the following four major Aspects:

A. Multi-level physical training system:

- ① Physical training is based on a functional framework to address core functional and management competencies at different levels, and systematically develops a series of courses including the "Supervisor Co-Learning Camp," "AI Empowerment Program," "Precious Jade Camp," "Cornerstone Camp," "Strength Class," "Star Class," and "Top Sales Motivation," refining the corresponding core and management and administration capabilities.
- ② Professional functions are taught by senior colleagues in each department by way of OJT to pass on experience in the three dimensions of attitude, knowledge, and

skills, ensuring precise alignment between professional techniques and work practices, and continuously enhancing professional effectiveness.

B. Digital and Diverse Learning Platform:

- ① MBA Academy: Established into four professional academies based on functions: "Marketing Management," "Finance," "Customer Management," and "Business Sales," to make the online courses more diversified and complete, providing colleagues with a self-learning environment that is not limited by time or space.
- ② General courses: Provide courses in line with industry trends in thinking and technology to strengthen employees' digital transformation capabilities and enhance their hard and soft skills.
- ③ Legal Courses: Strictly implement the self-regulatory responsibilities of listed companies, regularly provide training courses on corporate governance, internal control, and relevant regulations to deepen the culture of compliance among all employees.

C. Strategic career rotation mechanism:

To cultivate leadership talents with a comprehensive perspective, the Company has established a superior rotation system. Through cross-departmental rotation and experience, employees can deeply internalize organizational operation thinking, cultivate diversified professional skills, and transform into all-around generalists with cross-domain competitiveness, thereby revitalizing the organization's human capital.

D. International Foreign Language Learning Development:

In response to global deployment and international development trends, the company actively encourages employees to improve their English and Japanese communication skills. By establishing the "Foreign Language Learning Subsidy Program," we provide diversified learning channels and incentives for further studies, thereby expanding employees' international perspectives and strengthening the reserve of international talents.

(4) Retirement System and Implementation

The Company has a defined retirement policy in accordance with the "Labor Pension Act". The local employees who arrived before 2005/7/1 (exclusive) are entitled to their pensions under the old pension system and have also opted for the new pension system. 2005/7/1 (inclusive): New system applies to employees hired after 2005/7/1 (inclusive), and new or old system applies to foreign employees.

A. New pension plan

The Company contributes 6% of the total salary to the employee's individual account at the Labor Insurance Bureau each month. The employee's pension is paid monthly or in a lump sum based on the amount of the employee's personal pension account and accumulated earnings received.

B. Old system pension

IV. Business Overview

The Company contributes 2% of the total salary to the employees' pension fund every month, which is deposited by the Labor Pension Fund Monitoring Committee in the special account of the Bank of Taiwan in the name of the committee.

- (5) Status of agreements between labor and management and the protection of employees' rights and interests

The Company values harmonious labor-management relations and has formulated a transparent and fair system to protect the rights and interests of employees. Since inception, the Company has been active in establishing open and two-way communication channels. So far, there have been no major labor disputes or losses.

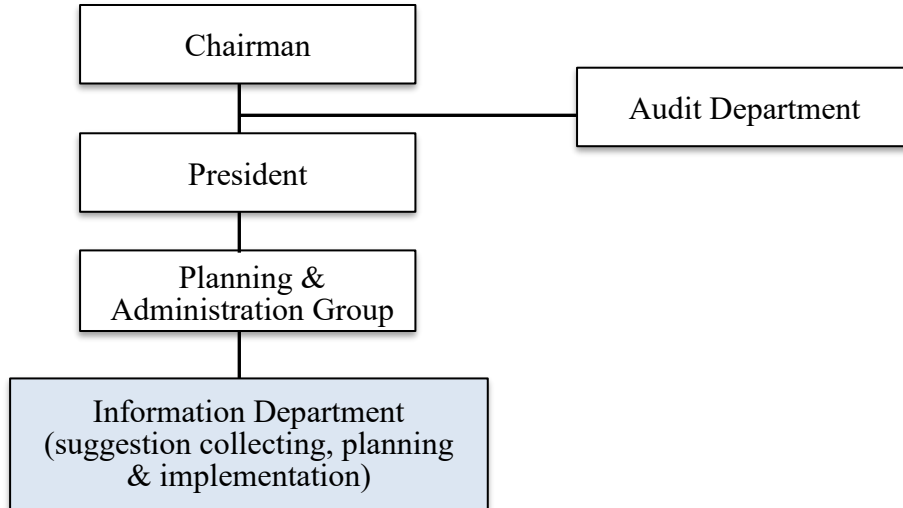
- 4.5.2 Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

4.6 Cyber Security Management

4.6.1 The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

(1) Cyber security risk management framework and cyber security policy:

① Cyber Security Management:



② Cyber Security Policy:

To ensure the confidentiality of the information (only authorized personnel may have access to the information), completeness (guaranteeing the accuracy and completeness of the information and the methods by which it is processed), and availability (assuring that authorized users have access to the information and use of related information assets), protect the Company's information assets from improper use, leakage, tampering, and damage, and ensure the safety of information collection, processing, transmission, storage, and circulation, the Company has established the "Computerized Information System Control Procedures" applicable to all employees in the head office and branch offices. The implementation and amendments are subject to the approval of the President. In December 2022, the Company received ISO27001 certification after implementing the Information Security Management System (ISMS) in 2022, which was audited and verified by SGS, and passed the verification for the current year every November from 2023 to 2025. Through the introduction of the ISMS system, the Company enforces the routine information security work and maintain a secure and reliable information environment by regularly checking the information security risks to ensure the stability and security of data, systems, equipment, and networks for the purpose of sustainable business operations.

(2) Specific management plans and resources invested in cyber security management:

① Raise awareness of information security

Through regular courses and periodic tests, the Company raises employees' awareness of information security. In the planning of regular courses, each

employee is required to complete an information security course every year, covering legal liabilities for legal software use and pirated software, basic concepts of information security, common information security vulnerabilities, company information security protection measures, and introduction to common computer viruses etc.; Number of people who completed the 2025 information security and personal data protection related courses: 1,137 participants.

② Regularly review the vulnerability in information security

In order to further strengthen information security, HFC also commissioned an impartial and objective third-party information security consultant to perform vulnerability scans to help check the security of network systems and system hosts, and assess the vulnerability and information security risk level. The information unit made corrections for relevant vulnerabilities based on the initial scan report, and repeat scans were performed to ensure that all material vulnerabilities were fully rectified.

③ Internal Information Security Audit

In order to ensure that information security operations are performing properly, HFC conducts monthly and annual internal audits, which are initiated by the Information Department and conducted by the entire company. Every month, the Information Department schedules a work rotation table to check the system's important mechanisms and requirements after they are launched. The former ensures that the important mechanisms are working properly. The latter ensures that the system development functions align with requirement planning after the new requirements are launched. Information security audits are conducted annually, and different audit topics are planned based on the current year's situation. First, employees conduct self-inspection based on the "Personal Computer Information Security Checklist." The Information Department then assigns dedicated personnel to randomly check 10-20% of personal computers at each location. After the audit, the deficiency proportions of each department are tallied, and the annual information security audit report and related improvement measures are prepared.

④ Establishment of a dedicated information security officer

According to the Cyber Security Management and Control Guidelines for TWSE/GTSM Listed Companies, from September 2023, the Director of the IT Department of the Company serves as the information security supervisor, and one person is appointed as the information security personnel.

⑤ Enhancement of information security operations by third parties

Annually, HFC will review the procedures of the information unit in the Company's standard operating procedures to confirm that they are in line with the ISO standard operating procedures and that they are in line with the current situation. In addition, during 2025, professional CPAs were appointed to

interview the head of the information department to understand the organizational structure and clarification of the information unit's responsibilities and conduct the following audits. No material information security deficiencies affecting financial reporting were identified as a result of external audits in 2025.

⑥ The implementation of information security measures is as follows:

Method	Item	Frequency	Description
Internal	Internal control self-assessment and review	Every year	Whether each unit has implemented self-examination and internal control
Internal	Internal audit	Every year	The Audit Department conducts audits jointly with other units.
Internal	Information Security Audit	Every year	IT unit was activated, and the whole company cooperated and audited.
Internal	Information security education	Every year	Enhance information security awareness through online courses
Internal	Phishing email test	Non-scheduled	Raise employees' awareness towards unfamiliar emails
External	Website vulnerability scanning	Every year	The IT department commissioned a third-party professional IT vendor to scan the official website for vulnerabilities.
External	APP program source code inspection	Every year	The IT unit commissioned a third-party professional IT vendor to test the APP program source code.
External	ISO27001 Audit	Every year	Annual audit of the Company's information security policy and implementation effectiveness are conducted by a third-party certification company.
External	Internal audit and internal control review	Every year	External professional audit

4.6.2 Losses due to major IT security incidents in the most recent year and up to the date of publication of the annual report, their possible impacts, and responsive measures: None.

4.7 Material Agreements

Type of Agreement	Counterparty	Term	Summary	Restrictive Clauses
Trust Indenture	Bank SinoPac	2021/4/15 ~ 2026/4/15	HFC engages Bank SinoPac to be the trustee for the 2021 1st unsecured corporate bond.	N/A
Trust Indenture	Taishin International Bank	2021/7/22 ~ 2026/7/22	HFC engages Taishin International Bank to be the trustee for the 2021 2nd unsecured corporate bond.	N/A
Trust Indenture	Bank SinoPac	2023/3/28 ~ 2028/3/28	HFC engages Bank SinoPac to be the trustee for the 2023 1st unsecured corporate bond.	N/A
Trust Indenture	Bank SinoPac	2025/7/21 ~ 2028/7/21	HFC engages the counterparty to be the trustee for the 2025 1st secured corporate bond. (Guarantor: Bank of Taiwan)	N/A
Trust Indenture	Bank SinoPac	2025/10/8 ~ 2030/10/8	HFC engages the counterparty to be the trustee for the 2025 2nd unsecured corporate bond.	N/A
Trust Indenture	Yuanta Commercial Bank Co., Ltd.	2026/3/30 ~ 2031/3/30	HFC engages the counterparty to be the trustee for the 2026 1st unsecured corporate bond.	N/A
Lease	Hotai Motor Co., Ltd.	2024/1/1 ~ 2026/12/31	Office lease on the 4F., No. 10, Mingzhong St., Xinzhuang Dist., New Taipei City	N/A
Lease	Hoyu Investment Co., Ltd.	2018/6/20 ~ 2028/6/19	Office lease on the 3F., No. 433, Songjiang Rd., Zhongshan Dist., Taipei City	N/A
Outsourcing Agreement	Financial Institution A	Two years from August 2, 2024 (Note 3)	In order to develop the business, the car loans, Financial Institution A enters into an arrangement with HFC by outsourcing auto finance marketing, loan management, consultation, documentation custodian service, etc. pursuant to the Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation (hereinafter "Regulations for the Outsourcing of Financial Institution Operation").	Note 1
Outsourcing Agreement	Financial Institution B	2012/8/31 ~ 2013/12/31 (Note 3)	In order to develop the business, the car loans, Financial Institution C enters into an arrangement with HFC by outsourcing auto finance marketing, loan management, consultation, documentation custodian service, etc. pursuant to the	Note 2

Note 1: According to Article 13, Paragraph 1 on page 4 of the Outsourcing Agreement, "For loan applications that are processed through HFC and approved by Financial Institution A, if any defect is found in the approved application or documents relating to the claims or if any of the following event occurs, Financial Institution A may transfer its loan claims to HFC, and HFC will assume the risks associated with the loan and pay a purchase price for the claims transferred: 1) the borrower fails to repay the loan according to the loan agreement and the payment is overdue for 60 days or more. 2) the borrower has a faulty credit rating, commits a fraudulent act, files for bankruptcy, or any other circumstances that render it impossible to collect the debt. 3) any litigations or other legal proceedings, disputes or conflicts arising out of the loan claims that cannot be resolved. 4) the custodial documents of the claims are defective or not properly maintained according to the agreement. According to Article 15 on page 6 of the Outsourcing Agreement, once Financial Institution A approves a loan, the process of creating a lien on the collateral vehicle must be completed within 30 days from the day after the loan approval date. If the vehicle lien process is not completed within the prescribed period, Financial Institution A may transfer the loan claims to HFC, and HFC will assume the risks associated with the loan and pay a purchase price for the claims transferred.

Note 2: According to item No. 2 of the operating procedures under the Outsourcing Agreement, Financial Institution B may request HFC to purchase the loan claims if 1) the borrower fails to repay the loan and it has become overdue for 29 days or more. 2) any of the following circumstances of the borrower that render it impossible for Financial Institution B to collect all or part of the debt: bankruptcy, rehabilitation, creation of more than one lien on the same collateral, or faulty credit rating. 3) The process of creating a lien on the personal property cannot be completed within one month after Financial Institution B approves the loan (including an event where the personal property does not meet the conditions for creating a lien). If agreed by Party A, the period may be extended, but no longer than six months. 4) the collateral is unredeemed or lost; 5) any litigations or non-litigious events, or any disputes or conflicts occurred that cannot be resolved in a timely manner. 6) The loan documents (i.e., personal property lien application, collateral loan agreement, loan receipt, etc.) are defective or are not maintained according to the Outsourcing Agreement.

Note 3: The agreement HFC signed with the financial institution states that the term of the agreement will be renewed on the expiration date if no material amendments are required.

5.1 Financial Condition

5.1.1 IFRS (Consolidated)

Unit: NT\$ thousands

Item	2024	2025	Change	
			Amount	%
Current Assets	302,835,328	301,637,976	-1,197,352	-0.40%
Non-current Assets	25,344,062	27,947,517	2,603,455	10.27%
Total Assets	328,179,390	329,585,493	1,406,103	0.43%
Current Liabilities	283,713,332	276,026,176	-7,687,156	-2.71%
Non-current Liabilities	2,799,475	10,163,061	7,363,586	263.03%
Total Liabilities	286,512,807	286,189,237	-323,570	-0.11%
Share Capital	7,231,505	7,231,505	0	-
Capital Surplus	17,139,974	17,139,974	0	-
Retained Earnings	13,038,659	14,110,138	1,071,479	8.22%
Other Equity Interest	-53,645	4,478	58,123	108.35%
Non-Controlling Interest	4,310,090	4,910,161	600,071	13.92%
Total Equity	41,666,583	43,396,256	1,729,673	4.15%

Note: Analysis is not required if the percentage change does not exceed 20%.

Analysis of percentage changes:

1. Change in Non-Current Liabilities by 263.03%: Due to the increase in long-term borrowings to meet capital requirements.
2. Change in Other Equity Interest by 108.35%: Due to the increase in the gain from cash flow hedge instruments.

5.1.2 IFRS (Individual)

Unit: NT\$ thousands

Item	2024	2025	Change	
			Amount	%
Current Assets	231,958,397	227,960,749	-3,997,648	-1.72%
Non-current Assets	23,221,652	24,434,779	1,213,127	5.22%
Total Assets	255,180,049	252,395,528	-2,784,521	-1.09%
Current Liabilities	217,371,109	213,458,979	-3,912,130	-1.80%
Non-current Liabilities	452,447	450,454	-1,993	-0.44%
Total Liabilities	217,823,556	213,909,433	-3,914,123	-1.80%
Share Capital	7,231,505	7,231,505	0	-
Capital Surplus	17,139,974	17,139,974	0	-
Retained Earnings	13,038,659	14,110,138	1,071,479	8.22%
Other Equity Interest	-53,645	4,478	58,123	108.35%
Total Equity	37,356,493	38,486,095	1,129,602	3.02%

Note: Analysis is not required if the percentage change does not exceed 20%.

Analysis of percentage changes:

1. Change in Other Equity Interest by 108.35%: Due to the increase in the gain from cash flow hedge instruments.

5.2 Financial Performance

5.2.1 IFRS (Consolidated)

Unit: NT\$ thousands

Item	2024	2025	Change	
			Amount	%
Operating Revenue	28,963,830	23,704,115	-5,259,715	-18.16%
Operating Costs	12,374,199	9,479,110	-2,895,089	-23.40%
Gross Profit	16,589,631	14,225,005	-2,364,626	-14.25%
Operating Expenses	12,889,467	10,162,356	-2,727,111	-21.16%
Operating Profit	3,700,164	4,062,649	362,485	9.80%
Non-Operating Income and Expenses	713,386	228,014	-485,372	-68.04%
Profit Before Tax	4,413,550	4,290,663	-122,887	-2.78%
Income Tax Expense	1,139,224	853,298	-285,926	-25.10%
Net Income	3,274,326	3,437,365	163,039	4.98%
Other Comprehensive Income (Loss) for the Period	137,748	66,939	-70,809	-51.40%
Total Comprehensive Income for the Year	3,412,074	3,504,304	92,230	2.70%

Note: Analysis is not required if the percentage change does not exceed 20%.

Analysis of percentage changes:

1. Change in Operating Costs by -23.40%: Due to the disposal of subsidiary and cloud equity in August 2024.
2. Change in Operating Expenses by -21.16%: Due to the disposal of subsidiary and cloud equity in August 2024, decrease in the provision for expected credit impairment loss, and reduction in the amortization of commission expenses.
3. Change in Non-Operating Income and Expenses by -68.04%: Due to the gain on disposal of property in 2024.
4. Change in Income Tax Expense by -25.10%: Due to the decrease in profit before tax and the effect of reversing the overestimation of income tax.
5. Change in Other Comprehensive Income for the Period by -51.40%: Due to the recognition of exchange differences on the translation of subsidiaries' financial statements and the gain or loss on cash flow hedge instruments due to exchange rate fluctuations.

5.2.2 IFRS (Individual)

Unit: NT\$ thousands

Item	2024	2025	Change	
			Amount	%
Operating Revenue	18,970,990	16,826,112	-2,144,878	-11.31%
Operating Costs	6,928,758	6,722,148	-206,610	-2.98%
Gross Profit	12,042,232	10,103,964	-1,938,268	-16.10%
Operating Expenses	9,115,580	6,434,728	-2,680,852	-29.41%
Operating Profit	2,926,652	3,669,236	742,584	25.37%
Non-Operating Income and Expenses	1,027,357	452,746	-574,611	-55.93%
Profit Before Tax	3,954,009	4,121,982	167,973	4.25%
Income Tax Expense	898,518	746,052	-152,466	-16.97%
Net Income	3,055,491	3,375,930	320,439	10.49%
Other Comprehensive Income (Loss) for the Period	61,250	58,123	-3,127	-5.11%
Total Comprehensive Income for the Year	3,116,741	3,434,053	317,312	10.18%

Note: Analysis is not required if the percentage change does not exceed 20%.

Analysis of percentage changes:

1. Change in Operating Expenses by -29.41%: Due to the decrease in the provision for expected credit impairment loss and reduction in the amortization of commission expenses.
2. Change in Operating Profit by 25.37%: Due to the decrease in the provision for expected credit impairment loss and reduction in the amortization of commission expenses.
3. Change in Non-Operating Income and Expenses by -55.93%: Due to the gain on disposal of property in 2024.

V. Review and Analysis of Financial Conditions and Financial Performance and Risk Matters

5.2.3 Projected Sales and Basis, Potential Effects on the Financial Condition of the Company, and Countermeasures

Since the Company has not issued any financial projections, information disclosure regarding projections (i.e., projected sales and its basis) does not apply. Overall, there is no significant abnormality in its operations, and therefore the Company does see a need to have relevant countermeasures in place at this time.

5.3 Cash Flows

5.3.1 Cash Flows and Liquidity Analysis

Unit: NT\$ thousands

Item	2024	2025	Change	
			Amount	%
Cash from Operating Activities	-12,716,015	6,905,580	19,621,595	-154.31%
Cash from Investing Activities	-2,258,012	-3,242,481	-984,469	43.60%
Cash from Financing Activities	16,779,559	-4,028,380	-20,807,939	-124.01%
Analysis of percentage changes:				
1. Increase in Cash Inflows from Operating Activities: Mainly due to the decrease in notes and accounts receivable as a result of the decline in business.				
2. Increase in cash outflow from investing activities is mainly due to the increase in the acquisition of real estate investment trust beneficiary certificates and equity for reinvestment.				
3. Increase in cash outflow from financing activities is mainly due to the decrease in short-term borrowings and the repayment of corporate bonds this Year.				

5.3.2 Projection of Cash Flow/Liquidity Analysis and Improvement Plan in the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents at Beginning of Year (1)	Projected Net Cash from Operating Activities(2)	Projected Net Cash from Investing Activities (3)	Projected Net Cash from Financing Activities (4)	Projected Surplus (Deficit) of Cash and Cash Equivalents at End of Year (5) = (1) + (2) + (3) + (4)	Measures for Managing Cash Deficit	
					Investment Plans	Financing Plans
4,631,325	-10,630,125	-1,909,752	11,027,948	3,119,396	-	-
1. Analysis of projected cash flows in the Coming Year:						
(1) Outflows from Operating Activities: Due to the increase in accounts receivable as a result of the expected growth in business.						
(2) Outflows from Investing Activities: Due to the increase in office equipment as a result of the expected growth in business.						
(3) Inflows from Financing Activities: Due to the borrowing for funds to support the expansion of business.						
2. Measures for managing potential cash deficit and liquidity analysis: the Group currently does not have any cash deficit issues.						

5.4 Impact of Major Capital Expenditures in the Last Fiscal Year on the Financial Operations of the Company

In addition to the purchase of office space for operations, the other capital expenditures of the Group in the most recent year were all routine leasing operations, and the lease assets were obtained, and there was no material adverse effect on the financial business.

5.4.1 Utilization of major capital expenditures and sources of funds: N/A.

5.4.2 Estimated Potential Benefits: N/A.

5.5 Investment Policy of the Last Fiscal Year, Reasons for Gains or Losses, Improvements, and Investment Plan in the Coming Year

5.5.1 Reinvestment Policy

The Company has adopted the Procedures for the Acquisition and Disposition of Assets pursuant to the Regulations Governing the Acquisition and Disposition of Assets by Public Companies as guidelines for the investments it makes, so that the Company can monitor the operations and financial condition of the entities it invests. Additionally, the Company has adopted the Subsidiary Oversight and Management Guidelines to govern the information disclosure, finance, sales, and financial management of the invested entities in order to enhance oversight and management, thereby maximizing investment income.

5.5.2 Reasons for Investment Gains (Losses) Under the Investment Policy in the Last Fiscal Year and Future Investment Plan

Unit: NT\$ thousands

Company Name	Main Business Activities	Initial Amount of Investment	Recognized Investment Gains (Loss) in 2025	Reasons for Gains (Losses) and Improvement Plan	Future Investment Plan
Hoyun International Limited	General investment	1,269,772	20,459	This is a healthy business that continues to grow at a steady pace and generates profits.	N/A
HEJING Co., Ltd.	Installment sales of various vehicles	2,430,000	109,459	This is a healthy business that continues to grow at a steady pace and generates profits.	N/A
HEJUN Energy Co., Ltd.	Solar energy business	2,240,000	62,672	This is a healthy business that continues to grow at a steady pace and generates profits.	N/A
Hotai Finance Development Co., Ltd.	Installment sales of various equipment	3,000,000	65,845	This is a healthy business that continues to grow at a steady pace and generates profits.	N/A
Hotai Mobility Service Co., Ltd.	Taxi dispatch business	120,000	1,386	This is a healthy business that continues to grow at a steady pace and generates profits.	N/A
HFC (Cambodia) Microfinance PLC.	Finance and leasing business	1,190,845	3,272	This is a healthy business that continues to grow at a steady pace and generates profits.	N/A

5.6 Evaluation of Risk Factors for the Recent Year and as of the Annual Report Printing Date Should Include the Following Items

5.6.1 Impact of Interest Rates, Foreign Exchange, and Inflation on the Gains (Losses) of the Company, and Risk Management Measures

(1) Interest Rates:

Unit: NT\$ thousands

Item	2024	2025
Interest expenses (A)	5,830,112	5,871,227
Net operating revenue (B)	28,963,830	23,704,115
Percentage of interest expenses to operating revenue of the Company and its subsidiaries (A/B)	20.13%	24.77%

The main business activities of HFC and its subsidiaries are vehicle and equipment installment, vehicle and equipment leasing, and collection and management of accounts receivables (factoring), which require a large amount of external funds, and these funds are mainly financed by financial institutions. Whenever the maturity date, repricing date, or amount of an interest-bearing asset or liability of HFC and its subsidiaries differs, it exposes HFC and its subsidiaries to interest rate risk, resulting in future cash flow fluctuations. To manage interest rate risk, HFC and its subsidiaries, under market and capital conditions, issue corporate bonds, undertake mid-to-long-term loans or commercial papers with fixed interest rates, and regularly conduct interest rate risk analysis using internal operational guidelines to manage interest rate risk. They also enter into interest rate swap contracts with financial institutions with good credit ratings to lock in long-term loan interest rates, effectively reducing the risk of interest rate increase in the future.

(2) Foreign Exchange Risk:

Unit: NT\$ thousands

Item	2024	2025
Foreign Exchange Gains (Losses) (A)	36	-53
Net operating revenue (B)	28,963,830	23,704,115
Operating Margin (C)	3,700,164	4,062,649
Foreign Exchange Gains (Losses) to Net Operating Revenue Ratio (A/B)	0.00%	0.00%
Foreign Exchange Gains (Losses) to Operating Margin Ratio (A/C)	0.00%	0.00%

- A. HFC and its subsidiaries have operations worldwide, and are therefore exposed to risks associated with different functional currencies, primarily the U.S. dollars. The foreign exchange risk mainly arises from future business transactions and assets and liabilities recognized.
- B. The management of HFC and its subsidiaries has established a policy that requires each group company to manage foreign exchange transaction risk arising from their functional currencies. Through their own financial departments, each group company has to hedge its foreign currency exposure.
- C. Currently, HFC and its subsidiaries use interest rate swaps and currency swaps to hedge foreign exchange exposure arising from foreign currency loans from

financial institutions, locking in long-term loan interest to effectively reduce risks associated with future rise of interest rate. As for financial assets and liabilities that are hedged, HFC will defer recognition as cash flow hedge provision under other comprehensive gains (losses), which will be directly included in foreign exchange gains (losses) and financial costs when the principal or interests of hedged items are paid subsequently.

In summary, HFC and its subsidiaries are able to reduce foreign exchange risks to an acceptable level by undertaking currency swaps and interest rate swaps.

(3) Inflation Risk:

Inflation and deflation both can reduce economic efficiency, terminate savings and investment decisions, and lower the efficiency of using market price as the resource allocation mechanism, which have adverse effects on macroeconomic and microeconomic performance. These fluctuations could have a negative impact on the business operations of our customers, who might be forced to make plans for their financing needs under uncertain macroeconomic and microeconomic environment. Consequently, the anticipation of inflation or deflation by the market and the customers could result in unpredictable fluctuations in our financial products and services. That said, our gains and losses have never been mainly impacted by inflation or deflation in the past, and we take steps to monitor changes in the global economy and maintain an open communication with our customers. Therefore, we are confident that we can manage the impact of inflation and deflation on the macroeconomic environment.

5.6.2 Policies for High-risk Leveraged Investments, Lending Activities, Endorsement and Guarantee of Obligations, Transactions in Financial Derivatives, and Reasons for Gains (Losses), as well as Risk Management Measures

(1) High-risk leveraged investment:

HFC and its subsidiaries have always been dedicated to HFC's core business activities and take a practical approach in managing the business, and its financial policy is to make conservative but solid investments. HFC and its subsidiaries have not engaged in any high-risk leveraged investment in the last fiscal year and as of the date of this annual report.

(2) Lending activities:

HFC and its subsidiaries, pursuant to the applicable laws and regulations of the competent authority, have established the Lending Procedures as our operation guidelines. All lending activities have followed the Lending Procedures to propose to the Board of Directors for approval and to process accordingly, and caused no major impact on the financial conditions of HFC and its subsidiaries. All the lending activities in 2025 are required for normal business operations in our subsidiaries and have caused no loan loss.

(3) Endorsement and guarantee of obligations:

HFC and its subsidiaries, pursuant to the applicable laws and regulations of the competent authority, have adopted the Procedures for Providing Endorsement and Guarantee of Obligations as guidelines for processing the endorsement and guarantee of obligations for third parties. Considered that HFC is fully informed on the credit status of its subsidiaries, the endorsement and guarantee of obligations should not have any adverse impact on the future financial condition of HFC or its subsidiaries.

(4) Transaction in financial derivatives:

HFC and its subsidiaries have adopted the Procedures for the Transactions of Financial Derivatives pursuant to the Regulations Governing the Acquisition and Disposition of Assets by Public Companies as guidelines in processing financial derivative transactions. HFC and its subsidiaries mainly use derivative financial instruments for the purpose of hedging risks associated with its operations. The counterparties of these transactions are mostly financial institutions with whom we have existing business relationships, and the derivative financial instrument undertaken is mainly used to hedge interest rate risk, foreign exchange risk, and foreign exchange swaps. Since HFC and its subsidiaries have only entered into interest rate and foreign exchange swaps with financial institutions that have high credit ratings, the possibility of a breach is low. Therefore, the transactions should not have any major impact on HFC.

5.6.3 Future R&D Programs and Projected R&D Expenses

HFC is not in the business of manufacturing and processing. We do not have a product R&D department, nor have we created a R&D budget or incurred relevant expenses. Our Planning Department and Risk Management Department are dedicated to developing and designing financial installment products, and researching and implementing new business models. We also take advantage of big data analytics to effectively improve the operation process and enhance the competitiveness of new products. Moving forward, HFC will continue to explore and develop new business opportunities, introduce financial technologies, upgrade existing products of vehicle and equipment with the goal to become a multifaceted financial business that offers customers with premium financial installment services.

5.6.4 Impact of Domestic and International Policy and Regulatory Changes on the Financial Condition and Operations of the Company as well as Risk Management Measures

In 2022, global inflation led to several interest rate hikes by the U.S. Federal Reserve and corresponding rate hikes by Taiwan's central bank. HFC has conducted a comprehensive review of interest rates for each product and has raised the interest rates for each product to meet the rising cost of capital due to the increase in interest rates. In the future, HFC will continue to closely monitor relevant laws and policies that may affect the Company's business and operations and take appropriate countermeasures.

5.6.5 Impact of Changes in Technology and Industry on the Company's Financial Condition and Operations as well as Risk Management Measures

The Company and its subsidiaries are mainly engaged in the businesses of installment of vehicles and equipment, leasing of vehicles and equipment, and purchase and management of accounts receivable, so the risk of changes in financial instruments is relatively low. However, since our clients come from various industries, HFC and its subsidiaries continue to expand the team of case review personnel and improve credit investigation tools to minimize the risk of bad debts and reduce the chance of the Company's operations being affected by industry changes. HFC and its subsidiaries have established relevant operating procedures to implement the internal control system and maintain information security, and they regularly review and evaluate related processes to ensure their appropriateness and effectiveness to reduce information security risks. In November 2025, HFC obtained ISO27001 (Information Security Management System) certification. Therefore, up to the date of publication of the annual report, there has been no significant impact on HFC's financial and business matters due to technological changes or information security risks.

5.6.6 Impact of Brand Image Change on Crisis Management and Risk Management Measures

Under its customer first, profession based business principles, the Company provides customers with professional installment services, and continue to develop a diverse product portfolio and payment options to increase customer satisfaction. Since its incorporation, HFC has not only become an ISO 9001 certified business but also received numerous awards, which are evidence of having a positive brand image. There have not been any changes in the last fiscal year and as of the date of this annual report that would materially impact the crisis management of HFC due to a change in the brand image.

5.6.7 Expected Benefits of Mergers and Acquisitions, Risks Associated, and Risk Management Measures

There has not been any plan of merger or acquisition in the last fiscal year and as of the date of publication of this annual report. The Company will carefully evaluate the synergy of any future merger or acquisition plans to ensure the rights and interests of shareholders and employees.

5.6.8 Expected Benefits of Capacity Expansion, Risks Associated, and Risk Management Measures

HFC and its subsidiaries engage in the installment and leasing business and provide financial services to individuals and corporations. No risks associated were found.

5.6.9 Risks Associated with Concentration of Sales and Risk Management Measures

HFC and its subsidiaries did not have any sales customers accounting for 10% or more of the operating revenues in 2025 Year. Therefore, no concentration of sales with a single customer was observed. During the 2025 Year, as the purchasing and distribution model of HFC's installment sales business was to help customers resolve cash flow problems, HFC would purchase vehicles and equipment needed on behalf of the customers under a conditional sales agreement, which creates no distribution profits for HFC. When the customers repay the purchase price in installments, HFC will then receive interest income. Since the lease business of HFC and our subsidiaries will incur costs of goods sold from

lease termination due to sale, the actual transaction is not a purchase and does not rely on any particular supplier. Therefore, risks associated with purchase or sales concentration do not materially impact the financial condition or operations of HFC or its subsidiaries.

5.6.10 Impact of Transfer of Significant Number of Shares by Directors, and/or Major Shareholders Holding More Than 10% of the Total Outstanding Shares, Risks Associated, and Risk Management Measures

In the last fiscal year and as of the date of this annual report, there was no significant transfer of shareholding by the directors or major shareholders holding more than 10% of the shares of the Company.

5.6.11 Impact of Change in Ownership, Risks Associated, and Risk Management Measures

There has not been any change in the ownership of HFC in the last fiscal year and as of the date of publication of this annual report. HFC continues to strengthen its corporate governance to protect all shareholders' rights and interests. Under the management of professional managers, HFC has been growing at a steady rate every year and maintains a leading position in the vehicle installment market. Under the support of the shareholders, a change in ownership is very unlikely, and should not be considered as an unfavorable factor.

5.6.12 Disclosure of issues in dispute, amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the last fiscal year and as of the date of this annual report where the company and/or any of its directors, president, person in charge, major shareholders holding more than 10% of the Company's shares, subsidiaries or affiliates are involved in pending litigation, legal proceedings, or administrative proceedings, or a judgement or ruling without prejudice which may have a material adverse effect on the company's shareholder equity or price of securities: N/A

5.6.13 Other Material Risks and Risk Management Measures: N/A.

5.7 Other Material Disclosures: N/A.

6.1 Subsidiaries

For the most recent fiscal year, preparation of financial statements of subsidiaries in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” is described as follows:

Please refer to the Market Observation Post System.

<https://mops.twse.com.tw/mops/#/web/home>

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

- 6.1.1 Consolidated Business Reports of Affiliated Companies: Please refer to the Market Observation Post System
MOPS Market Observation Post System > Single Company > Electronic Document Download > Affiliated Companies Three Statements Section
- 6.1.2 Consolidated Financial Statements of Affiliated Companies: Exempt from Reporting
Please refer to the Market Observation Post System for the 2025 Consolidated Financial Statements
MOPS Market Observation Post System > Single Company > Electronic Document Download > Financial Reports
- 6.1.3 Consolidated Reports of Affiliated Companies: Please refer to the Market Observation Post System
MOPS Market Observation Post System > Single Company > Electronic Document Download > Affiliated Companies Three Statements Section

6.2 Private placement of securities in the last fiscal year and as of the date of this annual report: None.

6.3 Other Required Disclosures: None.

6.4 Any event in the last fiscal year and as of the date of this annual report which has a material effect on shareholder equity or price of the securities stipulated under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None.

Stock code: 6592



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